

Meeting:	Cabinet
Date:	18 <sup>th</sup> January 2006
Subject:	Brent and Harrow Trading Standards Service – Reorganisation of Service Structure
Key Decision:	No
Responsible Officer:	Andrew Trehern – Executive Director Urban Living
Portfolio Holder:	Councillor Eileen Kinnear – Public Realm and Community Safety
Status:	Part I
Encs:	Appendix 1 – Existing Staff Structure Appendix 2 - Proposed Staff Structure Appendix 3 – Budget Account for proposed Restructure

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

The report informs Members of a proposal to reorganise the Trading Standards Service and seeks Members endorsement of the proposal.

### **RECOMMENDATIONS:**

Cabinet is requested to:

1. Endorse the Reorganisation of the Brent and Harrow Trading Standards Service as outlined in the body of the report.

**REASON:** Comparisons between this Service and neighbouring and CIPFA “family” authorities show that the cost of the Service per 1000 population is high. A study of the management structure identifies that it appears “top heavy” and should be targeted to reduce costs to provide Gershon and direct savings.

## **SECTION 2 - REPORT**

### **1.0 Background**

- 1.1 The Trading Standards Service has been operated through a consortium agreement since the early 70's, originally tripartite between Harrow, Brent and Ealing. Ealing pulled out of the consortium in the early 90's leaving an agreement between Brent and Harrow.
- 1.2 All staff within the consortium are employed by Brent Council under Brent's terms and conditions. Under the consortium agreement the Director of Trading Standards, in consultation with the Harrow Commissioner, is solely responsible for the appointment, dismissal, management, organisation, structuring and deployment of staff employed in accordance with Brent Council's procedures. In this respect the reorganisation will be wholly under Brent Council's terms and conditions. However, agreement of the Harrow commissioner is required under the agreement and it is this approval that is sought through this report.
- 1.3 Comparisons between this Service and neighbouring and CIPFA "family" authorities as part of our Value for Money study shows that the cost of the Service per 1000 population is relatively high. However, a comparison of outputs shows that the consortium considerably outperforms other authorities. A study of the management structure within the Service identifies that it appears "top heavy" and should be targeted to enable staffing costs to be reduced to improve value for money and provide both Gershon and direct savings.
- 1.2 The proposal in the report directly deliver manifesto pledge D by improving the value for money of the service and D3, through providing efficient staffing to meet our needs.

### **2.0 Issue to be determined**

- 2.1 This report concerns the staffing of the Trading Standards Service. The reorganisation affects the management structure and the customer services team. The principal change is to reduce the middle management team of eight to four officers. The enforcement work undertaken within the existing management team will be delivered by four new front-line enforcement staff, subject to budget reductions within the 2006/7 budget. Within the customer services team the two senior posts are replaced by one and the team are reduced by a further 0.6 full-time equivalent.
- 2.2 Approximately 87% of the total budget of the Service comprises the salaries and transport for staff; a further 9.6% of the budget is for support service such as accommodation, telephones, payroll, finance etc. This leaves only 3-4% of the budget for other supplies/services. To provide realistic savings the staffing costs are the only area that can be considered.
- 2.3 The pressures facing the Service which have led to these proposals for change are as follows:

- Budget pressures include the need to identify 2% Gershon efficiency savings as well as the MTBS savings requirements for 2007/2008.
- The Service is high cost in relation to other similar services provided by London Boroughs, and although outputs are also high the balance between management costs, support costs and the costs of front line service need to be reviewed to ensure continuing value for money.
- Demand is increasing in respect of a number of services including enforcement in relation to the sale of cigarettes, knives and alcohol to children, illegal street trading of pornographic/counterfeit DVD sales, second hand car sales etc. and resources need to be deployed more effectively.
- There is a need to ensure Brent Council's single status agreement is implemented within Trading Standards.
- There is a need to ensure the Trading Standards input into the Comprehensive Performance Assessment in each Council is maintained at upper threshold level and not adversely affected.
- There is a need to allow proceeds of crime enforcement to be carried out, which will provide substantial income in the future.

