

**London Boroughs of Brent & Harrow  
Trading Standards Joint Advisory Board  
25 March 2021  
Report from the Head of Regulatory Services**

**FOR INFORMATION**

**Harrow Reduction to the Trading Standards Budget**

**1.0 Purpose of the Report**

- 1.1 This report advises Members of an intended reduction to the Trading Standards budget, required by the London Borough of Harrow. This reduction impacts the budget available to Harrow for their activities and also the shared consortium costs. The report sets out a proposed new budget for the Service and highlights some of the risks that may arise as a result of these reductions.

**2.0 Recommendations**

- 2.1 That Members note the budget change and risks and make any comments.

**3.0 Details**

- 3.1 The London Borough of Harrow has for the last five or more years, contributed a net £500K towards the provision of the Trading Standards consortium. There have been no inflationary increases added to the annual fee due to Harrow's previous need for costs not to increase and where possible, for savings to be made.
- 3.2 During the forthcoming financial year, Harrow have asked for a reduction of their annual consortium fee to £300K.
- 3.3 Continued austerity measures, combined with difficulties recruiting qualified Trading Standards staff, have meant the Service made various operational savings in recent years. This has resulted in year on year underspends which were appropriately apportioned between the two boroughs.
- 3.4 Underspend is either repaid to Harrow or held by Brent. The Harrow underspend held by Brent at the end of the last financial year was £178K and it has since been agreed that this will be used in full, to net off their 20/21 consortium fee of £500K.
- 3.5 This zeroed Harrows underspend for the 20/21 financial year. However, due to the uncertainty over Harrow's budget position, the unprecedented interruption to our usual service delivery during the Covid pandemic and a strong emphasis to keep expenditure to an absolute minimum, the Service is forecasting a new Harrow underspend to carry forward, of approximately £169K.

- 3.6 In addition to the underspend, Brent holds some long term reserves on behalf of the consortium. This is made up of a legal reserve of which £66K belongs to Harrow and a Proceeds of Crime reserve of which £250K belongs to Harrow.
- 3.7 The Harrow team generates a small income from fees charged such as firework registrations, the provision of primary authority advice, or the recovery of legal costs and more recently, the issuing of letting agent penalty notices. In financial year 20/21, the Harrow team income budget was £18K with an income of £12k being achieved to date.
- 3.8 In order to achieve Harrow's reduction of the annual consortium fee, the following budget has been proposed:

	Harrow Team	Harrow's Contribution to Shared Costs	Brent	Brent's Contribution to Shared Costs
Employee Expenses	138,275	109,500	267,822*	109,500
Transport Expenditure	650	1,325	1,783	1,325
Supplies and Services	17,700	25,400	18,603	25,400
Support Services	22,650	0	0	0
Total Expenditure	179,275	136,225	288,208	136,225
Income	(15,500)	0	(32,000)	(2,000)
Net Expenditure	163,775	136,225	256,208	134,225
Total		£300,000		£390,433

\*Note this figure excludes intended drawdown from POCA reserves to cover Financial Investigators salaries.

### Staffing

- 3.9 Previously, the Harrow staffing establishment consisted of 3.5 Enforcement Officers, 1 Team Leader, 1 Financial Investigator, 0.5 Senior Prosecutor and 0.5 Senior Regulatory Service Manager posts.
- 3.10 Based on the above revised salary budget, a staffing resource consisting of 2.5 Enforcement Officers, 0.5 Team Leader and 0.5 Senior Regulatory Service Manager posts will be provided to the Harrow team.
- 3.11 To achieve these reductions, it has been necessary to delete a Harrow Enforcement Officer post which is currently vacant, keep the Senior Prosecutor post vacant and to fund the Financial Investigators salaries from Brent's POCA reserves. Whereas previously the staff structure consisted of a Team Leader for each borough team, the revised budget would provide for one, who covers both teams.

- 3.12 The number of legal cases being prosecuted by the Service has fallen considerably, in part, caused by the reduction of enforcement staff in the team. There is therefore less need at present for the Senior Prosecutor post. This will be kept under review, but in the meantime, legal cases will either be conducted by the Senior Regulatory Service Manager or legal counsel will be instructed in more complex matters.
- 3.13 As Harrow are not routinely making use of the Service's Financial Investigators for proceeds of crime investigations, there will be no immediate impact by the decision to fund these posts from Brent's POCA reserve. What this will mean is that when Harrow do want to use these services, we will either have to charge for them in the same way as when we contract with other local authorities. Alternatively, arrangements could be made to drawdown from Harrow's share of their POCA reserves.

