measure
for measure
the best value agenda for trading standards services
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For more information on the work of the Commission, please contact: Andrew Foster, Controller, The Audit Commission, 1 Vincent Square, London SW1P 2PN, Tel: 0171 828 1212 Website: wwwaudit-commission.gov.uk
Consumer Protection in the New Millennium
Trading standards services need to respond to changes in the trading environment, to the White Paper, *Modern Markets: Confident Consumers*, and to the requirements of the new best value framework.

How Councils Are Performing
There are great variations in how different trading standards services treat consumers who approach them with problems and in how they seek to ensure that traders comply with the law.

Why Performance Varies
The absence, in many authorities, of effective arrangements for identifying needs and priorities and for delivering services helps to explain why the level of service varies so widely.

Achieving Best Value
The ‘4Cs’ of best value – challenge, consult, compare and compete – provide a framework for continuous improvement of trading standards services.
Preface

At the beginning of the new millennium, developments such as the growth of large and, increasingly, multinational retail corporations, and the purchase of goods and services by telephone or over the internet, mean that the worlds of manufacturing, retail and commerce are undergoing changes unparalleled since the first industrial revolution. At the same time, consumers expect higher standards of safety, quality and value for money.

Local authorities have a key role in consumer protection. Trading standards services are the interface between consumer and trader when there are problems with faulty or dangerous goods and substandard services, while environmental health services protect the public from hygiene problems in food premises.

This report focuses on trading standards services, which face conflicting pressures. On the one hand, the expertise of even the largest trading standards authority can be dwarfed by the buying and spending power of multinational retailers. It is becoming increasingly difficult for trading standards services to deal with these traders – they often appear to be a David to the retail Goliaths. Conversely, when dealing with small traders, they may be seen as bureaucrats overburdening people who are struggling to make a living. At the same time, the public is making greater demands on them and expects more of them than ever before.

Trading standards services also face new challenges from central government. The Department of Trade and Industry’s consumer affairs White Paper, Modern Markets: Confident Consumers, proposes giving trading standards authorities new powers to carry out important enforcement work, particularly to combat rogue traders (Ref 1). A separate consultation paper, A Fairer Measure (Ref. 2), proposes changes to weights and measures legislation, the enforcement of which is the historic root from which modern trading standards services have grown.

The Government’s new duty of best value is also both relevant to, and timely for, trading standards departments. Best value requires councils continuously to improve their performance. Confronting by increasing complexities in the marketplace and rising expectations, trading standards services cannot afford to do otherwise. But best value also focuses on improving a service from the user point of view. Despite the important protection they offer to the public and honest traders, most people have no contact with their trading standards services and many consumers and businesses have little idea of what they do.

There is another reason for looking at trading standards services within the context of best value. Best value emphasises the value of public consultation and meeting ‘customer’ needs. Yet many disreputable traders would happily see an end to the trading standards service. Even elected councillors, who value their authority’s service, may see it as peripheral,
How does a trading standards service – often a low-profile but high-impact service – compete for resources, when faced with the ‘challenge’ agenda of best value across the whole of local government?

given the other pressures that their council faces – for example, in the high-profile, high-expenditure, areas of education and social services. Best value demands that councils ‘challenge why and how a service is being provided’ and ‘consult with local taxpayers, service users and the wider business community in setting of new performance targets’ in order to seek continuous improvement (Ref. 3). How then does a trading standards service – often a low-profile but high-impact service – compete for resources, when faced with the ‘challenge’ agenda of best value across the whole of local government?

This report summarises the findings of a study into local authority trading standards services, carried out from the autumn of 1998 to the summer of 1999. The Audit Commission’s work on trading standards services has helped directly with its response to the best value agenda. The recent best value legislation – the Local Government Act 1999 – requires that local authorities carry out best value reviews of their functions; the Act also gives the Audit Commission a power to inspect authorities’ compliance with this requirement. The research upon which this report is based provided an input to the Commission’s development and testing of methods of carrying out those inspections and to the development of its ideas on how to set up a best value inspectorate. And, by helping to pioneer a ‘prototype’ inspection methodology, local authority trading standards services have provided the Commission (and local government) with invaluable experience and insights.

During its research, the Audit Commission carried out a survey of all trading standards departments in England and Wales. Fieldwork was also conducted in selected local authorities. As trading standards services are often ‘brigaded’ with other services in a composite department of consumer or regulatory services, the study team interviewed heads of department as well as trading standards staff. In some instances, they also interviewed members of the local business community and staff from the local Citizens Advice Bureau. Additionally, the team met executives from several major retailers.

The study team consisted of Paul Orrett (succeeded by John Gaughan), Katharine Knox, Alison McNamara and Asad Amin, under the overall direction of Greg Birdseye. Many people and organisations have assisted with research for this study. Special thanks go to the Local Authority Co-ordinating Body on Food and Trading Standards (LACOTS), the Institute of Trading Standards Administration (ITSA), the Local Government Association (LGA), the Society of Chief Trading Standards

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I A questionnaire was sent to heads of service in the 166 trading standards services in England and Wales. Responses were received from 16 authorities in Wales, a response rate of 73 per cent, and from 110 of the 144 services in England, a response rate of 76 per cent.

II The study team visited 14 local authorities: 5 county councils, 3 English unitary authorities, 2 London boroughs, 1 Welsh unitary council and 3 metropolitan district councils.
Local government... needs to respond to the best value agenda in order to provide better and more effective trading standards services

Officers (SOCTSO) and all those local authorities that provided data and assistance. An advisory group drawn from local government officers and specialists in the field, including representatives of business and consumer organisations, provided valuable advice and guidance (Appendix 1). A second group, which included representatives of central government departments with a policy interest in trading standards, together with the National Audit Office, also provided help and advice (Appendix 2). Their contribution is greatly appreciated. But, as with all Audit Commission reports, responsibility for the study’s findings and recommendations rests solely with the Commission.

This study complements the Audit Commission’s earlier work on other local authority protection services – in particular environmental health services (Ref. 4). It has been carried out in parallel with a National Audit Office study of the Office of Fair Trading and its interface with local authority trading standards services. The National Audit Office has been examining how the Office of Fair Trading protects consumers from unfair trading practices, including how it co-operates with trading standards services. Its report, The Office of Fair Trading: Protecting the Consumer from Unfair Trading Practices (Ref. 5), is being published simultaneously with this Audit Commission report. The Audit Commission and the National Audit Office collaborated on the two pieces of work, to ensure an integrated and joined-up view of consumer protection.

The report assesses how trading standards services are currently being delivered in England and Wales and is intended to help elected councillors, local authority chief officers and trading standards professionals to respond to the changing agenda. It also identifies issues which others, including central government, should address in order to help trading standards services further to improve the quality of service and the value that they provide:

- Chapter 1 of the report sets the scene. It describes how the selling of goods and services is changing, how trading standards services seek to protect consumers and honest businesses from problems that may arise in this dynamic environment, and the challenges posed to these services by the White Paper and by best value.
- Chapter 2 discusses the level and quality of service currently provided by trading standards authorities. It considers both the service for consumers, in terms of consumer advice provided, and the action taken to ensure that businesses meet their legal obligations. It reveals that there are inconsistencies in the approaches taken by different authorities.
- Chapter 3 discusses the reasons for these inconsistencies; in doing so, it assesses authorities’ arrangements for identifying needs and priorities, considers their use of risk assessment systems and examines how they allocate resources to priority areas.
Finally, Chapter 4 sets out how local government can address the weaknesses identified in Chapter 3, and how it needs to respond to the best value agenda, in order to provide better and more effective trading standards services. It also suggests action by central government and others that could help services move forward.

The main text of the report ends with a series of key questions for elected councillors that set out the main issues that they should address in order to ensure that their authority responds effectively to the changing agenda. This is followed by a list of issues for action by central government.
Trading standards services protect consumers from suppliers of dangerous or substandard goods and services, and from fraud by unscrupulous traders. But they need to respond to the changing trading environment, to the White Paper, *Modern Markets: Confident Consumers*, and to the requirements of the new best value framework.
Trading standards services protect consumers from suppliers of dangerous or substandard goods and services, and from fraud by unscrupulous traders.

1. Trading standards services protect consumers from suppliers of dangerous or substandard goods and services, and from fraud by unscrupulous traders. Thirty years ago, their main concern was the accuracy of weights and measures, the historical root of the service. Today, trading standards services are at the front line in protecting the public from a wide range of abuses and dangers. While rising consumer expectations mean that more is expected of them than ever before, recent legislation also places new demands upon them by requiring that authorities achieve best value.

2. This chapter discusses these issues in more detail and considers:

- **Shopping as the millennium ends**: Traditional patterns of shopping are changing. Consumer expectations are rising and people are demanding better protection from dangerous or substandard goods and services. However, the types of goods and services that consumers buy vary with their personal circumstances and their purchasing power. Different sectors of society are thus particularly vulnerable to, or concerned about, different types of unfair trading or faulty or substandard products.

- **Trading standards services**: Trading standards services are one of a number of mechanisms that protect consumers and honest traders. The 166 services in England and Wales employ over 3,600 people and spend over £130 million a year. They deal with a wide range of issues, from the sale of dangerous cars to the mislabelling of genetically modified foods and the sale of age-restricted goods. The legislative framework they work under is complex and policy responsibilities for the issues with which they deal are shared by a number of government departments.