### **3.0 Options considered**

- 3.1 The current staffing structure is attached as appendix 1 to this report. It can be seen that with a total of 34 staff, the middle management team includes eight officers (24%). Although it is recognised that some of these managers have a front-line enforcement role, this ratio is too high.
- 3.2 In comparison it is important that the level of statutory front line service delivery is maintained. Indeed further demands are being continually placed on the Service in terms of new legislation and different ways of working that require additional resources. It is also important for the future of the Service that increased income resulting from investigations under the Proceeds of Crime Act is maximised. This area of income, if explored effectively, could, as a minimum, fund at least two enforcement posts or provide direct savings within two to three years.
- 3.3 It is therefore proposed to reorganise the Service in the following way:
- to evaluate and re-grade the post of Director of Trading Standards,
  - to reduce the management team from eight officers to four officers,
  - to achieve this by deleting the Deputy Director posts and reducing the number of teams from five to three,
  - the three Team Leader posts will be evaluated and re-graded to reflect their new responsibilities,
  - the enforcement capacity previously provided from the management team will be provided by four enforcement posts to maintain service delivery at 2006-07 levels,

- to evaluate and re-grade the post of Senior Customer Services Officer to reflect additional duties,
- to reduce the number of Customer Services Officers from 2.6 to two,
- to introduce a Finance and Admin officer post which will also assist the two Customer Services Officers.

3.4 The only other options available are to retain the service in its current form, which is not a viable option within current service and budgetary pressures. There is an option available for the management savings to be made and for the new front line officers not to be put in place. The latter will be considered within the MTBS considerations separately to this report.

#### **4.0 Option recommended and reasons for recommendation**

4.1 The proposed structure is attached as appendix 2 to this report. In order to implement this new structure the following process will be adopted;

- All of the current middle manager posts, with the exception of the post of Director, will need to be deleted.
- The posts of Director and Senior Customer Services Officer will be job evaluated with new job descriptions.
- Those staff currently in post as Principal Officers will be ring fenced for interview for the new Team Leader/ Deputy Director posts.
- The two Deputy Director post holders will be ring fenced for interview for the newly evaluated Director post and the new Team Leader/Deputy Director posts.
- The Director will be ring fenced for interview for the re-evaluated Director post.
- The Customer Services Manager and Senior Customer Services Officer will be ring fenced for interview for the newly evaluated Senior Customer Services Officer post.
- The Customer Services Officers will be ring fenced for interview for the two Customer Services Officer posts.
- Any staff not successful in securing posts within the new structure will be subject to Brent Council's redundancy and redeployment scheme. A maximum of 4.6 full-time equivalent posts are potentially subject to redundancy.

4.2 The final structure will ensure the same number of staff on establishment as at present, but four manager posts will be replaced by four frontline staff. Under the new structure, the role of the four new managers will not be tasked with producing front-line enforcement work. Instead the four new enforcement officer posts will ensure the work currently being produced will be maintained and work relating, in particular, to illegal sales to children of alcohol, knives, cigarettes, solvents and spray cans; illegal street trading in counterfeit DVD'S etc. can be continued.

4.3 It should be noted that one of the proposed new enforcement officer posts will be dedicated to the Proceeds of Crime Act. There is very significant scope to ensure additional income under the Proceeds of Crime Act, which enables authorities to claim against the proceeds of crime following enforcement action. It is anticipated

that this income could potentially fund at least two enforcement officer posts after two years or provide for additional savings but the levels cannot be forecast.

- 4.4 This reorganisation will ensure the Service will be better placed to deal with the demands that are currently placed upon it, will be structured in a more efficient way, forward looking with the ability to generate additional income.
- 4.5 In order to provide the necessary savings required for 2007/8, this reorganisation will need to be implemented by 31<sup>st</sup> March 2007. In order to carry out any necessary interviews and notice to be given to any member of staff subject to Brent Council's redundancy procedure, the process described above has been commenced and the statutory redundancy notices have been issued.