### **Risks**

- 3.14 With a reduced level of staff, it is not possible for the Trading Standard Service to fully deliver on all of its statutory duties which require the team to enforce over 80 Acts of Parliament and 200 plus sets of regulations.
- 3.15 Harrow has a well-established and skilled enforcement and public protection team that will be able to support a number of the statutory functions required by the authority for Harrow. This will address an element of the risk to Harrow as part of the reduction in staff.
- 3.16 The smaller number of staff and managerial oversight, increases the risk of potential service failure as there will be less oversight and control of day to day operations. It will be difficult for staff to maintain their specialisms as with fewer officers, a more generic approach will be needed.
- 3.17 As far back as 2002, Audit Scotland reported small Trading Standards Services 'with eight or fewer staff, had insufficient flexibility and range of expertise to meet all the accepted minimum standards'. As the number of statutory responsibilities continues to increase, the need for additional staff remains.
- 3.18 The Service would employ a collective pool of six Enforcement Officers, a Team Leader and Service Manager.
- 3.19 More recently, the Chancellor commissioned the 'Power to The People – Stronger Consumer Choice and Competition' report published February 2021. The report details improving the country's approach to competition and consumer issues following the impact of Coronavirus and Brexit.
- 3.20 It highlights nationally, the number of trading standards officers has fallen steadily with almost half of all local authorities reporting their team does not have sufficient skills to cover the full range of responsibilities. It recommends creating a new statutory duty for minimum standards in local authority Trading Standards teams with ring-fenced resources so they can deliver them well.

- 3.21 Until something like this change happens, it remains the case that the team will struggle to maintain the required intricate knowledge of all the legislation they are expected to enforce, will have limited capacity to respond to all the daily requests for assistance and as a result, will risk not being able to satisfy all the statutory duties.
- 3.22 Capacity will be further reduced when bigger, more complex investigations are undertaken which can see one or more officers solely focusing on one investigation for many months at a time. The Services Work Plan will be presented to Members as a separate report which will outline areas of work which the Service will chose to prioritise.
- 3.23 These risks have been highlighted to the London Borough of Harrow who accept the need to focus on priority areas of work and acknowledge there will be a reduction of service as a result of the change in budget position.
- 3.24 There is also risk to the Service by not filling the Senior Prosecutor post. This role provides an important function of vetting investigations prior to formal actions, advising staff on legal matters, overseeing all the legal work undertaken as well as appearing to represent the Service in court.
- 3.25 Although some of this work can be undertaken by other post holders, it will be necessary to increase the Services use of private counsel. Although the proposed budget does provide for this, it is possible the budget will not be sufficient to cover periods of high demand or expensive, complex cases.
- 3.26 This scenario is possible in the financial year 22/23, where the Service currently has a Harrow investigation listed for a three week Crown Court trial which may attract increased legal costs. If the available budget is not adequate to pay the legal fees, it is intended the Services Legal Reserves will provide access to additional funds. It would follow that suitable arrangements would be needed to replenish these reserves over a period of time afterwards.
- 3.27 Whilst this budget reduction does bring some challenges to the Trading Standards Service, it is considered that the team is in a good position to respond to them. The vacant posts held by the Service have enabled a revision of the team structure, without the need to consider any job losses.
- 3.28 The risk is further partly mitigated by the consortium model which allows increased resilience and shared knowledge and expertise across both boroughs.
- 3.29 Careful financial management has ensured the Service currently retains some of its reserves which will still provide some future assurance and possible options if required.

#### **4.0 Financial Implications**

- 4.1 Financial implications are covered in the main content of this report.

#### **5.0 Legal Implications**

5.1 The joint Trading Standards Consortium Agreement provides Harrow's Commissioner, the power to agree the services to be provided in his own Council's area.

## **6.0 Equality Implications**

6.1 The proposals in this report have been screened to assess their relevance to equality and were found to have no equality implications.

## **7.0 Consultation with Ward Members and Stakeholders**

7.1 We understand Harrow's Director of Environmental Services has consulted with Harrow's Lead Member on these proposals.

## **8.0 Human Resources Implications**

8.1 There are no specific staffing implications arising from this report as none of the current employees are at risk of any change to their employment terms with the exception of the Senior Prosecutor role. The post holder for this role is currently acting up in a different position. At this stage, no final decision has been made as to what may happen with the Senior Prosecutor role which will be subject to future review.

## **Contact Officer**

Any person wishing to obtain more information should contact Simon Legg, Head of Regulatory Services, Brent Civic Centre, Engineers Way, Wembley Middlesex HA9 0FJ. Telephone: (020) 8937 5522, [simon.legg@brent.gov.uk](mailto:simon.legg@brent.gov.uk)

Simon Legg  
HEAD OF REGULATORY SERVICES