

BUCKINGHAMSHIRE COUNCIL AND SURREY COUNTY COUNCIL

TRADING STANDARDS JOINT COMMITTEE

DATE: 9 NOVEMBER 2022

**LEAD OFFICER: AMANDA POOLE
ASSISTANT HEAD OF TRADING STANDARDS**

SUBJECT: PERFORMANCE, HALF YEAR SERVICE REVIEW AND JOINT SERVICE BUDGET

1.0 SUMMARY OF ISSUE:

- 1.1 The Buckinghamshire Council and Surrey County Council Trading Standards Service Joint Committee is asked to note the performance of the service for quarters one and two of 2022-23 (April to September) (Annex B).
- 1.2 The information provided shows that the Service is performing well across the range of indicators and is delivering some excellent activity against key performance indicators.
- 1.3 The Joint Committee are asked to consider whether they would be willing to become SCAMBassadors.
- 1.4 The Joint Committee is asked to note the latest forecast for the outturn for 2022/23.
- 1.5 The information provided shows that:

The Joint Service budget is forecast to be approximately 8.1% overspent at the end of the 22-23 year (£218,000) against the budget agreed by the Joint Committee in April 2022 (Annex A). Although this is less than was flagged as the likely risk to the budget in April. The main factors in this overspend (as advised in April) are: ongoing pressure on income that was originally seen during the covid pandemic; the costs of salary inflation and the costs of an increase in National Insurance payments.

2.0 RECOMMENDATIONS:

It is recommended that the Trading Standards Joint Committee:

1. notes the Service's performance.
2. agree to consider becoming Friends Against Scams SCAMBassadors
3. notes the current forecast outturn for the joint service budget for 2022/23



3.0 REASON FOR RECOMMENDATIONS:

- 3.1 The Joint Committee is required by the Inter Authority Agreement which underpins the service to:
- a) Ensure effective performance of the Service. This includes reviewing performance by considering performance against the agreed measures.
 - b) Maintain financial oversight of the Service and ensure sound financial management.

4.0 PERFORMANCE DETAILS:

- 4.1 The performance of the joint service is measured through key performance indicators previously agreed by the Joint Committee. These will next be agreed by the Joint Committee at our Spring meeting in 2023, and work will be undertaken with the Board outside of these meetings to develop suggestions to be brought back to that Joint Committee for consideration.
- 4.2 Flexibility of the Trading Standards Service to respond to the latest situation, within overall priorities for the Service, is vital for delivering what matters to residents and local businesses. The performance framework supports this and requires the Joint Committee to look at it in the round. In the last few months for example, activities to support communities and individuals through the impacts of inflation and the cost-of-living crisis have become increasingly important to the Service, for example by ensuring that products are safe regardless of their cost and providing consumers confidence that they are getting what they have paid for. At the end of the report in Annex B there is a summary of the Services' work through this lens.
- 4.3 There are currently no statutory performance indicators for Trading Standards and there is no performance benchmarking data on performance available for comparison. Previous attempts to create national performance indicators for Trading Standards have not been successful.
- 4.4 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) developed the national "Impacts and Outcomes Framework for Trading Standards". The concept of this approach is to use a wide range of indicators, divided across three main areas: Tackling detriment and preventing harm; Supporting the local economy; and Promoting health and wellbeing. This has been reported on since the 2018-19 year and provides overall information about the impact of Trading Standards using nationally aggregated data but does not provide benchmarking data because it is accepted that each Service is likely to be focusing on different areas within this framework to respond to their local issues in any given year and bearing in mind their local situation. The latest aggregate data from the ACTSO returns was recently published and is given in Annex C.
- 4.5 The Joint Committee will note that most of the performance indicators for the joint Service have no targets. They are purely indicative of a situation and should be read alongside others to form an overall picture of the work the

Service is doing which contributes towards the overall priorities (but does not directly control the outcome). An example of this type of indicator are those related to investigation outcomes. A 'good' investigation is one which is appropriately thorough and fair to all parties with the outcome decided in accordance with the Services' agreed Enforcement Policy. So, the number of convictions is useful to understand as part of the picture of our work to tackle fraudulent and illegal trading practices but there can be no targets sets because the Service must act fairly, appropriately and in line with our Enforcement Policy and not be led towards prosecution by a target. Similarly, the sentences set by judges and magistrates are not within our control but do give an indication of the judiciaries view of the seriousness of the offences prosecuted.