## **5.0 Financial Implications**

- 5.1 This reorganisation is being considered to address the Gershon report, which recommends all local government authorities produce efficiency savings of 2% per year, and in particular the budget reductions required for 2007/8 and beyond. It will also address "single status" issues across each council.
- 5.2 A breakdown of the budget outlining the new service structure is attached at appendix 3. It is anticipated that the reorganisation will produce savings of £65,369 for the consortium; £36,110 for Brent, 3.3% savings on required budget for 2007/8 and £29,259 for Harrow, 3.4% savings (all eligible as Gershon) on required budget for 2007/8. These figures incorporate redundancy and pension costs.
- 5.3 The one-off redundancy payments to be paid in year 2006/7 are £138,826 for the consortia, £76,687.48 for Brent and £62,138.52 for Harrow. These costs are offset against in year savings due to vacancies and do not have any impact on the year on year savings or provide for a long-term financial commitment.
- 5.4 In effect this means that there will be no requirement for inflationary growth to be provided on this provision, which will directly support the 2007/8 MTBS reductions. It should be noted that the 2007/8 draft budget contains the proposal to reduce the staffing compliment by one enforcement officer. This does not affect the content of this report but will require a reduction in front line enforcement activity as outlined in the relevant budget reports.

## **6.0 Legal Implications**

- 6.1 All staff within the consortium are employed by Brent Council under Brent's terms and conditions. Under the consortium agreement the Director of Trading Standards, in consultation with the Harrow Commissioner, is solely responsible for the appointment, dismissal, management, organisation, structuring and deployment of staff employed in accordance with Brent Council's procedures.
- 6.2 In this respect the reorganisation will be wholly under Brent Council's terms and conditions but requires the Harrow commissioner's approval under the agreement.

- 6.2 The agreement between Brent and Harrow (for joint arrangements under section 101(5) of the Local Government Act 1972 for the discharge of functions as local weights and measures authorities) provides for the cost of redundancies resulting from a reorganisation to be borne by Brent and Harrow in the same proportions as the apportionable costs (as defined in the agreement) are apportioned between the councils in the subject year. The costs of litigation may also be apportioned between the two councils.
- 6.3 It is understood that the staff of the consortium have never been employed at Harrow Council and that, accordingly, Harrow does not have any additional liabilities to staff that might have arisen on transfer of staff into the consortium, or from undertakings and guarantees provided upon transfer of staff.
- 6.4 The council is a local weights and measures authority and has duties as such under a wide variety of legislation. It is important that the reorganisation does not result in any failure by the council to carry out its legislative duties.

## 7.0 Consultation

- 7.1 The process and proposals have been fully consulted on with staff through a formal process, which completed in late November. There were no significant objections received and those made were in the form of commentaries rather than direct objections.

## 8.0 Equalities Impact consideration

- 8.1 The proposals in this report have been subject to screening by Brent's equalities team and officers believe that there are no diversity implications.

## 9.0 Community Safety (s17 Crime & Disorder Act 1998)

- 9.1 The Trading Standards Service is an important contributor to Community safety through its enforcement work, especially with respect to under age sales and enforcement of issues such as counterfeit goods. It also has a significant input into Licensing services and provision, as it is a Statutory Consultee. The report addresses the need for the partnership to maintain and enhance the enforcement provision and directly supports the Crime and Disorder Strategy priorities.

## SECTION 3 - STATUTORY OFFICER CLEARANCE

Chief Financial Officer	<input checked="" type="checkbox"/>	Anil Nagpal
Monitoring Officer	<input checked="" type="checkbox"/>	David Galpin

## **SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

### **Contact:**

Michael Read    Commissioner London Borough of Brent

Gareth Llywelyn-Roberts, Commissioner London Borough of Harrow

### **Background Papers:**

Trading Standards reorganisation file - Any person wishing to inspect the above should contact Michael Read, Assistant Director, Environment and Culture, Third Floor, Brent House, High Road, Wembley, telephone 020 8937 5302.

### **IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES
2.	Corporate Priorities	YES
3.	Community Safety (s17 Crime & Disorder Act 1998)	YES
4.	Manifesto Pledge Reference Number	YES