

BUCKINGHAMSHIRE COUNCIL AND SURREY COUNTY COUNCIL

TRADING STANDARDS JOINT COMMITTEE

DATE: 18 MAY 2023

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

SUBJECT: JOINT SERVICE BUDGET

1.0 SUMMARY OF ISSUE:

- 1.1 The Joint Committee regularly reviews and sets the Service budget.
- 1.2 The information provided shows that the Joint Service budget was 5.6% (£150,000) overspent at the end of the 22-23 year against the budget agreed by the Joint Committee in April 2022 (Annex A). This was less than the £262,000 flagged in April 2022 as the likely risk to the budget in 2022-23.
- 1.3 The reasons for the reduction in this overspend was an improvement in income beyond that expected particularly due to some 'new burdens' Grant funding from central government.
- 1.4 The proposed budget for 23/24 is £2,908,000. This includes pressures and savings. Both Councils have considered the budget for the joint Service, and informally agreed changes which are set out in this paper and in Annex B for formal agreement.

2.0 RECOMMENDATIONS:

- 2.1 It is recommended that the Trading Standards Joint Committee:
- 2.1.1 notes the outturn for the joint service budget for 2022/23
- 2.1.2 agrees the budget for 2023/24 as set out in Annex B

3.0 REASON FOR RECOMMENDATIONS:

- 3.1 The Joint Committee is required by the Inter Authority Agreement which underpins the service to:
- a) Maintain financial oversight of the Service and ensure sound financial management.



4.0 BUDGET 22/23 AND 23/24:

- 4.1 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 over spends.
- 4.2 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 it's 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.

2022/23 Outturn

- 4.3 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.
- 4.4 The Service managed the budget closely, taking opportunities as they arose to reduce the £262,000 risked overspend downwards. This has resulted in an actual outturn overspend of £150,000 (5.61%). 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 and slightly stronger than anticipated income. Legal costs that were anticipated in the early part of the year (but not flagged to the Joint Committee last April) did not materialise due to trials being further adjourned and defendants pleading guilty prior to trial thus avoiding the more significant costs.

Summary by expenditure type	Full Year Budget £'000	Full Year Actual £'000	Full Year Variance £'000
Employee related spend	3,037	3,149	112
Non-staffing expenditure	333	322	-11
EXPENDITURE:	3,370	3,471	101
INCOME:	-693	-645	49
Total Net Expenditure	2,676	2,826	150
<u>Bucks Contribution</u>	910	961	51
<u>Surrey Contribution</u>	1,766	1,865	99

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

2023/24 Planning

- 4.6 Both Councils have independently considered and agreed their own Medium Term Financial Plans. The impacts of these have been discussed by the partner authorities and a budget is proposed in Annex B for the Joint Committee to consider and decide upon.
- 4.7 The budget for 2023/24 identifies cost pressures and cost savings. The largest pressure for the Service going into 23/24 is pay inflation. In total this is estimated at £233,000, which includes the 2022/23 inflation (£75k) plus 2023/24 pay inflation which is unconfirmed but currently estimated at 5% (£158k). Other pressures are the creation of a new Apprentice role to partially mitigate some of the impacts of deletion of posts for cost savings, and income.
- 4.8 The pressure on income was highlighted in April 2022. At the start of the Covid pandemic the Service income was reduced by around £200,000. This was initially supported by central Government lost income grants. The Service is mid-way through a plan to recover this at a rate of £40,000 each year. This was recovered in 22/23 and the Service is optimistic that a further £40,000 can be delivered in 23/24.
- 4.9 Cost savings, totalling £151,000 have been identified as follows:
- 4.9.1 Removal of seconded Thames Valley Police Officer (based in Bucks)
 - 4.9.2 Deletion of an investigation officer post (based in Surrey)
 - 4.9.3 Cut of one third of the food sampling and analysis budget
 - 4.9.4 Remove a specific piece of investigations software
 - 4.9.5 Deletion of officer hours as officers cut hours (e.g. for flexible retirement)
- 4.9 The net impact is a requirement for a budget increase of the estimated cost of pay inflation, i.e. £233,000. This is built into the proposed budget.

6.0 CONSULTATION:

- 6.1 No external consultation has taken place. However, finance teams from both partner Councils have been involved in developing the proposed budget.

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 budget outturn position for 2022/23 is detailed within section 4 above.

9.0 LEGAL IMPLICATIONS

- 9.1 The 2015 Inter-Authority Agreement provides the legal framework within which the Service operates.
- 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 The budget will be monitored and managed by the Service Management team and will be reported back to the Joint Committee at each of its meetings.

REPORT DETAILS

Contact Officer(s):

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Mr Steve Ruddy, Head of Trading Standards 07968 834 638

Consulted:

Annexes:

Annex A: [2022-23 Agreed Trading Standards Budget for reference.](#)
Annex B: [Proposed Trading Standards Budget 2023/24](#)

Sources/background papers:

N/A