- **The challenges ahead**: Many people, and businesses, have a poor understanding of the role and work of trading standards services. Trading standards services need to respond to this and to the new agenda set out in the recent White Paper on consumer affairs, *Modern Markets: Confident Consumers* (Ref. 1), and in the consultative paper on weights and measures issues, *A Fairer Measure* (Ref. 2). In addition, the new duty of best value, placed on local authorities by the Local Government Act 1999, increases the importance of responding to change and of finding improved ways of working.
The changing trading environment

20 years ago gross domestic product per head was just under £800 at current prices, today it is over £3,500 (Ref. 6). People spend more, buy more and demand more for their money than ever before. Although grocery retail space has increased significantly, the number of grocery outlets has declined as superstores have taken trade away from other retailers. The proportion of total grocery trade attracted by superstores increased from under 30 per cent in 1987 to nearly 54 per cent in 1996 [EXHIBIT 1]. And the number of grocery shops has fallen from 147,000 in 1961 to 28,700 in 1997 (Ref. 7).

EXHIBIT 1
Changing trends in grocery retail space, outlets and sales
Grocery retail space has increased, but the number of grocery outlets has declined as superstores have taken trade away from other retailers.

Source: Audit Commission, using data from Tables 1 and 3 from Ref. 7
4. There has also been a shift in the location of trade as stores have moved outside town centres. Smaller food retailers have expressed concern about the impact of out-of-town shopping on stores in market towns. Some have experienced a decline in turnover of up to 40 per cent (Ref. 7). As trading activity in town centres falls, people who cannot readily visit out-of-town sites – for example, because they do not own cars – will have less consumer choice and access to a smaller range of goods and services, leading to their exclusion from parts of the marketplace.

5. Trading hours are also changing; for major retailers, seven-day and 24-hour trading are common. For example, Tesco now offers extended opening hours in about half of its stores in England and Wales, as well as 24-hour shopping in 28 stores (Ref. 9). At the other end of the scale, car-boot sales, one-day sales and weekend markets allow people to buy goods from itinerant or occasional traders. Consumers and trading standards staff may be unable to trace these traders if the goods that they sell prove to be faulty or dangerous.

6. Not only have patterns of high street spending changed, so have other purchasing trends. Goods and services are increasingly bought by telephone. Contact between customers and suppliers using call centres is commonplace, for example, in the banking and insurance sectors. Increasing numbers of both households and businesses are connecting to the internet. In September 1997, 10 per cent of the UK population had access; just over a year later, this had risen to 16 per cent (Ref. 10). Use of the internet by UK consumers for shopping and by UK businesses for selling goods is also expected to increase significantly in the near future [EXHIBIT 2]. Trading standards services may have to deal with any problems consumers find with the goods and services on offer. For instance, a recent international survey revealed that in almost one in ten cases, goods ordered over the internet failed to arrive, and, in some cases, customers were still waiting for their money back several months after returning goods to suppliers (Ref. 11).

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I In 1980, it was estimated that 5 per cent of retail turnover occurred in out-of-town shopping centres. By 1996, this had increased to an estimated 25 per cent. From Verdict Research, 1996 (see Ref. 8).

II Trading standards authorities will need to consider their policies for helping overseas consumers who are seeking redress from traders operating in their areas. This may cause problems if the authority has a policy of only assisting local people. Equally, a local consumer with a complaint about an overseas trader may contact the local authority for help.
EXHIBIT 2
Use of the internet for trading
Use of the internet by UK consumers for shopping and by UK businesses for selling goods is expected to increase significantly in the near future.

Source: Audit Commission, using data on expected growth in internet trading from Ref. 1 and data on expected growth in internet use from Ref. 10

Increasing consumer expectations

7. These developments challenge traditional local authority practices in providing consumer protection. Consumer expectations have also evolved, with people showing a greater interest in, and awareness of, consumer rights. There is now a growing willingness among consumers to voice concerns about the safety of goods and services, and to demand action when things go wrong. Public anxiety about BSE and genetically-modified foods shows that people are increasingly concerned about the safety of the food they eat. The consumer magazine market, and the appeal of consumer programmes on television, also reflect these rising expectations and show the increasing attention that consumers are paying to the added value of different products and brands.¹

¹ Some editions of “Watchdog” have attracted more than 6 million viewers during 1999, (see Ref. 12).
This emphasis on consumer rights and customer service has had a significant impact on local authority trading standards services. Between 1994/95 and 1997/98, the total number of complaints received by trading standards services, and reported to the Office of Fair Trading, increased by 7 per cent to 900,000 (Ref. 13). In addition to complaints from consumers, trading standards services also received nearly 70,000 enquiries from traders in 1998/99.

Consumer complaints range from concerns over pricing to ones about safety, but half involve defective or substandard goods or services [EXHIBIT 3]. A third of complaints concern household fittings and appliances, and a large proportion relate to second-hand cars. Complaints about services are also increasing. Car repairs and servicing, double glazing, home repairs and improvements, holidays and leisure services are all sources of problems for consumers (Ref. 14).

This may disguise a significantly higher figure as some authorities were unable to provide a breakdown of trader enquiries. Source: Audit Commission survey.

EXHIBIT 3

The nature of consumer complaints

Consumer complaints range from concerns over pricing to ones about safety, but half involve defective or substandard goods or services.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail order prepayments</td>
<td>1%</td>
</tr>
<tr>
<td>Health and safety</td>
<td>4%</td>
</tr>
<tr>
<td>Price complaints</td>
<td>4%</td>
</tr>
<tr>
<td>Unfair terms and conditions</td>
<td>2%</td>
</tr>
<tr>
<td>Credit practices</td>
<td>2%</td>
</tr>
<tr>
<td>Redress difficulties</td>
<td>7%</td>
</tr>
<tr>
<td>Selling techniques</td>
<td>26%</td>
</tr>
<tr>
<td>Defective/substandard</td>
<td>48%</td>
</tr>
<tr>
<td>Non-delivery/non-completion</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Audit Commission using data for 1998, from Ref. 14
People's purchasing patterns vary according to their personal circumstances, for example, their age, gender and income and whether their household includes children. Different types of unfair trading, or faulty or substandard products, will thus have a particular impact upon different groups in society. People lacking basic numeracy and literacy skills may be particularly vulnerable to exploitation. A quarter of people of working age possess no formal educational qualifications and almost a fifth are on low incomes, while about seven per cent of the population is unemployed (Ref. 13). Unlicensed or unscrupulous credit brokers may exploit people on low incomes. People with higher disposable incomes, by contrast, may have concerns about mortgage lending practices, insurance services and about the quality of expensive consumer durables.

Certain groups of consumers can have particular problems. Elderly people may be vulnerable to trading malpractices by door-to-door salesmen. Home-owners may be concerned about the quality of home improvement work, such as double glazing, or that small builders may defraud them. For example, following flooding in Wales, many householders who paid workmen and suppliers in advance were left with incomplete and unsatisfactory building repairs (Ref. 15). Disputes with a builder can be costly and complicated to unravel and can make vulnerable people afraid for their personal safety (Ref. 16).
Trading standards services

What trading standards services do

12. Trading standards services have grown from the duty to inspect weights and measures but, today, they have to ensure that business complies with a wide range of trade and consumer legislation. They have responsibilities under some 80 major Acts (Appendix 3) as well as hundreds of pieces of subordinate legislation, including secondary legislation introduced under the European Communities Act 1972.\(^1\)

13. Their responsibilities still include guarding against the sale of goods by short weight or measure. But their other duties range from ensuring that food is labelled accurately to protecting consumers from unfair trading practices in the home improvements market. They also play an important role in protecting children by preventing them from obtaining cigarettes, ‘adult’ videos and solvents. Although not required to by statute, some authorities also offer advice and education to consumers [BOX A, overleaf].

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\(^1\) This Act places member states under a duty to enforce European directives.
A trading standards authority may deal with problems affecting people who live in other councils’ areas. Under the non-statutory ‘home authority’ principle, introduced by LACOTS, all enquiries and problems, from trading standards services anywhere in the country, which derive from the policies pursued by a company’s headquarters, are referred to the service of the authority (the ‘home authority’) where the headquarters are located. The home authority also takes the lead in advising the company on compliance with the legislation and acts as a point of contact between the company and any authority considering enforcement action. The approach seeks to prevent the duplication of effort that would occur if many trading standards services each pursued the same problem with a large regional or national company. But it means that some trading standards authorities can expend a significant part of their resources dealing with problems that arise outside their areas.\(^1\) And the Government does not take account of the extra work generated for home authorities in its formula for distributing revenue support grant to local authorities.

\(^1\) For instance, one authority estimated that home authority work required 365 days of staff time a year due to the presence in its area of the headquarters of several major national retailers. Four of these companies had a combined total of over 2,000 retail premises. Source: Audit Commission survey.

Cars that have been repaired after serious crashes can be death traps.
Summary of trading standards authorities’ main areas of work

<table>
<thead>
<tr>
<th>WHAT THEY DO</th>
<th>WHAT COULD HAPPEN WITHOUT THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weights and measures</strong></td>
<td>Short measures: inadequate enforcement may mean sales of short measure pints of beer in pubs and bars, underweight sale of fruit and vegetables at markets and grocers, and short measure sales of petrol and fuels delivered in bulk. The Campaign for Real Ale reports that one in four pints of beer is less than 95 per cent liquid (Ref. 17).</td>
</tr>
<tr>
<td><strong>Fair trading</strong></td>
<td>Unscrupulous traders: trading standards authorities have a role in protecting vulnerable people from dishonest trading, such as the sale of goods and services at inflated or misleading prices. In one case, an elderly person was tricked into buying a £4,500 burglar alarm system that was of a much higher specification than required. Trading standards services also protect consumers from unfair trading in areas such as home improvements, servicing and repairs and e-commerce.</td>
</tr>
<tr>
<td><strong>Product safety</strong></td>
<td>Cars: ‘clocked’ cars mislead purchasers about the vehicles’ history. Cars that have been repaired after serious crashes can be death traps for people who subsequently buy them. Examples include instances where the better halves of two wrecked cars have been welded together to create a single vehicle. Car servicing may also cause problems for consumers if unscrupulous garages charge for fictitious work. Complaints relating to cars are among the main sources of concern registered by the public to trading standards services (Ref. 14).</td>
</tr>
<tr>
<td></td>
<td>Counterfeit goods: not only may the quality of goods be compromised by counterfeiters, but public safety may also be jeopardised – for instance, if counterfeit car parts do not meet safety requirements. Counterfeiters may harm legitimate traders and, in some cases, have been linked to organised crime.</td>
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</tbody>
</table>

Product testing: trading standards services help to prevent faulty or unsafe goods from reaching the market. They also police the European Community ‘CE’ safety mark.

