

**BUCKINGHAMSHIRE COUNTY COUNCIL AND SURREY COUNTY COUNCIL
TRADING STANDARDS JOINT COMMITTEE**

DATE: 25 SEPTEMBER 2019

LEAD OFFICER: AMANDA POOLE
ASSISTANT HEAD OF TRADING STANDARDS

SUBJECT: PERFORMANCE AND JOINT SERVICE BUDGET

SUMMARY OF ISSUE:

The Buckinghamshire County Council and Surrey County Council Trading Standards Service Joint Committee is asked to note the performance of the service for the financial year from April 2018 to March 2019, and quarter one of the current financial year from April 2019 to June 2019. The information provided covers performance against the seven high level indicators agreed by this Joint Committee and in relation to the service budget.

The information provided shows that:

- a) Overall the Service is performing well across the range of indicators and delivered some excellent results against key performance indicators in 2018-19.
- b) The Joint Service budget is predicted to break even currently. However, there are emerging pressures on the budget caused by EU Exit and action is being taken to limit any overspend by the Service.

RECOMMENDATIONS:

It is recommended that:

1. The Trading Standards Joint Committee notes the Service's performance.
2. The Trading Standards Joint Committee notes the Service's current financial position.

REASON FOR RECOMMENDATIONS:

The Joint Committee is required by the Inter Authority Agreement which underpins the service to:

- a) Ensure effective performance of the Service. This includes formally reviewing performance annually by considering performance against the agreed measures and agreeing performance measures for the Service in advance of the start of each financial year.



- b) Maintain financial oversight of the Service and ensure sound financial management.

PERFORMANCE DETAILS:

1. The performance of the joint service is measured through seven key performance indicators, which are detailed in the attached full year performance report, and some of the information is also given in the attached performance snapshot.
2. There are no statutory performance indicators for Trading Standards and there is no performance benchmarking data available for comparison. Following the National Audit Office report on “Protecting consumers from scams, unfair trading and unsafe goods” published in December 2016, the Association of Chief Trading Standards Officers (ACTSO) have developed a new national Impacts and Outcomes Framework for Trading Standards. This was reported on formally for the first time for the 2018-19 year and our response is attached as Annex C.
3. The Joint Committee are invited to note the volatility of the performance outcomes, particularly in relation to KPIs 1, 2 & 7. This volatility is illustrated in the quarterly breakdowns of the first KPI but is relevant across each of these measures. Individual case outcomes, which often have been preceded by months or years of work, significantly affect the overall performance.
4. All the Key performance Indicators with numerical targets were met in 2018-19. These include:
 - KPI 1 – increasing the financial savings for residents as a result of our interventions and investigations, which moved from £559,435 in 2017-18 to £776,424 in 2018-19, showing a 38.8% increase.
 - KPI 4 – increasing the number of Primary Authority Partnerships, which moved from 90 at the end of 2017-18 to 103 at the end of 2018-19 – a 14% increase.
 - KPI 5 – increasing the number of trader approval schemes which moved from 3,361 at the end of March 2018 to 3,729 at the end of March 2019 – an 11% increase.
5. A key priority for the Service is protecting the most vulnerable, increasing the financial savings for residents and stopping rogue traders operating in Buckinghamshire and Surrey. KPI 2 relates to stopping rogue traders operating and is a combination of indicators which may help the Committee to understand the level of work being undertaken in this area. This year has seen a bounce back, by comparison to last year, in some areas such as rogue traders convicted. However, other areas, such as confiscations under the Proceeds of Crime Act have seen a decrease by comparison to previous years. This continues to underline the wide volatility in this indicative data, which often depends on the length and complexity of investigations, which regularly span across more than one financial year. KPIs 1, 3, 5 & 7, which are all broadly positive, also relate to this priority area.
6. The growth in the use of volunteers has continued to be strong. The Service has around 70 volunteers actively supporting the priorities of the service. They gave 2,585 hours of their time during 18-19, a 13% increase compared

to 2,282 hours in 2017-18. This increase has been maintained and in the first quarter of 19-20 volunteers have already contributed 819 hours to supporting the Service's priorities.