- 4.6 Outcomes to investigations, such as convictions and sentences imposed continue to be affected by backlogs in the Court system and have been further impacted recently by a strike being carried out by defence barristers. The Service is now seeing very significant delays to numerous cases, with trials being delayed for second and third times often with another years' wait for the new trial date. Naturally this has impacts on both the witnesses, many of whom are elderly or vulnerable, some of whom have died since the incidents that led to the investigation, and on the defendants.
- 4.7 Impacts of the covid pandemic can be seen in some of the performance information over time but is generally returning to pre-pandemic levels in most areas with the notable exceptions being in relation to investigation outcomes (with the added delays caused by the barrister strike) and in relation to the take up of Trading Standards approved trader schemes.
- 4.8 **A key Service priority is protecting the most vulnerable, tackling fraudulent illegal and unfair trading practices, including serious and organised crime.** Between April and September, the financial impact of our interventions related to scams and frauds was £1,342,971 comparing to £1,237,682 for the same time period last year and comparing to a total for all of last year of £2,090,836.
- 4.9 Prevention is a cornerstone for the service in how we seek to protect both residents and businesses, and the report discusses different tools we use to work with both vulnerable individuals and the wider population in our areas. Details of the role of SCAMBassadors and how they enhance prevention are provided in Annex B.
- 4.10 Three defendants have been convicted (following guilty pleas) of offences between April and September, compared to none for the same time period last year. No defendants have been found not-guilty (also none for the same time period last year). The Service currently has 25 defendants going through the legal process, an unusually high number for reasons explained in 4.7 above.
- 4.11 In addition to the outcomes of investigations the Service undertakes activities to disrupt illegal and unfair trading. The report goes into more detail of what illegal products the service has seized, pending investigation, or stopped from being allowed into the Country such as tobacco and unsafe goods.
- 4.12 **Our second key priority is to enable businesses to get the help and support they need to thrive and grow. Delivering public protection**

through supporting businesses to comply with their legal responsibilities and ensuring a level playing field. Research shows that a positive regulatory environment can contribute significantly to economic development and sustainable growth, improving the openness of markets and creating a less constricted business environment for innovation and entrepreneurship. It can protect compliant businesses by enabling fair competition and promoting a level playing field and provide business with the confidence to invest, grow and create new jobs.¹ Supporting businesses to understand what they need to do to be compliant is a vital part of a positive regulatory environment, ensuring that they can confidently focus their resources in the right areas.

- 4.13 The service continues to successfully grow Primary Authority Partnerships with 158 partnerships at the end of September. We have now largely completed the work to transfer around 20 suitable partners from Hampshire Trading Standards, who were unable to provide a comprehensive Primary Authority Service due to resourcing constraints. Since this increase in Partners, we have reverted to not actively seeking new partnerships whilst we embed the new Partners. However, due to our reputation, businesses still regularly approach us for partnerships which is why the numbers continue to gradually increase.
- 4.14 This year has continued to provide notable challenges for businesses that we have provided advice and support on. Supply chain issues that started with covid have continued, with the war in Ukraine limiting the supply of some foodstuffs used as ingredients, such as sunflower oil. Changes in implementation dates to rules for importers and the legislation regarding foods high in sugar, salt and fat have also led to businesses needing more advice on how it impacts them and what they can legally do to keep their customers safe and informed about what they are buying.
- 4.15 Uptake of the Trading Standards Trader Approval Schemes continues to be low, though very gradually increasing.
- 4.16 **Improving wellbeing and public health; tackling the supply of unsafe, dangerous or age restricted products and working to maintain the integrity of the food chain, including food quality, nutrition, and animal health is the third key priority for the Service.**
- 4.17 Work tackling illegal supplies of tobacco is a significant activity for the Service given the harm caused by smoking, the disproportionate affect this has on more deprived groups and the appeal to children and people from lower socio economic groups that cheap illegal tobacco has – further exacerbating the impacts on them. The report in Annex B explains in more detail the work in this area, including test purchasing and operations with the tobacco detection dogs, which have found around 69,000 illegal cigarettes since April.
- 4.18 Demand has continued to be high to tackle the import of unsafe products through transit sites for Heathrow. Over 40,000 unsafe and non-compliant products destined for people’s homes were prevented from entering the country through our work, including electrical items unsafe because they could give their users an electrical shock and toy guns that presented serious