Examples where products have jeopardised public safety include:

**Faulty electric blankets**: 19 people died in England and Wales in 1995 as a result of faulty electric blankets and, in 1996, 300 were injured (Ref. 18).

**Poorly designed pushchairs and prams**: an estimated 10,000 accidents a year relate to pushchairs, prams and other mobility aids for babies and young children (Ref. 18).

**Toys**: toys that may seem safe at first glance may come apart and reveal potentially harmful spikes or may contain poisonous lead-based paint or small parts that could choke a child.
### Summary of trading standards authorities’ main areas of work

<table>
<thead>
<tr>
<th>WHAT THEY DO</th>
<th>WHAT COULD HAPPEN WITHOUT THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food standards:</strong> ensure that food is labelled and described accurately.</td>
<td><strong>Health risks:</strong> inaccurate or inadequate labelling may have lethal consequences; for instance, peanuts may cause anaphylactic shock when eaten by someone with an allergy to them. <strong>Consumer choice:</strong> consumers will be able to choose whether to buy genetically modified food only if food is labelled adequately. <strong>Adulteration and substitution:</strong> replacing, or diluting, foodstuffs with cheaper ingredients (‘watering down the milk’) allows unscrupulous traders to increase their profits.</td>
</tr>
<tr>
<td><strong>Consumer credit:</strong> ensure that consumer credit is offered only by licensed traders; advise the Office of Fair Trading whether an applicant is a suitable person to hold a credit licence; check credit advertisements are not misleading and have accurate information on credit terms.</td>
<td><strong>Loan sharks:</strong> unlawful moneylenders can prey upon people who are otherwise unable to obtain credit. They often charge usurious rates of interest and may use threats of, or actual, violence to obtain payment from people who have borrowed from them. <strong>Illegal practices:</strong> if traders are not adequately advised about their responsibilities, they may sell goods that are unsafe or may mislead customers.</td>
</tr>
<tr>
<td><strong>Business advice:</strong> assist businesses seeking information about their legislative duties and promote compliance with trade regulations.</td>
<td><strong>Risk of contagious disease:</strong> trading standards services develop emergency plans, to help prevent the spread of contagious disease among animals, by controlling animal movements into or out of infected areas. These include plans for dealing with diseases such as rabies and anthrax, which can be transmitted to, and which can kill, people. This work also seeks to protect the farming community from economic losses that would be caused by the spread of disease.</td>
</tr>
<tr>
<td><strong>Animal health and welfare:</strong> ensure livestock movements are recorded, to help to prevent the spread of disease among farm animals; ensure that animals are humanely treated during transport and sale and that their food is safe and appropriately labelled.</td>
<td><strong>Petrol spillages:</strong> checks by trading standards staff can uncover leaks that could pose a serious health and safety hazard – for instance, staff in one authority found that 3,000 gallons of petrol had leaked from an underground storage tank. By working with other organisations, they helped to prevent this from becoming a fire hazard.</td>
</tr>
<tr>
<td><strong>Licensing:</strong> regulate the storage and sale of petroleum and explosives (though in some places this is dealt with by fire authorities); issue licences for the control and sale of poisons.</td>
<td><strong>Risk of fire:</strong> without trading standards, petrol spillages can lead to fire hazards.</td>
</tr>
</tbody>
</table>

**continued overleaf**
**Summary of trading standards authorities’ main areas of work**

<table>
<thead>
<tr>
<th>WHAT THEY DO</th>
<th>WHAT COULD HAPPEN WITHOUT THEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Under-age sales:</strong> prevent the sale of age-restricted products to children.</td>
<td><strong>Children smoking:</strong> smoking kills 120,000 people in a year and is the primary cause of death from any product that is sold legally in the UK. Over three-quarters of today’s adult smokers began smoking as teenagers (Ref. 19). Trading standards services can help to prevent the sale of cigarettes to under-age smokers. They are also expected to have responsibilities for enforcing controls on tobacco advertising.</td>
</tr>
<tr>
<td><strong>Consumer advice:</strong> assist consumers who have bought substandard goods or services.</td>
<td><strong>Obtaining redress:</strong> without adequate advice services, consumers may not know how to use civil law to obtain redress. Trading standards services might also miss important intelligence about problems in the marketplace.</td>
</tr>
<tr>
<td><strong>Consumer education:</strong> educate consumers about their statutory rights, enabling them to make an informed choice in the marketplace.</td>
<td><strong>Exercising consumer rights:</strong> consumers who do not understand their rights may lack the power to participate effectively and responsibly in a complex marketplace.</td>
</tr>
<tr>
<td><strong>Road traffic:</strong> check for overloaded vehicles and enforce weight restrictions on bridges and roads.</td>
<td><strong>Accidents or environmental damage:</strong> overloaded vehicles can cause accidents if they become unstable and difficult to steer. They can also damage roads and give those using them an unfair competitive edge over other carriers or traders.</td>
</tr>
</tbody>
</table>

Note: Individual authorities may not always carry out all of these functions. The examples of impact are illustrative and far from exhaustive. Unless stated otherwise, information is from fieldwork.

*Source: Audit Commission*
15. Trading standards services may also need to respond to new political agendas in local government. For example, authorities will need to respond to the social inclusion agenda by ensuring that they address abuses that affect elderly people or those who have low incomes, as well as the concerns of people who may be better placed to articulate their needs. Some trading standards services already contribute to the development of corporate agendas, particularly on economic regeneration, community safety and anti-poverty strategies. The demands on trading standards services are, therefore, widening. They are also becoming increasingly complex. For instance, many new products have high technology components, while many old products are redesigned around increasingly complex technology; new and more complex services are also entering the marketplace [EXHIBIT 4].

The consumer protection framework

16. Trading standards services form part of a wider regulatory framework that helps to protect consumers, and honest traders, from unlawful trading practices. In order to fulfil their responsibilities, trading standards services may work with other enforcement agencies, including the police, the fire service and Her Majesty’s Customs and Excise and advice agencies such as Citizens Advice Bureaux. European and international networks also exist to protect consumers and there are a number of non-statutory schemes for regulation in general insurance, distance selling and advertising.

EXHIBIT 4

The changing environment

Trading standards services have to deal with a more complex range of products and services.

Source: Audit Commission
Other parts of the consumer protection framework include:

- local authority environmental health services, which ensure that food hygiene standards are met, as well as protecting the public from health hazards, unwanted noise pollution and pests in the home;
- the national Meat Hygiene Service, which was established in 1995 and took over responsibility from local authorities for enforcing meat hygiene inspection and some animal welfare and slaughter legislation;
- regulators of the utilities sector, including Ofgem (the combined gas and electricity regulator) and Ofwat (the regulator for water services), set up following privatisation of the relevant industries, to regulate competition in these markets; and
- the Health and Safety Executive, which carries out inspections, enforces legislation and provides advice and guidance to employers, employees and the public on health and safety at work.

In addition, the Government is creating further consumer protection mechanisms:

- the Financial Services Authority, set up in 1997, will be given new powers under proposed legislation. It will take over responsibilities from several existing financial regulators and will regulate financial services to ensure that firms are competent and financially sound, promote public understanding of the benefits and risks associated with financial products and monitor, detect and prevent financial crime; and
- the Food Standards Agency, which will work to ensure greater food safety for consumers and to verify that local authorities are fulfilling their responsibilities on work relating to food standards. The Agency, which is expected to come into being in 2000, will also have powers to set standards of performance in relation to the enforcement of relevant legislation. The Meat Hygiene Service may be made responsible to this Agency.

Local authority trading standards services need to work with these other bodies to ensure a coherent and co-ordinated service to the public.
Provision of trading standards services

20. London boroughs, metropolitan district councils, unitary authorities and county councils are the trading standards authorities for England and Wales. In the two-tier areas, the main consumer protection services provided by local government – trading standards services and environmental health services – are split between the tiers; shire district councils provide environmental health services and trading standards services are provided by county councils.

21. There are currently 171 trading standards authorities but only 166 separate trading standards services, as some authorities co-operate to provide joint services. The number of local authorities with trading standards responsibilities has doubled since the 1970s [TABLE 1], as responsibilities passed from the metropolitan county councils to metropolitan districts, when the former were abolished in the 1980s, while, in the 1990s, new unitary authorities have inherited responsibilities from shire county councils.

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1. Brent and Harrow provide a joint service in London. Leeds, Bradford, Calderdale, Kirklees and Wakefield have formed a joint service in West Yorkshire. Graphs in this report compare services not authorities. A joint service thus generates a single entry in a graph (not one for each authority co-operating to provide the service).

2. In 1977, 15 of the London boroughs operated in five consortia, each with three members. The Greater London Council was responsible for consumer protection work relating to petroleum (Ref. 21).

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### TABLE 1

Trading standards authorities in England and Wales

<table>
<thead>
<tr>
<th>Type of authority</th>
<th>Number in 1977</th>
<th>Number in 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>English unitaries</td>
<td>0</td>
<td>46</td>
</tr>
<tr>
<td>English counties</td>
<td>39</td>
<td>34</td>
</tr>
<tr>
<td>London boroughs and the Corporation of London</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Metropolitan districts</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>Metropolitan counties</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Welsh unitaries</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Welsh counties</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total authorities</strong></td>
<td><strong>86</strong></td>
<td><strong>171</strong></td>
</tr>
</tbody>
</table>

*Source: Audit Commission, using data from Ref. 21 and Ref. 22*
Staffing and costs

22. Trading standards services are provided by staff with a mix of skills and expertise. As well as clerical and other support staff, they typically employ:

- trading standards officers (TSOs), who hold the Diploma in Trading Standards or an equivalent qualification and who enforce weights and measures legislation, as well as carry out the broader remit of consumer protection work;
- enforcement officers (EOs),\(^1\) who may hold the Diploma in Consumer Affairs; they enforce most consumer protection legislation but cannot enforce weights and measures law; and
- consumer advisers, who may also possess the Diploma in Consumer Affairs.

