

BUCKINGHAMSHIRE COUNCIL AND SURREY COUNTY COUNCIL

TRADING STANDARDS JOINT COMMITTEE

DATE: 10 APRIL 2024

**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 is forecasting an underspend of 4.1% (£118,000) against the budget for 2023-24 agreed by the Joint Committee in April 2023.
- 1.3 The reasons for the underspend are initial difficulties in recruitment, followed by a decision to intentionally hold some vacancies in preparation for managing a likely reduction in the 2024-25 budget.
- 1.4 The proposed budget for 24/25 is £2,753,000. This includes pressures and savings. Both Councils have considered the budget for the joint Service, and informally (through Board meetings) agreed changes which are set out in this paper and in Annex A for formal agreement.

2.0 RECOMMENDATIONS:

- 2.1 It is recommended that the Trading Standards Joint Committee:
 - a) notes the forecast outturn for the joint service budget for 2023/24
 - b) agrees the budget for 2024/25 as set out in Annex A

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:

- 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 overspends.
- 4.2 There are several factors which introduce volatility to the budget. The service has an income budget of £573k, equivalent to 19.7% 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. We have also had a change of financial system within the year which has caused a higher level of uncertainty than usual as we learn the new system.
- 4.3 In terms of the larger scale economic situation, including that affecting other Local Authorities, we have particularly seen the impact of this on businesses with whom we have Primary Authority Partnerships which makes income less certain than in some previous years.
- 4.4 In relation to trials, which can cost significant amounts of money, and court outcomes that at times lead to costs being recovered, this remains unpredictable. We continue to have all of the trials for more complex cases be repeatedly adjourned, usually for a year or more at a time causing the outcomes to be delayed. This issue adds to the difficulty of accurately forecasting both court related costs and affects the recovery of those costs. The Service manages its' budget closely to even out the most volatile factors where it is possible.

2023/24 Forecast Outturn

- 4.5 The agreed budget for 2023/24 totals £2,908,000.
- 4.6 The current forecast outturn is an underspend of £118,000 (4.1%). The main reason for this underspend is the holding of vacant posts. Attempts to recruit to qualified officers in the early part of the year were not successful. There is a shortage of qualified officers in the Trading Standards profession and the one suitable external candidate who initially applied pulled out just before interview telling us he had secured a similar job on a higher wage at a different Council.
- 4.7 From mid-year, as it became apparent that the financial situation for Local Government is significantly constrained, we took the decision to hold some of our vacant posts in anticipation of the budget for 24/25. This approach has allowed us to avoid any compulsory redundancies and the additional costs associated with these to deliver the Service within a lower budget next year. However, working with vacant posts clearly impacts the Service's ability to deliver the same level of provision.

Summary by expenditure type	Full Year 23/24 Budget £'000	End of Year Forecast £'000
Employee related spend	3,191	3,109
Non-staffing expenditure	290	316
EXPENDITURE:	3,481	3,458
INCOME:	-573	-635
Total Net Expenditure	2,908	2,791
<u>Buckinghamshire Council Contribution</u>	989	949
<u>Surrey County Council Contribution</u>	1,919	1,842

- 4.8 Each Council has a different approach to how it plans on dealing with their proportion of the budget underspend.

2024/25 Planning

- 4.9 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 A for the Joint Committee to consider and decide upon.
- 4.10 The budget for 2024/25 identifies cost pressures and cost savings. The largest pressure for the Service going into 24/25 is pay inflation. Whilst unconfirmed it is currently estimated at 4% (£129k).
- 4.11 The pressure on income is an ongoing issue. 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 five-year plan to recover this at a rate of £40,000 each year. We will have achieved this recovery in 23/24 and are cautiously optimistic that a further £40,000 can be delivered in 24/25. In addition, we anticipate inflation on income will bring an extra £27,000 in 24/25.
- 4.12 In addition to this income, cost savings, totalling £227,000 have been identified as follows:
- 4.12.1 Management efficiencies and deletion of three vacant posts (£201,000)
 - 4.12.2 Reduced subscriptions and savings on archiving costs (£11,000)
 - 4.12.3 A further £5,000 reduction in the food sampling and analysis budget
- 4.9 The net impact is a budget decrease of £155,000. This is built into the proposed budget which drops from £2,908,000 to £2,753,000.

6.0 CONSULTATION:

- 6.1 No external consultation has taken place. However, finance teams from both partner Councils are involved in developing budget proposals as part of the medium term financial planning which will be brought back to this committee at the Spring meeting.

7.0 RISK MANAGEMENT AND IMPLICATIONS:

- 7.1 All significant risks affecting the service (which include items beyond budget) 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. Reasons for the forecast budget outturn position for 2023/24 are given above.

9.0 LEGAL IMPLICATIONS

- 9.1 The 2015 Inter-Authority Agreement provides the legal framework within which the Service operates.
- 9.2 There are no specific legal issues that need to be drawn to the attention of the Committee.

10.0 EQUALITIES & DIVERSITY

- 10.1 The budget forecast outturn 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 continue to 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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Consulted:

Annexes:

Annex A – Proposed Budget for 24/25

Sources/background papers:

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