¹ [Regulation and Growth \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

choking and intestine obstruction hazards because the gel pellets fired could be swallowed but then would expand significantly on contact with liquid.

5.0 BUDGET 21/22 AND 22/23 PLANS:

- 5.1 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 overspends.
- 5.2 There are a number of factors which introduce volatility to the budget. The service has an income budget of £693k, equivalent to 20.6% of its gross budget. It is challenging to accurately predict income and its timing especially where costs are recovered from prosecutions, or where market conditions are changing. Some cases go through the legal process in a matter of weeks and others (particularly at the moment) 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. The Service manages its' budget closely to even out the most volatile factors where it is possible.

2021/22

- 5.3 To briefly revisit 2021/22 because these figures were not available for the last Joint Committee: The 2021/22 budget was £2,676,000. At outturn there was an overspend of £136,000 (5%). This was due mainly to reduced income. Covid impacted the Service by causing income to drop. A claim was made for Q1 to the local government income compensation scheme as this was extended for one quarter from the previous year, which offset £66,000 of the loss. However, the scheme was not extended beyond June. The Service restricted its' spend where possible, but there was limited staff turnover during the year, so it was not possible to manage the overspend down further through holding vacancies.
- 5.4 Each Council managed the overspend in accordance with their own approach.

2022/23 Forecast

- 5.5 The agreed budget for 2022/23 (in Annex A) was kept at the same value as the previous year of £2,676,000. However, the Joint Committee noted the known pressures, estimated at £262,000 for: pay inflation, additional National Insurance costs and reduced income, preferring for each Council partner to deal with these known pressures in different ways.
- 5.6 During the first half of the year the Service has been managing the budget closely, taking opportunities to reduce the likely £262,000 overspend downwards. The latest forecast overspend is now £218,000 (8.1%). The main reasons for this reduction in overspend are: receipt of government grants (that had not been anticipated in advance) to deliver enforcement of new legislation which is being delivered from within current staffing levels; more recently a

reduction in anticipated legal spending due to trials being again adjourned into next financial year.

- 5.7 Each Council has a different approach to how it plans on dealing with their proportion of the overspend.

2023/24 Planning

- 5.8 Both Councils are currently undertaking activity to develop their Medium Term (financial) Plans. The impacts of these on the Trading Standards budget will be discussed at the next Board meeting and a suggested budget will be brought back to the Spring Joint Committee for consideration.

6.0 CONSULTATION:

- 6.1 No external consultation has taken place.

7.0 RISK MANAGEMENT AND IMPLICATIONS:

- 7.1 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).
- 7.2 Where risks become higher, these are shared with the Trading Standards Board for awareness and discussion.

8.0 FINANCIAL & VALUE FOR MONEY IMPLICATIONS

- 8.1 The Service has delivered all elements of the original business case. The forecast budget outturn position for 2022/23 is detailed within section 5 above.

9.0 LEGAL IMPLICATIONS

- 9.1 The 2015 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.
- 9.2 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.

10.0 EQUALITIES & DIVERSITY

- 10.1 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.

11.0 WHAT HAPPENS NEXT:

- 11.1 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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Mr Steve Ruddy, Head of Trading Standards 01372 371730

Consulted:

Annexes:

Annex A: Agreed Trading Standards Budget 2022/23
Annex B: Performance & Service Update Quarters 1&2 (April – September) 2022/23
Annex C: ACTSO Summary of Impacts and Outcomes of Trading Standards activity for England and Wales 2021-2022.

Sources/background papers:

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