23. TSOs and EOs can uphold the law by a variety of means. These include advising traders about their responsibilities and offering training about changing legislation, carrying out project work targeted at particular traders and inspecting trading premises. Officers carry out inspections – either when investigating complaints from consumers or when carrying out programmed visits to premises in their area – to ensure that standards are being met. Work undertaken on these visits may include taking samples of goods for testing to ensure that they are safe and described accurately and checking prices to ensure that these are correct and that trading practices are fair. Services may thus offer advice and information to traders, warn those in breach of the law and, if necessary, prosecute those who fail to comply.

24. Overall, local authority trading standards departments in England and Wales employed over 3,600 full-time staff in 1998.\(^{11}\) By comparison, this is twice as many full-time staff as the Meat Hygiene Service (MHS), but only a quarter of the number of people employed full-time in the other main local government consumer protection service, environmental health. Two-thirds of trading standards authorities’ expenditure in England and Wales is on staffing (Ref. 22). Overall, total gross expenditure in England and Wales on trading standards services in 1996/97 was over £120 million. In that year, local authorities recovered about 10 per cent of that expenditure, partly by recovering prosecution costs, and partly as income from weights and measures testing fees and from the sale of

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I EOs may also be known as consumer protection officers or fair trading officers.

II Staff numbers included 1,297 trading standards officers, 967 enforcement officers and 118 trainees at 1 October 1998 (see Ref. 23).
poison, petroleum and explosive licences (Ref. 22).\textsuperscript{I} Expenditure on the service was expected to rise during 1998/99, reaching over £135 million (Ref. 22), an increase of 4.5 per cent in real terms in two years.\textsuperscript{II} Expenditure on trading standards services is about one-quarter of that on environmental health services, and is also lower than spending on the Health and Safety Executive. The Meat Hygiene Service is significantly smaller; its costs are under 40 per cent of those of trading standards services [EXHIBIT 5].

25. The resources devoted to trading standards vary significantly across the country, with the highest-spending councils spending seven times as much per head of population as the lowest spenders in 1998/99\textsuperscript{III} [EXHIBIT 6, overleaf]. On average, Welsh councils spend most per head of population and metropolitan districts the least. But even within one authority type, there is considerable variation – for instance, one London borough’s gross expenditure was £6.47 per head of population in 1998/99, while another spent only £0.92 per head.\textsuperscript{IV}

\textsuperscript{I} In some cases, fees may also be gained from licensing nursing agencies.
\textsuperscript{II} Estimated gross expenditure, including capital charges, for England and Wales.
\textsuperscript{III} Audit Commission survey.
\textsuperscript{IV} Audit Commission survey.

EXHIBIT 5

Regulatory agencies’ expenditure and staffing

Expenditure on trading standards services is about one-quarter of that spent on environmental health services.

Note: Expenditure figures refer to 1996/97 and staff numbers to 1998. Staff numbers are FTE for trading standards and environmental health services and total staff for other bodies. Source: Audit Commission, using data from Refs. 22, 24, 25 and 26.
The highest spending councils spend seven times as much per head of population as the lowest spenders.

Note: The analysis excludes the Corporation of London.
Source: Audit Commission using expenditure figures, as estimated at year end, from its survey and population figures from Ref. 27.

The role of central government

26. There is no single government department with an exclusive policy interest in trading standards issues. Instead, responsibility for policies is split between several departments [EXHIBIT 7]. The Department of Trade and Industry (DTI) and the Office of Fair Trading (OFT) hold the main remits on consumer protection. But, in addition, the Ministry of Agriculture, Fisheries and Food (MAFF) deals with policy on animal food and agriculture and the Home Office (HO) and the Department of Health (DoH) deal with policies to combat under-age smoking. The Department of the Environment, Transport and the Regions (DETR) is involved with issues relating to builders and the Lord Chancellor’s Department has an interest because the consumer may seek help from the Community Legal Service which is being introduced under the Access to Justice Act 1999. The Cabinet Office also has an involvement with trading standards services, with its work on developing performance measures for, and improving the regulation of businesses by, environmental health and trading standards services. In Wales, most of the legislative powers relevant to consumer protection are reserved by central government and are not devolved to the National Assembly for Wales. But, as with the Welsh Office prior to devolution, the National Assembly for Wales has some powers to introduce secondary legislation affecting the work of trading standards services, mainly in the areas of food and animal health.

27. This statutory framework is complex and, in some cases, the interests of the various government departments overlap [BOX 8]. Possibly as a result, central government does not currently provide trading standards authorities with integrated and comprehensive advice and guidance on how best to meet their responsibilities.
EXHIBIT 7

Government departments with a policy interest in trading standards
Responsibility for policies is split between several departments.

BOX B

Overlaps in policy responsibilities

Examples include:

- food safety, where responsibilities are split between MAFF and the DoH; in future, the Food Standards Agency will have a major role;
- dangerous substances, where the DTI and the HSE both have roles;
- fireworks, where the DTI and the Home Office both have an interest;
- under-age smoking, where the DoH and the Home Office both have an interest; and
- consumer credit, where both the DTI and OFT are involved.

Source: Audit Commission, drawing upon Ref. 28
The challenges ahead

Public awareness

28. Although trading standards services receive 900,000 complaints a year, many people neither know much about, nor use, them. A survey in 1995 revealed that over 80 per cent of those interviewed had never contacted a trading standards service. A further 11 per cent of respondents had not contacted a service in the past two years (Ref. 29). Moreover, less than half said that they would do so if they had a problem [EXHIBIT 8]. People can often resolve problems by dealing directly with the supplier; in other instances, agencies such as the local Citizens Advice Bureau may help. But in other cases, not knowing about trading standards services may be detrimental to the consumer’s interests. Many business people also know little about trading standards services; the same is true, though to a lesser extent, of their representative organisations [EXHIBIT 9].

Changes to consumer protection legislation

29. In July 1999, the Government issued a White Paper on consumer affairs, Modern Markets: Confident Consumers (Ref. 1). This proposes a package of changes intended to promote open and competitive markets, to provide people with the skills, knowledge and information that they need to become demanding consumers and to protect the public from serious trading malpractice and unsafe products. The Government also aims to encourage responsible businesses to follow good practice and to avoid burdening those businesses with unnecessary regulation. The proposed changes include clearer pricing of goods in shops, tougher controls on misdescriptions of services and more information about their rights for consumers who buy by mail order, telephone or over the internet.

30. The White Paper also includes proposals to:

- Assist consumers to get redress by promoting a new consumer advice network and launching a pilot telephone hotline. The new advice network will bring together existing advice agencies and will thus impact upon trading standards services’ arrangements for providing consumer advice;

- Change the law to allow clearer targeting of ‘rogue traders’ who continually disregard legislation aimed at protecting consumers. Proposed new measures include a power allowing local authorities to seek injunctions and banning orders from the courts, aimed at particular practices and particular traders. But the Government also proposes giving more bodies the right to take action in the courts. The Lord Chancellor is to issue a consultation document. When and if implemented, these changes will alter how trading standards services enforce legislation; and
EXHIBIT 8

Consumer knowledge of trading standards services

Less than half of the people interviewed said that they would contact a trading standards service if they had a problem.

Note: Consumers were asked: ‘Which person or organisation would you contact if you thought a shop or business you used was selling faulty products or trading illegally?’ Multiple responses were accepted.

Source: Audit Commission, using data from Ref. 29

EXHIBIT 9

Businesses’ knowledge of trading standards services

Many business people and their representative organisations do not know much about trading standards services.

Source: Audit Commission, using data from Ref. 30
Strengthen trading standards services by developing clear performance measures that encourage local accountability, fostering better training for officers, to enforce consumer protection law and to ensure a high quality service across the country, and encouraging closer co-operation between local authorities.

A separate consultation paper, *A Fairer Measure* (Ref. 2), addresses changes to weights and measures legislation, the aspect of their work which forms the historical root of today’s trading standards services. It sets out possible changes to the parts of the law dealing with the labelling of pre-packaged goods and the sale by quantity of unpackaged products. The paper also raises the issue of whether qualification requirements should be changed to encourage more flexible use of staff. The consultation document describes the existing law as ‘very complex and difficult to follow’ and proposes repealing existing provisions and replacing them with broad enabling powers in primary legislation, supported by secondary legislation.

**Best value**

32. Under the provisions of the Local Government Act 1999, local authorities have a duty to obtain best value [Box C]. This will apply to all their functions, including the provision of trading standards services. Best value is specifically about providing better services in response to people’s needs. Authorities will be required to carry out best value reviews of all of their functions. In these reviews, they may need to refocus their services to ensure that they are addressing the problems in their areas effectively, while also seeking to achieve continuous improvement in service delivery (Ref. 31). In order to achieve this improvement, authorities and service managers will need to demonstrate that they have responded to best value by challenging how they deliver their services, consulting their communities to inform their performance, comparing their work with other authorities and embracing competition.1

33. Local authority trading standards services have a key role in protecting the public and honest businesses from unscrupulous traders. To achieve this, they must enforce legislation that is increasing both in volume and complexity, while also responding to the new best value agenda. Despite the low public profile of trading standards services, failure to deliver an effective service could have a major impact on the public. How well are trading standards services and their staff protecting the community at present? The next Chapter addresses this question.

