

	<p>London Boroughs of Brent and Harrow Trading Standards Joint Advisory Board</p> <p>11 June 2015</p> <p>Report from the Head of Regulatory Services</p>
FOR INFORMATION	<p>Wards Affected: ALL</p>
<p>Trading Standards Annual Accounts</p>	

1 SUMMARY

- 1.1 This report provides Members with information concerning forthcoming Joint Advisory Board meetings and the planned programme of reports to the Board.

2 RECOMMENDATIONS

- 2.1 That Members consider the report and comment where appropriate.

3 DETAILS

Contractual requirement

- 3.1 The Joint Advisory Board (JAB) is established through the Consortium Agreement establishing and governing the Consortium. Agreement provides that:

The end of year accounts shall be sent by the Head of Service to the Commissioning Officer of Harrow Council by 1 July, following the Year end of 31 March. These accounts shall be audited and certified by the Finance Officer of Brent Council.

- 3.2 The accounts for 2014/15 are appended to this report in three appendices, as follows:

Appendix 1 – service summary
Appendix 2 – proceeds of crime
Appendix 3 – reserve position

Outturn – general account

- 3.3 The shared service, which finished the year with a healthy surplus. This was largely the consequence of a wider management restructuring within Brent Council, which affected several services included Trading Standards, and co-incidentally was accompanied by some trading standards staff moving to other boroughs. During the year the bulk of these vacancies were filled, but this resulted in a salaries saving of just over £150k.
- 3.4 Supplies and services was overspent by £131k. This has arisen because POCA has traditionally been budgeted as a net income figure without any expenditure budget, and thus all POCA outgoings appear to be a budgetary variance.
- 3.5 Taking into account the outturn for proceeds of crime, which are detailed below, there was a net surplus of £57,205, enabling a one-off reduction in cost of the service for each borough. In the case of Brent, this was accounted for by the service not using all the cash-limited budget in the amount of 27,854, and in the case of Harrow £28,603 has been placed in reserve for refund in early 2015/16.

Outturn – proceeds of crime

- 3.6 The 2014/15 outturn for proceeds of crime (POC) is less healthy, with an income of £501k and outgoings of £400k, or a net income for the Trading Standards service of 20.2% received.
- 3.7 The net position arising from POC for the benefit of the service (and comprising the 'guaranteed' £250k) varies between 18.75% and 37.5% per case, with 50% going to the Treasury and the remainder going to the Court Service and/or other investigators, such as planning and internal audit.
- 3.8 The service has provided a 'guaranteed' contribution of £250k towards the cost of the financial investigation and enforcement team from POC surpluses, which lessens the cost to both council by £125k each. Ordinarily a POC surplus of less than £250k would require a withdrawal from POC reserves. However, as the service is in a healthy surplus, the POC shortfall has been offset against the general service underspend arising from the salaries budget.
- 3.9 Whilst the overall surplus meant that this was not a problem for the service or either council, this will not necessarily be the case in future and during 2014/15 work will be undertaken with support from Brent's accountancy team to review POCA arrangements in future to take account of the reduced net outcome in 2015/16 and the need to budget gross expenditure and income, rather than the net surplus.

Outturn – reserve position

- 3.10 As described above, there was no change to any of the reserves in 2014/15 and the current reserves are shown in Appendix 3. The joint position on preferred levels of reserves was set out in a report¹ to the Joint Trading Standards Advisory Board on 26 March 2015.

¹ <http://democracy.brent.gov.uk/ieListDocuments.aspx?MId=2654>

4 FINANCIAL IMPLICATIONS

4.1 The financial implications are as detailed in the body of the report.

5 STAFF IMPLICATIONS

5.1 None.

6 BACKGROUND INFORMATION

6.1 2014/15 financial outturn transaction and summary reports.

6.2 Any person wishing to obtain more information should contact David Thrale, Head of Service, Regulatory Services, Brent Civic Centre, Engineers Way, Wembley Middlesex HA9 0FJ. Telephone: (020) 8937 5454.

DAVID THRALE
HEAD OF REGULATORY SERVICES

Appendix 1

Service summary 2014/15

	BUDGET (£)	FINAL OUTTURN (£)	VARIANCE (£)
EMPLOYEE EXPENSES	937,500	785,305	(152,195)
PREMISES RELATED EXPENDITURE	0	7,167	7,167
TRANSPORT RELATED EXPENDITURE	17,100	11,749	(5,351)
SUPPLIES AND SERVICES	288,600	419,996	131,396
TRANSFERS TO/FROM EARMARKED RESERVES	0	28,603	28,603
GROSS EXPENDITURE	1,243,200	1,252,820	9,620
OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	(640,000)	(617,433)	22,567
CUSTOMER & CLIENT RECEIPTS	(293,500)	(353,542)	(60,042)
GROSS INCOME	(933,500)	(970,974)	(37,474)
NET EXPENDITURE / INCOME	309,700	281,846	(27,854)

Appendix 2 Proceeds of crime

		Borough	Client
POCA Incentivisation receipts			
Accrual from 2013/14	-£ 14,010.00		
Home Office Q 1 26/6/14	-£ 217,427.95		
Home Office Q 2 24/9/14	-£ 198,722.16		
Home Office Q 3 29/12/14	-£ 71,090.46		
TOTAL INCOME	-£ 501,250.57		

POCA Incentivisation distribution			
	£ 6,417.07	Brent	Audit & Investigation
	£ 7,500.00	Brent	Planning
	£ 11,136.98	Harrow	Planning
	£ 9,000.00	Harrow	Planning
	£ 6,494.58	Harrow	Planning
	£ 5,622.10	Harrow	Planning
	£ 170,437.37	Brent	Planning
	£ 139,372.63	Brent	Planning
	£ 32,815.67	Brent	Planning
	£ 11,050.31	Brent	Audit & Investigation
TOTAL OUTGOING	£ 399,846.71		

NET	-£ 101,403.86		
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Appendix 3 Reserve position

	Opening in 2014/15 £	Additions To Reserves in 2014/15 £	Reserves utilised in 2014/15 £	Closing 2014/15 £
RESRVS--LEGL/DISCIP CSTS	162,330.78			162,330.78
RESRVS--TRADING STS PROCEEDS OF CRIME	452,864.80			452,864.80
Shared Borough Surplus Refunds		35,995.00		35,995.00
	615,195.58	35,995.00	0.00	651,190.58