

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

DATE: 23 SEPTEMBER 2020

**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 April 2019 to March 2020 (Annex A), and quarter 1 of 2020-21 (April to June) (Annex B). The information provided for the 19-20 year covers performance against the seven high level indicators agreed by this Joint Committee and in relation to the service budget. The Quarter 1 information is provided against key indicators agreed by the Trading Standards Board.

The information provided shows that:

Overall the Service is performing well across the range of indicators and delivered some excellent results against key performance indicators.

The Joint Service budget was slightly overspent at the end of the 19-20 year (by 0.8%) due to pressures on the budget caused by EU Exit.

The Joint Committee is asked to agree the Performance Indicators about which it wishes to receive information in the future.

The Joint Committee is asked to note the position in relation to the joint service budget in 2020/21.

RECOMMENDATIONS:

It is recommended that the Trading Standards Joint Committee:

1. notes the Service's performance.
2. agrees the future Performance Indicators.
3. notes the joint service budget for 2020/21 and the identified pressures that will need to be addressed in year.

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 key performance indicators agreed by the Joint Committee. These are detailed in the attached 2019-20 performance report. It is suggested that these are slightly altered for 2020 onwards to more strongly link to the Service's priority areas, and the Q1 Performance Report for 2020-21 reflects the possible new indicators.
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.
3. The Joint Committee are invited to note the volatility of the performance outcomes, particularly in relation to KPI's 1 and 2. Individual case outcomes, which often have been preceded by months or years of work, significantly affect the overall performance. Wide scale closure of courts and jury trials during the Coronavirus pandemic has emphasized this volatility, with the Service having no convictions in Q1.
4. **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 assist the Committee to understand the level of work being undertaken in this area. 16 people/entities were convicted following prosecution in 19-20, leading to over 21 years of immediate prison sentences (a significant increase on recent years) and £28,364 of fines. There were no convictions or sentences passed during Q1 20-21. Savings for residents (KPI 1) fluctuate year by year often due to factors beyond our control. In 2019-20 our savings were lower than the previous year. In part this is due to two unusually large savings amounts in the previous year and there being no large amounts of compensation awarded from proceeds of crime during this year. In Q1 the savings for residents were over £100,000 with no large proceeds of crime compensation awards in the period. KPI's 3, 5 & 7 in 2019-20, which are all positive, also relate to this priority area.

5. The growth in the use of volunteers has continued to be strong and increased significantly in 19-20. The Service has around 50 volunteers actively supporting the priorities of the service. They gave 5380 hours of their time during 19-20, more than doubling the hours contributed in 18-19 (2585 hours).
6. **Our second key priority is to helping businesses to thrive and supporting economic growth.** The service continues to successfully grow Primary Authority Partnerships both in terms of absolute numbers and in depth and quality with businesses now regularly approaching the Service seeking a partnership. The Service was recognised by BEIS / OPSS during the year, being shortlisted for the Regulatory Excellence Awards for our work with Businesses on Product Safety.
7. Supporting businesses to operate effectively and appropriately, and in accordance with rapidly introduced legislation, through the Covid Pandemic has been a significant priority. This has included providing advice on how businesses can diversify (for example to produce hand sanitiser or face coverings) or how they can alter their business model, for example to provide safe home delivery services. This work is further discussed in Annex B, for quarter 1.
8. The UK's 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. Understanding the likely position was a significant task in 2019-20, and remains a challenge for 2020-21 as we anticipate that this may cause a spike in demand from businesses around the end of the transition period as we move into new arrangements.
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 18's. 17 test purchases by underage volunteers of knives have been undertaken. Two shops sold and this is being followed up. Positively no sales were made from shops which had sold in the previous year.
11. Demand continued to be high in 2019-20 to tackle the import of unsafe products through transit sites for Heathrow. During 2019-20 over 25,000 unsafe and non-compliant products destined for people's homes were prevented from entering the country through our work. However, the activity in this area spiked even more significantly during April, May and June of 2020 as the Country urgently needed supplies of PPE so air freight was used to a much greater extent than normal to speed supplies into the Country. During this time our officers reviewed over 4.5 million products, the majority of which were face masks, with smaller quantities of hand sanitiser. The Service stopped over 700,000 unsafe or non-compliant items from being released into the marketplace.