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1 The trading standards profession has been active in seeking ways to work towards best value and SOCTSO has adopted the European Foundation for Quality Management excellence model. SOCTSO has also developed its own guidance pack, to encourage performance measurement.
The Local Government Act 1999 comes into force progressively up to 1 April 2000. The Act, and accompanying guidance, will introduce a new regime in which it is expected that:

- All councils will be required to set realistic but challenging targets to attain continuous improvement, having regard to any performance indicators specified by the Government, and making comparison with other public sector bodies, private and voluntary providers carrying out the same or similar functions;

- For some performance indicators, such as those that reflect cost/efficiency and quality, the Government will ask councils to set targets that are consistent with reaching, over five years, the performance level of the top 25 per cent of authorities at the time the targets were set. Those authorities in the top 25 per cent will still need to seek continuous improvement;

- These targets will need to be published in annual best value performance plans (BVPPs), the first of which are to be issued by 31 March 2000. The plans should outline current and past performance and summarise future action plans and targets;

- In BVPPs, authorities must also set out programmes for best value reviews of the entire range of their functions over a five-year period, beginning in April 2000;

- In reviewing their work, authorities will be required to challenge the way that services are provided and delivered, consult the local community (both service-users and non-users, including local businesses), compare their performance with that of other organisations, and be open to competition in delivering their services to meet user needs; and

- BVPPs will be subject to audit and best value reviews will be inspected to determine whether they are being delivered in accordance with the legislation. Wide ranging powers of intervention will be used to rectify failure.

Source: Audit Commission
How Councils Are Performing

Currently, there are major variations in the levels and types of service provided by trading standards authorities across England and Wales. In one part of the country, a consumer with a problem may receive considerable help but elsewhere someone with an identical problem may receive no assistance at all. And a trader in one area may be prosecuted for unlawful activity but one committing the same offence in a different authority’s area might receive only a warning.
Chapter 1 described the changing environment and new challenges faced by trading standards services. This Chapter considers how well they are using their legislative powers and resources to protect their communities from trading malpractices. Currently, there are major variations in the levels and types of service provided across England and Wales. These variations can be illustrated by looking at two aspects of the work of trading standards authorities:

- **advice services for consumers:** in one part of the country, a consumer with a problem may receive considerable advice and help, including help in seeking redress under civil law; elsewhere, someone with an identical problem may receive no assistance at all; and

- **action to ensure businesses comply with the law:** a trader in one area may be prosecuted for unlawful activity; but a trader committing the same offence in a different authority’s area might receive only a warning.

These disparities are partly a result of the exercise of local discretion, differing priorities and political decisions, but they also reflect inconsistencies in approach that mean that consumers and businesses are being treated inequitably.

### Consumer advice

#### Variations in the service

35. Trading standards services are not under a statutory duty to provide consumer advice. But providing such advice is the primary means by which they communicate with the public. And people seeking advice act as the ‘eyes and ears’ of a trading standards service. They may call the trading standards service simply in order to find out how to obtain redress for problems under civil law. But they also provide the service with market intelligence, alerting officers to emerging problems and rogue traders and bringing to their attention cases where traders may have committed offences for which they may be prosecuted under criminal law. Providing consumer advice also helps to address the user focus of best value. Indeed, most heads of trading standards services favour placing local authorities under a statutory duty to provide such advice. Yet the ease with which consumers can obtain advice differs greatly while the level of advice available to them varies, depending upon where they live. [EXHIBIT 10, overleaf]. These issues are discussed below.

#### Accessing the service

36. People can obtain consumer advice from a trading standards service by:

- visiting a consumer adviser in person;
- writing to the service for help, by letter or via the internet;
- telephoning an adviser.

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1 When asked to choose from a list of possible changes to the law that they would most like to see, 73 per cent of heads of service favoured making the provision of consumer advice a statutory duty (see Ref. 32).
EXHIBIT 10

Levels of service

The level of advice available to consumers varies, depending upon where they live.

Note: Based on the highest levels of help offered by the 126 respondents.

Source: Audit Commission survey

37. Some councils provide walk-in general advice centres for local people who have queries about council services. These may be in libraries or community centres or in dedicated one-stop-shops in the high street. Their advice staff can often answer a consumer’s queries and can act as filters, referring more difficult or serious cases to the trading standards service. Use of one-stop-shops is not, however, common.\(^I\) Consumers may alternatively obtain advice from other agencies, for example their local Citizens Advice Bureau (CAB).\(^II\) As with local authority advice centres, a Bureau may be able to answer the enquiry or may refer the consumer to its local trading standards service. Some authorities fund CABs, via grants, in the expectation that the CABs will act as a point of contact for consumer advice.\(^III\) But arrangements for referrals between CABs and trading standards services could sometimes be improved. In one authority, the CAB was located next to the trading standards service but, due to the lack of visitor screening, consumers often had to wait for help at the CAB for some time, only to be referred to the trading standards service for their query to be answered. New approaches to provide consumers with advisory information through the internet are, as yet, limited.\(^IV\)

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\(^I\) Only 25 of the 126 authorities that completed the Audit Commission survey have one-stop-shops that provide consumer advice.

\(^II\) 100 of the authorities that completed the Audit Commission survey reported that local Citizens Advice Bureaux offer advice. CABs received 1.15 million enquiries on consumer matters in England, Wales and Northern Ireland in 1998/99. The figure includes enquiries about credit and enquiries involving the utilities (see Ref. 33).

\(^III\) 90 of the 126 trading standards departments (over 70 per cent) responding to the Audit Commission survey reported that their authorities provide some funding to CABs. Funding may be given in the expectation that advice will be provided on benefits and other issues as well as consumer problems.

\(^IV\) A survey of local authority websites, conducted by the Audit Commission, has revealed limited provision of consumer advice via the internet.
For many consumers, direct contact with trading standards services remains the key route to obtaining advice. However, people do not always find it easy to get in touch with their local service. For example, the locations of some services’ public enquiry counters are dictated by the availability of council office space rather than ease of access for local people. Offices may be located close to product-testing laboratories, away from major population centres, with inadequate car parking and may be poorly served by public transport. In larger authorities, particularly county councils, the service may have several offices across the council’s area. This appears sensible but, again, the locations chosen may be determined by the availability of office space rather than the volume of demand or the ease with which people can visit them.

The location of offices may be considered of limited importance, given that some people write to the service for help and most people choose to seek advice by telephone. But a consumer’s ability to obtain help by telephone varies considerably, as many advice services have restricted opening times, with few staff or phone lines. The number of hours that an advice service is open varies substantially between authorities, from 7 to 59 hours a week, with between 1 and 4.4 telephone lines available for advice per 100,000 population. The number of consumer advice staff available during working hours varies between services from none at all to eight staff; on average, the number per 100,000 population ranges from none to just over three (EXHIBIT 11, overleaf). Some services have sought to improve their advice to consumers by bringing advice staff together in call centres and publicising one dedicated advice-line number.

Consumers’ difficulty accessing trading standards advice services can be further exacerbated by the structure of service provision. A consumer may not be aware that responsibility for food safety is split between environmental health services, which deal with hygiene issues, and trading standards services, which handle problems with the labelling and composition of food. In some authorities, the brigading of environmental health and trading standards services in one directorate may make it easier for consumers to find the right source of help and to receive a seamless service. But in shire county areas, problems in locating and accessing help may be increased as different tiers of local government deal with the two issues.

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1. On fieldwork, most authorities estimated that 80 per cent or more of the contacts made by consumers were by telephone.

2. For instance, West Yorkshire.

3. A MORI survey at the time of local government reorganisation found that 13 per cent of respondents said they or members of their family used the ‘food safety’ service. 27 per cent believed food safety was a district borough or city council function, 32 per cent thought it was a county council function (see Ref. 34).
Average number of consumer advice staff per 100,000 population

The number of consumer advice staff ranges from none to just over three per 100,000 population.

Note: The analysis excludes the Corporation of London. Two English unitary authorities reported no advice staff.

Source: Audit Commission survey

41. Consumers may have other problems finding the right service and accessing advice. This may be particularly the case where new unitary authorities have been established during the 1990s, which has increased the potential for confusion about which trading standards service should deal with an enquiry. A consumer living close to the boundary between two authorities may inadvertently call the wrong service if he or she is not sure which authority covers his or her home address [BOX D]. In addition, a consumer may have to deal with two local authorities when trying to resolve a single complaint. Though many problems can best be dealt with under civil law, in some instances it is appropriate for a trading standards service to prosecute under criminal law. While authorities sometimes provide advice on civil law only to local residents, prosecutions are generally brought by the trading standards service covering the place where the offence occurred, for example the shop where the goods were sold. This may not be where the consumer lives. Thus a consumer may have to deal with both the authority covering his or her home address, for civil law advice, and the authority in whose area he or she bought the goods for any criminal proceedings.¹

¹ Many authorities do not record the number of calls that they receive from outside their area. 35 authorities provided data for 1998/99. The number of calls for civil advice, from consumers living outside their areas, ranged from 6 to 2,000. 32 authorities recorded the number of calls from outside their area about infringements or breaches of the law; these ranged from 20 to over 4,000 calls. Source: Audit Commission survey.
Finding and getting through to the right trading standards service can therefore prove a considerable challenge. Where an authority does not provide advice, or offers only limited access – for example, staffing advice lines for only a few hours a week – people may approach other councils for help. In some cases, advisers ignore their authorities’ policies of dealing only with local residents in order to help aggrieved consumers from outside their areas.

Many of the difficulties consumers face in accessing help are not unique to trading standards services; similar problems may be found elsewhere in the public sector. But an integrated and user-focused approach lies at the heart of the current agenda for local government, and trading standards services need to respond to this.

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**BOX D**

### Finding your trading standards authority

Following local government re-organisation, the area previously served by one County Council is now split between a new, Unitary Authority (the City Council) and the County Council. The city-county boundary is, in places, only about a mile from the city centre in a built-up area.