7. Our second key priority is to help businesses to thrive and support economic growth. Our Primary Authority Partnerships continue to grow in number and depth. The licensing support which had begun for one partnership in 18-19 is continuing in 19-20 and has been expanded into further areas because the partner concerned was so pleased with the work delivered.
8. The UK's impending EU Exit provides challenges for businesses, in terms of understanding how it will affect them and how they may need to do things differently to comply with the regulatory environment. We anticipate that this may cause a spike in demand from businesses around the time of leaving and afterwards.
9. Improving the health and wellbeing of communities is the third key priority for the Service, and KPI 6 discusses some of the work that the Service does to support this.
10. During the year, the Service worked with Surrey and Thames Valley Police forces to test purchase knives to see how available they were to under 18s. Out of 38 test purchases, seven sales were made an overall rate of 18.4%. However, there was a difference between the test purchases in Surrey and those in Bucks, with the Surrey sale rate at 7.7% and the Bucks sale rate at 41.7%. This work is considered in more depth in the emerging issues report.
11. Demand continues to grow to tackle the import of unsafe products through Surrey based transit sites for Heathrow. In 2017-18, the service inspected 44 consignments (containing just under 150,000 individual items) of which 31 (70%) contained unsafe or non-compliant items. In 2018-19, the service inspected 96 consignments (containing over 350,000 individual items) of which 67 consignments (70%) contained unsafe or non-compliant products destined for people's homes. The value to society of stopping these items from entering the country is estimated to be £1,502,824. In the first quarter of 19-20, 34 consignments have been inspected (containing over 50,000 individual items). 10 of these are confirmed to have contained unsafe or non-compliant products and a further five are subject to ongoing further testing to establish whether or not the products are safe.
12. Work tackling illegal supplies of Tobacco is a significant part of this work stream and we continue to investigate offenders supplying illegal tobacco. Following Service investigations, three defendants were convicted of supplying illegal tobacco in 18-19, resulting in fines and (unusually) a suspended jail sentence. Two more convictions of such offenders occurred in April and May 2019, and a further two are scheduled for trial in September.

<u>BUDGET 18/19 OUTTURN AND 19/20 FORECAST:</u>
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13. The budget for the joint service was set out in the original joint service business case and set out planned savings of 12% over the first four years of the new shared service. This was adjusted by the Joint Committee in March 2016 to include an additional 1.5% 'marginal efficiency savings' each year from 16/17 for four years.

14. In March 2017 the Joint Committee agreed a revised budget for the Service, to include new additional income generation targets of 3.8% (£109,000) in 2017/18; 3.5% (£96,000) in 2018/19; and 1.1% (£31,000) in 2019/20. The detail of this budget is set out in Annex B for information. This results in overall savings targets for the shared service of approximately 27%.
15. The Service delivered all of the savings and additional income targets set out in the original business case and has been underspent at outturn each year of its existence.
16. In 2018/19 the joint budget was £2,727,000. At outturn the Service had spent £2,658,854 (an underspend of £68,146), which was divided between the partner Local Authorities in the usual 34% Buckinghamshire and 66% Surrey proportions.
17. The 2019/20 budget is £2,642,000. It is currently projected that the budget will break even at outturn this year. However, due to impacts of EU Exit on our income and work, we anticipate that there could be an emerging pressure of around £100k by the end of the year on the budget, which we are taking steps to mitigate.
18. In the Trading Standards budget there are a number of factors which introduce volatility to the budget. It is challenging to accurately predict income and its timing especially where costs are recovered from prosecutions. Some cases go through the legal process in a matter of weeks and others can run into years. Conversely, the timing and amount spent on prosecutions varies depending what approach is taken by the defence, what arguments are made and whether the defendant pleads guilty at an early opportunity.
19. The Service manages its' budget closely to even out the most volatile factors where it is possible. Future income growth targets have some associated risk which has previously been discussed by the Trading Standards Board, and where these risks escalate to become high risk these will be brought back to the Trading Standards Board for oversight.
20. A further budget update will be shared with Members of the Joint Committee at the next Joint Service Board meeting. This will provide an opportunity to discuss and shape budget plans for future years. The budget will then be formally considered and agreed by the Joint Committee in March 2020.

CONSULTATION:

21. No external consultation has taken place.

RISK MANAGEMENT AND IMPLICATIONS:

22. All significant risks affecting the service (which include items beyond budget and performance) are regularly considered by the management team (two monthly for red and amber risks, six monthly for green risks).
23. Where risks become higher, these are shared with the Trading Standards Board for awareness and discussion.

FINANCIAL & VALUE FOR MONEY IMPLICATIONS

24. The Service has delivered all elements of the business case. The budget outturn position for 2018/19 and forecast for 2019/20 is detailed within the Budget 18/19 Outturn and 19/20 Forecast section above.
25. The strong foundation created by the shared service has enabled it to achieve significant additional income without damaging service delivery.

LEGAL IMPLICATIONS

26. The Inter-Authority Agreement provides the legal framework within which the Service operates. As set out in the Reason for Recommendations section of the report, the Joint Committee is responsible for ensuring the effective management of the Service and maintaining financial oversight. The Service's performance is then subject to scrutiny in the participating authorities in the normal way.
27. The report makes a number of references to relevant legal processes and proceedings that the Service has been involved in over the last year. There are no other specific legal issues that need to be drawn to the attention of the Committee.

EQUALITIES & DIVERSITY

28. The performance being reported will not impact on residents or staff with different protected characteristics. As such an Equality Impact Assessment has not been included.

WHAT HAPPENS NEXT:

29. Performance continues to be reviewed by the Service Management team and by the Joint Service Board.

REPORT DETAILS

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Annexes:

Annex A – Key Performance Indicators Full Year Report 2018/19 and Q1 of 2019/20
Annex B – Trading Standards Budget 2017/18 Onwards
Annex C – ACTSO Impacts and Outcomes Framework Return 2018/19

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