12. Work tackling illegal supplies of tobacco is a significant part of this work stream and we continue to investigate offenders supplying illegal tobacco, making use of sniffer dogs to locate hidden tobacco. There were four prosecutions of such offenders during the 19-20 year, resulting in fines and community orders including rehabilitation days and 100 hours of unpaid work. Further investigations are ongoing and are in the court process.
13. The Service has used the same set of KPI's since 2015 when they were agreed by the Joint Committee. Since that time the service has continued to develop and the Association of Chief Trading Standards Officers (ACTSO) Impacts and Outcomes Framework has been completed. It is therefore timely for the Joint Committee to consider the KPI's it would like to see in the future.
14. Revised Key Performance Indicators are given in Annex C. These are designed to demonstrate the Service's performance in its' priority areas and (due to the cancellation of this Joint Committee in March) have been discussed informally with the Trading Standards Board. The Joint Committee is asked to formally consider whether it would like to adopt these Performance Indicators or continue to use the current set.

BUDGET 19/20 AND 20/21 PLANS:

15. The costs of the Joint Service are divided between the partner Local Authorities in the proportion: 34% Buckinghamshire and 66% Surrey, which includes any under or over spends.
16. 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 4 years of the new shared service. This has been adjusted by the Joint Committee on occasion, resulting in overall savings targets for the shared service of approximately 27% over the last five years. This has included additional income and efficiency savings.
17. 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. However, the Service manages its' budget closely to even out the most volatile factors where it is possible.
18. Prior to 2019/20 the joint service underspent each year, delivering all the savings and additional income targets set out in the original business case.

2019/20

19. The 2019/20 budget was £2,642,000. At year end there was a small budget overspend of £21,000 (0.8%). This was due to the impacts of EU Exit on our income (caused by a lack of parliamentary time).
20. Future income has some associated risk which has previously been discussed by the Trading Standards Board.

2020/21 budget

21. The approved budget for 2020/21 is £2,631,000. Since this was approved there have been a number of budget pressures.

Pay inflation:

This was previously estimated at 1.5%, however 2% was required, creating a pressure of £12,000.

Service Specific IT costs:

The service is in the process of replacing its' main service database. This will be implemented during 2020/21 and is expected to be completed by the end of the financial year. The additional implementation costs will be managed through the services equipment replacement reserve. However, this review has identified that the annual running costs of the joint services' current IT systems were being absorbed within Surrey County Council's central IT budget, rather than shared through the joint partnership. This will be rectified for 20/21 increasing the partnership costs by £61,000.

Additional savings:

These were initially agreed for four years, however the previous budget also applied these to 2020/21 (i.e. for a fifth year) on the expectation that the service would be able to continue finding additional savings. Further additional savings are now deemed unachievable given the pressures experienced in 2019/20. This creates a pressure of £51,000

22. Overall these create a total cost pressure in year of £124,000, and if fully funded would require an increased partnership budget of £2,755,000. Annex D shows both the agreed and required budgets for the year along with the funding splits between Surrey County Council and Buckinghamshire County Council.

Covid:

Since the above pressures were identified Covid has occurred. This has impacted the Service by causing income to drop and some additional spend requirements. The additional spend to date has been covered by each authorities' Covid grant from central government. It is planned to make a claim for lost income against the newly announced local government income compensation scheme, however this will not offset 100% of lost income and therefore there will be some impact in year. There have been some small reductions in expenditure as a result of paused activity and operating online, for example reduced legal fees and travel expenses. The full financial impact of this is still to be determined.

23. The Service has been holding vacant posts and reducing spend where possible to reduce the impact of the above pressures.

2021/22 Budget Planning

24. Covid has affected the financial position of both Local Authorities during 2020/21. It is also likely to have longer-term financial impacts, including the operation of Trading Standards and in the wider marketplace. This will require

Careful budget planning which both authorities have started, and the finance teams will liaise closely as it progresses.

CONSULTATION:

25. No external consultation has taken place.

RISK MANAGEMENT AND IMPLICATIONS:

26. 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, 6 monthly for green risks).

27. Where risks become higher, these are shared with the Trading Standards Board for awareness and discussion.

FINANCIAL & VALUE FOR MONEY IMPLICATIONS

28. The Service has delivered all elements of the business case. The forecast budget outturn position for 2020/21 is detailed within section 5 above.

LEGAL IMPLICATIONS

29. The Inter-Authority Agreement provides the legal framework within which the Service operates. As set out in paragraph 3.1 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.

30. 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

31. 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:

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

REPORT DETAILS

Contact Officer(s):

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Consulted:

Annexes:

Annex A: Key Performance Indicators 2019/20
Annex B: Key Performance Indicators 2020/21, Quarter 1
Annex C: Suggested Key Performance Indicators for 2020/21
Annex D: Trading Standards Budget 2020/21 onwards

Sources/background papers:

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