A member of the Commission’s project team telephoned directory enquiries, from an office located on the county side of this boundary. He gave the address from which he was calling and asked for the telephone number for the local trading standards service. He was, wrongly, given the number for the City Council.

He then specifically asked for the number of the County Council’s trading standards service, which he then tried to call using a mobile phone. He obtained an engaged signal on the first three attempts. The fourth time, he was connected but received a recorded message advising him to contact the authority covering his home address. The County Council’s trading standards service is attempting to direct its resources to help only people living in its own area. Its telephone system therefore automatically identifies calls made from outside the county area (using the caller’s STD code) and transfers them to this recorded message.

Although the system is sufficiently flexible to accept calls made from some areas that are outside but close to the county boundary, it refuses all calls made on mobile phones (as in this case). Thus, local residents who might expect to be helped will be screened out if they use mobile phones or call from an area not covered by the system.

*Source: Audit Commission*
People do not always find it easy to get in touch with their local services

Quality of advice services

44. There is also evidence of a variation in the quality of service consumers will receive when they finally make contact with an advice service. A mystery shopping exercise of advice services in 16 authorities revealed:

- variations in the responsiveness of staff in different authorities. Responsiveness was scored using nine criteria including ‘helpfulness’ and ‘dealing sensitively with barriers of race, age and disability’. The best scores were just over 70 per cent, but poorer performing authorities scored below 50 per cent;

- a general weakness in identifying problems and consumer needs. Advice was sometimes given on a ‘take it or leave it’ basis; and

- variations in advisers’ knowledge-base. This was assessed using questions on 15 subject areas. Responses were scored on ten criteria including knowledge of legal rights, remedies and duties and knowledge of ways to pursue a complaint. The best advisers scored 100 per cent, but, in some cases, knowledge was poor; the average mark awarded to authorities was 32 per cent and there were three questions where individual authorities scored zero (Ref. 35).
In short, where people live can make all the difference to the advice services that they receive. Obtaining help can involve a long chain of phone calls, which might cause some consumers to abandon their attempts to obtain advice. Others may vent their frustration on the consumer adviser, when they finally make contact, placing pressures and demands on him or her. But the intelligence provided by consumers can be key to an effective enforcement service. And informed and supported consumers can hold traders to account – by themselves using the civil courts if necessary – and so change traders’ behaviour to the benefit of the community as a whole.

Reputable and honest business people want to obey the law; doing so protects consumers, and protects their own reputations and so can help maintain businesses’ position in the marketplace. They often welcome advice on whether they are behaving lawfully and can also favour strong enforcement action against those traders who flout the law. Indeed, in a survey of used car dealers, one of their main concerns was the public’s perception of their trade as untrustworthy. Over half of these traders felt that the laws against misleading or deceiving customers were not enforced rigorously enough to deter dishonest dealers (Ref. 36).

Currently, however, there are great variations in how trading standards services carry out their work. These reveal four important issues:

- **differences in enforcement action**: similar businesses in different parts of the country are not treated in the same ways when they infringe the law;
- **variations in frequency of inspections**: the frequency with which trading standards services inspect business premises that present similar risks differs widely from authority to authority;
- **meeting legislative requirements**: different trading standards services choose to focus on enforcing different parts of the legislation; and
- **poorly co-ordinated activity**: authorities do not always work together effectively.

These are discussed in turn below.

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1 The Cabinet Office is leading a pilot project, INFOSHOP, with 16 partner authorities. This is aimed at developing a computer system to help front-line staff in local government to answer complex queries in relation to regulation.
Some law-abiding traders are concerned by the lack of a consistent approach to law enforcement

Differences in enforcement action

48. Some law-abiding traders are concerned by the lack of a consistent approach to law enforcement; the action taken by a trading standards service when it finds that a trader has broken the law varies greatly from authority to authority [BOX E]. The number of prosecutions and cautions varies [EXHIBIT 12]. Prosecutions range from less than one per thousand trading premises to 19 per thousand. The number of Home Office formal written cautions issued varies from less than one up to ten per thousand trading premises.

EXHIBIT 12
Prosecutions and written cautions per thousand trading premises
The number of prosecutions and cautions varies.

Note: Figures exclude road traffic offences. Two English unitary authorities reported no prosecutions or cautions.
Source: Audit Commission survey
Business perspectives

Business people contacted by the Audit Commission generally valued trading standards services but had concerns over some aspects of service delivery.

- One businessman commented:
  
  *We can get overconfident – they [trading standards services] help us keep our foot on the pedal.*

- Most also valued having a link with one trading standards service under the ‘home authority’ scheme. One businessman described the scheme as:
  
  *crucial because different local authorities have different opinions... [the ‘home authority’ scheme] ... helps iron out the wrinkles.*

- Another interviewee wished trading standards authorities would use the home authority system more:
  
  *A local quick fix does not work if the home authority is not informed and ad hoc contact leads to a fragmented approach.*

- One interviewee’s business headquarters had relocated and could choose one of two councils for its home authority – the metropolitan district covering its new headquarters or the London borough which covered its previous location. It chose the former, which it believed possessed the better resourced of the two trading standards services, because it anticipated that this authority would be more able to respond to its needs.

- The business community also expressed concerns about the different approaches to enforcement taken by different trading standards services. In some cases, different authorities have different opinions about whether a case should go to court.

- Some business people felt that certain authorities would pursue ‘trivial’ matters, even after a company was prepared to plead guilty to an offence and rectify problems. This, they believed, wasted trading standards services’ resources.

- Some felt that the ways in which different authorities focused their pro-active enforcement work on different pieces of legislation could have a negative knock-on effect on companies’ behaviour. One commented:
  
  *We play to strengths and weaknesses. We are not looking to do less well but we know which authority is active where.*

Source: Audit Commission
Some of these differences in the number of prosecutions per trading premise may be explained by variations in businesses’ compliance with the law. But it seems unlikely that the underlying level of unlawful behaviour is such that a trader in one metropolitan council’s area is more than 40 times more likely to commit an offence worthy of prosecution than a trader in another metropolitan authority. Indeed, even where complaints from the public provide prima facie evidence of an offence, authorities respond in different, and inconsistent, ways, and only a small proportion of such complaints result in prosecution, Home Office formal written caution or other enforcement action [EXHIBIT 13].

Differences in prosecution figures exclude road traffic legislation offences.

EXHIBIT 13

**Enforcement action following an alleged criminal offence**

Only a small proportion of complaints where there is prima facie evidence of a criminal offence result in enforcement action.

Notes: One outlier is omitted. An alleged offence refers to a complaint from a consumer that the service accepts as justified, where the trader is alleged to have broken criminal law. Some authorities were unable to provide this information. Source: Audit Commission survey
The varying numbers of prosecutions may reflect different approaches to enforcement; some authorities favour prosecution whereas others prefer to educate traders and take legal action only as a last resort. The number of prosecutions also tends to be higher where the resources a council allocates to its trading standards service are greater [EXHIBIT 14]. Indeed, the National Consumer Council has argued:

*A poorly resourced service may shy away from prosecution in cases where the business is likely to mount a vigorous defence and then appeal if unsuccessful. Such prosecutions can cost in the region of £50,000. This could be beyond the prosecution budgets of some authorities.* (Ref. 37)

However, the relationship with expenditure accounts for only part of the variation; some authorities are bringing more cases to court than other councils that are spending more on their trading standards services.

**EXHIBIT 14**

**Comparison of expenditure and prosecutions**

The number of prosecutions tends to be higher the greater the resources that a council allocates to its trading standards service.

Note: Three outliers are omitted.

*Source: Audit Commission survey*
Variations in frequency of inspections

To ensure business compliance with consumer protection legislation, authorities may regularly inspect trading premises. Programmed inspection visits to traders should be focused on the premises that pose the greatest risk to consumers and other traders. In 1998/99, just over 50 per cent of high-risk premises received programmed inspection visits, compared to just under 30 per cent of medium risk premises and 11 per cent of low risk premises. But, these averages disguise wide differences between authorities. Currently there is great variation in how frequently high-risk premises receive a visit [EXHIBIT 15]. A few authorities report visit rates of over 100 per cent per annum; at the other end of the scale some authorities report visiting rates of under ten per cent per annum. If the latter were visiting some premises more than once, these figures may mask even lower visit rates to other high-risk premises. Some high-risk premises thus have less than a one in ten chance of a visit in any one year. MAFF has suggested that all high-risk food premises should be visited annually (Ref. 39) and LACOTS has issued a circular giving an illustrative example that shows high-risk premises as visited every six months (Ref. 40); most authorities are not achieving these levels of inspection. Medium- and low-risk premises are visited even less frequently and, in a few parts of the country, programmed inspections are almost non-existent.

EXHIBIT 15

Percentage of high-risk premises visited

There is great variation in how frequently high-risk premises receive a visit.

Note: Visits refer to primary visits to high-risk premises. Two outliers are omitted.

Source: Audit Commission, using data from Ref. 38
However, businesses feel held back by red tape (Ref. 41). If the inspection regime adopted by trading standards services is disproportionate to the risk, traders may view the number of inspection visits as excessive. The Federation of Small Businesses argues that, currently, businesses may be subject to over 300 different kinds of inspection, compared to half that number 20 years ago. It suggests:

*The regime could be lightened by reducing the number of inspections by [introducing] an all-purpose inspector, one which deals with all issues such as health and safety, trading standards, planning and environmental health* (Ref. 42).

**Meeting legislative requirements**

Different authorities actively enforce different parts of the law; this introduces inconsistency [EXHIBIT 16, overleaf]. Some authorities’ lists of the legislation that they enforce do not include important statutes such as the Trade Descriptions Act.¹ One survey revealed that 20 per cent of trading standards services were not involved in some aspects of inspection and enforcement work because of restrictions on resources and that eight per cent were not carrying out any sampling.²

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¹ Audit Commission survey.

² 193 heads of trading standards were interviewed in the UK (see Ref. 32).
Acts enforced by trading standards services in England and Wales

Different authorities actively enforce different parts of the law.

Notes:
II Trading Representations (Disabled Persons) Acts 1958 and 1972
III Explosives Acts 1875 and 1923 and Explosives (Age of Purchase) Act 1976
IV Petroleum (Consolidation) Act 1928 and Petroleum (Transfer of Licences) Act 1936

Source: From lists of legislation enforced, provided by 96 of the 126 respondents to the Audit Commission survey. Percentages are of the 96 authorities.
In many cases, authorities do not know the scale of the problem they face

54. Local authorities have a duty to enforce some legislation but discretion about whether to enforce other parts of the law. This helps them to tailor their enforcement programmes to local priorities. But the differing ways in which they exercise discretion also increases the inconsistency with which businesses are treated in different parts of the country. For example, only some of the authorities in the Audit Commission survey now enforce road traffic legislation. Another survey found that 6 per cent of authorities were not carrying out road traffic safety or enforcement work (Ref. 32). At the other end of the scale, in one large trading standards service, two officers work full time on road traffic offences; this reflects local concerns, following a fatal accident involving an overloaded lorry, and the presence, in the authority’s area, of several major haulage firms. But, across England and Wales, the number of prosecutions brought by trading standards services under road traffic legislation has fallen from 2,645 in 1996/97 to 1,895 in 1998/99 (a decline of 28 per cent). Though the number of Home Office formal written cautions issued has increased from 396 to 463 over this period (an increase of just over 20 per cent), overall, enforcement activity is declining.

55. Inconsistencies of approach, and gaps in enforcement, are also illustrated by the enforcement of safety-related regulations introduced under the European Communities Act. Without adequate product testing, unsafe products may not be identified until after they have caused accidents, injury or death. Yet, in many cases, authorities do not know the scale of the problem they face, nor the action they need to take, as they have not identified the premises in their areas that are affected by the regulations [BOX F, overleaf]. Product testing is also rare [EXHIBIT 17, overleaf].

I Of the 126 respondents to the Audit Commission survey, 74 enforced the Road Traffic (Foreign vehicles) Act 1972, 25 enforced the Road Traffic (Consequential Provisions) Act 1988, 88 enforced the Road Traffic Acts 1988 and 1991 and 37 enforced the Road Traffic Offenders Act 1988. Other agencies may enforce road traffic legislation, including the police and the Vehicle Inspectorate. This may be a factor in an authority’s choice of approach.

II Audit Commission survey.
Testing under electromagnetic compatibility regulations

Product testing is rare.

BOX F

Enforcing European legislation

Topics covered by regulations introduced under the European Communities Act 1972 include machinery, electromagnetic compatibility, recreational craft, personal protective equipment and medical devices.

The Audit Commission survey asked authorities how many items they had analysed in the last three years under these regulations and the number of premises in their area that imported or manufactured goods covered by the regulations. In response:

- 55 out of 126 respondent local authorities (44 per cent) did not provide data on the number of premises in their areas that were affected by these EU regulations;
- 23 respondents (18 per cent) did not provide data on either the number of premises affected or the number of goods that they tested under the regulations; and
- 52 authorities (40 per cent) were aware of premises in their areas that were affected by at least one area of regulation for which they had not carried out any relevant product testing.

Source: Audit Commission survey

Note: Four outliers omitted for clarity.

Source: Audit Commission survey
The electromagnetic compatibility (EMC) regulations, for example, help ensure that emissions from computers and mobile phones do not interfere with other electronic equipment. Such interference can have serious consequences, for instance in hospitals or factories. Yet, over the last three years, as computer sales have risen and information technology has evolved rapidly, fewer than one hundred computers have been tested for compliance with EMC regulations in England and Wales. Only one authority stated that it had tested mobile phones. Furthermore, a single trading standards department has been responsible for over a third of all the product testing carried out in the last three years under the regulations listed in the Commission’s questionnaire. This council alone was responsible for 70 per cent of the products tested under machinery regulations. One reason for the poor record of other authorities may be the cost of testing goods, which they see as prohibitive. But some trading standards services have found ways of overcoming this [CASE STUDY 1].

CASE STUDY 1

Cardiff County Council – electromagnetic compatibility testing arrangements

Goods affected by the electromagnetic compatibility regulations include electronic and electrical products such as computers, radios and telegraphic equipment, which should be constructed so that they do not cause excessive electromagnetic interference.

Cardiff County Council initially considered EMC testing to be beyond its means both because of the specialist and highly technical nature of the tests and because of their expense. However, trading standards staff also felt that there might be an unacceptable local risk from untested equipment. Larger local companies might have the facilities to test their own products. However, smaller local companies, which assemble bought-in components, would not necessarily test the final assembled item.

The trading standards service thus approached ERA Technology Limited, an independent contract research organisation, which agreed to undertake the testing and to charge Cardiff for the work only when evidence was required for a prosecution.

Other Welsh authorities also wanted to address this area of work. Cardiff therefore led discussions with the laboratory and the arrangement was extended to enable 12 authorities in South Wales to send products to ERA in rotation on a monthly basis. This arrangement has allowed those authorities to carry out product testing with limited resources.

Cardiff reports that there has been a non-compliance rate of 30 per cent under the programme; two prosecutions have been taken and three Home Office formal written cautions issued. Source: Audit Commission
Even areas where public health is seriously at risk are receiving little attention in some authorities. Fourteen people die every hour from smoking-related illnesses, the greatest number of known deaths from a product legally on sale. Those who start smoking at 15 are three times more likely to die from cancer than those who start smoking in their mid-twenties (Ref. 43). The Health Education Authority argues that smoking will directly kill more people than any other activity affected by the work of trading standards services and points out that:

*Eighty per cent of today’s adult smokers started smoking as teenagers, and almost 40 per cent of them were regular smokers before they reached the age of sixteen... 89 per cent of under-age smokers say they got their cigarettes from shops* (Ref. 19).

Over 50,000 retail premises in the UK sell tobacco products (Ref. 44). Trading standards services can play a major role in stopping sales of cigarettes to people who are under 16 years old. Some authorities are very active and use a ‘test purchasing’ system pioneered by Liverpool City Council. A test purchase involves an attempt by an under-age person to buy cigarettes from a trader. Home Office guidelines recommend that a witness observe any sale to provide evidence for prosecution or other enforcement action. But the witness’ presence may alert the retailer that a test-purchase is being conducted. Indeed, one national retailer has written to its managers warning them about the likely timing of visits.

Only 56 per cent of authorities carry out test purchasing of tobacco and, in 1998/99, only 2,800 visits for test purchasing were carried out across England and Wales. On average, sales were made to the child on some 10 per cent of visits, confirming that under-age cigarette sales are widespread. In some parts of the country the picture was even bleaker: in nine authorities, illegal sales were made in over a quarter of visits. Even when sales are observed, there is variation in the action taken. While 53 authorities observed under-age sales, only 36 prosecuted or issued a Home Office formal written caution.

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I. However, these figures exclude garages and pubs which may have vending machines. One in three under-age smokers is known to buy cigarettes from vending machines (see para. 3.38 of Ref. 43).

II. Evidence shown to the Commission in one fieldwork authority.

III. 71 of the 126 respondents to the Audit Commission survey carried out test purchasing in 1998/99.

IV. In total, 67 prosecutions were taken and 93 cautions issued by respondent authorities in 1998/99. Source: Audit Commission survey.
Other approaches may be used; the Health Education Authority places great emphasis on an integrated approach to addressing smoking by children and young people. This recognises that there is no single solution; rather, teachers, youth workers, trading standards staff and others all have their part to play. Some authorities thus prefer to educate school children on the dangers of smoking rather than focus on action against tobacconists.

Evaluation is needed to assess the effectiveness of this approach, but the evidence available suggests that enforcement by test purchasing, backed by an age-related identity card, may help to reduce children’s access to cigarettes [CASE STUDY 2].

CASE STUDY 2

Essex County Council’s proof of age scheme

Essex County Council has introduced a proof of age scheme to attempt to reduce under-age sales of age-restricted products, especially cigarettes and lottery/scratch cards. Working with local schools, and adopting a voluntary approach, cards have been issued to 16 year olds to enable them to prove their age when buying age-restricted products.

The card is supported by both the county and district councils. The scheme was initially introduced in Basildon, the district where the highest number of complaints about under-age sales had been recorded. In November 1998, the scheme was launched in Braintree and Uttlesford districts.

The County Council believes that the card scheme has helped to raise awareness and reduce unlawful sales. Its evidence of success includes:

- a reduction in calls to the trading standards service to complain about under-age sales, which in turn allows for greater targeting of enforcement work;
- an evaluation in Basildon, which showed that of those retailers who refused to sell to the under-age purchaser, 75 per cent asked for proof of age – the message of ‘no card, no sale’ had assisted the trader; and
- reductions in the percentages of test purchases which resulted in an illegal sale. An early evaluation following introduction of the card showed that illegal sales of cigarettes and tobacco fell, from 28 per cent of test purchases to none, and illegal sales of lottery or scratch cards also fell by over 25 per cent.

Other districts in Essex have now joined the scheme and a part-time project officer has been appointed. Essex has also shared this information with other authorities, two of which may adopt the scheme.

Source: Audit Commission fieldwork

Audit Commission survey.
Working in partnership allows authorities to address... compliance issues and also offers a way of maximising the impact that they can achieve with limited resources

62. National card schemes may assist services to enforce under-age sales legislation. But their current proliferation may cause confusion and duplication of effort. Take-up of these schemes has, so far, been low. Between February and June 1999, only 10,000 people in England and Wales obtained a ‘CitizenCard’ (Ref. 45). Take-up of ‘Validate’, a scheme promoted in Wales, has also been limited.¹

Poorly co-ordinated activity

63. Some major retailers operate in many authorities’ areas, while itinerant traders travel across council boundaries. Working in partnership allows authorities to address the resulting compliance issues and also offers a way of maximising the impact that they can achieve with limited resources. Currently only Brent and Harrow and West Yorkshire have joint trading standards services. More generally, there is some co-operation on metrology (ie, weights and measures services) where many authorities co-operate to test their weights and measures equipment. But co-operation in other areas is rarer.

64. LACOTS produces and disseminates advice to encourage consistency, while its regional groups provide a mechanism for practitioners to meet, devise common solutions and carry out some joint ventures, for example in food sampling. In 1998/99, for instance, the South West London LACOTS group carried out co-ordinated projects in several areas, including road traffic checks, electric blanket testing, cosmetic labelling checks, nursery product safety checks and monitoring of advertisements for software.² However, information from such regional exercises is not always available to services in other regions. As a result, the profession does not have a comprehensive overview of the national position.

65. Another regional group has commissioned a joint mystery shopping exercise reviewing the accessibility and quality of consumer advice services in member authorities (Ref. 35). In addition, many trading standards staff also have effective informal contacts with colleagues elsewhere, assisted by the TSLINK electronic mail system, which links trading standards services.

¹ In one authority, initial results showed that only a handful of young people had registered and it was unclear how many traders were using it (information from fieldwork).

² Information supplied on fieldwork. The regional group covers the London boroughs of Merton, Croydon, Hounslow, Kingston-upon-Thames, Richmond, Sutton and Wandsworth.
More recently, the ‘Crossing the Boundaries Partnership’, set up as a best value pilot for trading standards services, has led to more systematic co-operative working. Current members are: Warwickshire, Worcestershire, Oxfordshire, Gloucestershire and Shropshire County Councils. Their work has included development of a shared sampling database, some benefits of which have already been seen [CASE STUDY 3]. However, some authorities that were initially members of the partnership have withdrawn, illustrating the difficulties that councils can find in working together.

### CASE STUDY 3

**Crossing the Boundaries: Developing a common database for sampling**

The ‘Crossing the Boundaries Partnership’ has pioneered the development of a common sampling database. It contains records of samples taken since 1996 by four councils. Each authority can access information on items that other authorities have tested, enabling them to reduce duplication.

Over time, test results will also be added to the database, allowing greater sharing of market intelligence and a more structured approach to sampling. Currently, only Warwickshire County Council is recording full analytical results on the database.

The lead officer at Warwickshire explained:

*The main advantage so far has been with Home Authority companies. We look to see what has been sampled elsewhere before selecting our samples, either looking at problem areas or areas of under-sampling. There have been no major examples of duplication with the participants so far. The few duplicates that do exist, relate to economy products from [one major national retailer].*

The database helps provide trading standards staff with the detailed, expert information they need if they are to protect consumers’ interests.

For example, the lead officer at Warwickshire commented that:

*The database has proved useful when our Analyst questioned how much fish should be in a fishburger. (There are no standards and he queried what was the norm.) His initial suggestion was that we should conduct a survey of what was on the market. Our officer looked on the database and found officers in other authorities that had sampled fishburgers and got the results from them.*

*Source: Audit Commission fieldwork*
67. Such co-operation, though welcome, is not common and authorities often work in isolation. Just 5 per cent of authorities provide joint consumer advice services, and even fewer co-operate to provide joint services in the key areas of fair trading or consumer protection, product testing, safety and analytical services (Ref. 32). In addition, duplication of effort is evident in some areas. For instance, ITSA has developed a generic trading standards website which authorities can buy and then customise, but only a small number of councils have, as yet, chosen this option; other authorities have established their own sites. A failure to co-ordinate affects service users too; businesses selling explosives currently have to fill in a registration form in each authority in which they operate, and, in the absence of a mechanism for creating a standard national document, each trading standards service may develop its own form. Some authorities use consumer and business advice leaflets prepared by Liverpool City Council, or draw upon material prepared by ITSA, but many authorities continue to produce their own advisory material as new legislation is introduced.

68. There is also no national database of product testing which would show if different authorities were testing the same goods. The Crossing the Boundaries database has revealed the potential for duplication of food sampling and testing; the lead officer at Warwickshire commented:

‘We have been surprised by the large numbers of samples taken from our major Home Authority companies, [for one national retailer] over 200 and [another] over 100. I suspect there would be examples of significant duplication for national retailers if all authorities subscribed to a national database.’

69. Failure to co-ordinate enforcement activity, when dealing with national retailers, can increase costs, adversely affect service delivery and add to the inconsistencies faced by traders. In addition, a trader may be prosecuted repeatedly for the same problem, even after accepting it is at fault and seeking to rectify the problem [BOX 6]. The home authority principle seeks to prevent this, but it is not always applied successfully.

70. Given the inevitable constraints on their resources, co-operation between authorities is vital if enforcement is to be effective. But in some instances, co-operation is poor even in cases of serious trading malpractice. In one case, a county council’s trading standards service traced the source of a car-clocking ring to a trader in a neighbouring unitary authority. The unitary authority’s trading standards service felt it lacked the staff resources to become involved. The county then took action, even though the problem originated beyond its boundaries. Each authority has its own priorities and some will find it more difficult than others to react to unexpected demands generated from outside their areas. But the lack of co-operation in this case could have allowed an abuse to continue and the trader to break the law with impunity, affecting residents in the originating authority as well as people beyond its borders.

1 Audit Commission fieldwork.
71. LACOTS plays an active role in encouraging co-operation among authorities but operates in an environment of local discretion: authorities set their own local priorities, relying on professional judgement and democratic choice. Local government and the trading standards profession could consider whether the role of LACOTS should beneficially be enhanced, perhaps by a greater collective commitment to its activities backed by increased resources, to provide services of value to trading standards authorities.

**BOX G**

**Poundstretcher: Prosecuted five times for the same offence**

Poundstretcher is a national retailer with outlets throughout England and Wales. In 1997, the company sold a Kids Art Collection Set that contained pens that did not have air holes in their caps. These could completely block the windpipe if swallowed and thus choke a child to death. Five of the seven trading standards services which identified the problem instigated proceedings. Two of the cases, held on the same day, led to fines – one for £2,500, the other for £500. One case was withdrawn and two resulted in an absolute discharge for Poundstretcher.

This duplication of effort:

- had cost implications for the authorities – including duplication of staff time spent on investigation as well as duplication of spending on test purchasing, analytical testing and of the costs associated with the court proceedings;
- meant that the company was prosecuted and incurred costs several times for what was essentially a single error on its part. By the time the case reached court, the company had withdrawn the Art Set from sale and had instigated a product recall;
- shows inadequate use of the ‘home authority’ principle. In some cases, the contact authority was not notified of the proceedings being taken until after the event; and
- illustrates inadequacies in the system for product-testing imported goods. If the sets had been tested once, when, or shortly after, they entered the country, the problem could have been picked up before they went on sale.

Note: The Audit Commission is grateful to Poundstretcher for providing information about this case.

*Source: Audit Commission fieldwork*
As this chapter has shown, the levels of service received by the public, and the ways in which businesses are treated, vary greatly from place to place. While individual authorities continue to act in isolation, resources will be wasted and efforts duplicated. National retailers would also benefit from a more co-ordinated approach to enforcement to reduce the likelihood of inequitable treatment or inappropriate multiple prosecutions for the same offence. The widespread absence of effective partnership working between authorities fuels inconsistent service delivery – inconsistencies that may seem unacceptable to both consumers and businesses. The next chapter discusses the reasons for these variations in enforcement activity by assessing authorities’ systems for delivering their trading standards services.
Why Performance Varies

Differences in the services provided partly reflect the exercise of local discretion, differing priorities and political decisions. But they also arise because effective arrangements for identifying needs and priorities and for delivering services are not yet well developed in many authorities. As a result, other factors – for example, the skill-mix available to a particular trading standards service – tend to influence work programmes.
The variations described in the last Chapter can be seen as the natural consequence of a devolved trading standards service that is responsive to local needs and priorities and is locally accountable. But these inconsistencies have also led to calls for greater co-ordination or even some to argue for a regional or national service, to provide a more equitable service for consumers and businesses.

In order to target their services to address the needs of their particular communities, authorities need a system that:

- assesses needs, by considering the type and extent of local trading malpractice, the level of consumer disadvantage caused by this and the risk posed to consumers in the area by individual traders;
- sets local priorities for the service, taking into account the views of local people;
- decides how to enforce legislation, selecting the most appropriate approaches for different local problems; and
- resources the service appropriately, to target service delivery.

The use of effective information and performance monitoring systems is crucial to this approach, as these provide the data that enable authorities to identify needs, priorities and risks and to monitor the impact of their work. In this way, councils will be able to find the most effective ways of responding to local requirements and of identifying the resources required by their trading standards services.

This Chapter assesses councils against these criteria. It shows that effective arrangements for identifying needs and priorities and for delivering services are not yet well developed in many authorities. As a result, other factors – for example, the skill-mix available to a particular trading standards service and the interests of staff – tend to influence work programmes. These factors help to explain why the nature and quality of the service vary so greatly from place to place.

Assessing needs

Different problems present themselves to varying extents in different parts of the country. For example, concerns over animal health may feature in a rural area, such as parts of South Gloucestershire, ‘loan sharking’ and consumer credit problems may be evident in deprived parts of a city such as Leeds and a range of home authority issues may arise in an authority covering the headquarters of major companies, such as Hertfordshire. Estimating the type and scale of the problems in its area is essential if an authority wants both to maximise the impact of resources and to address local needs. The level of consumer disadvantage also needs to be considered. For example, to mount an effective campaign against garages that charge for servicing work that they have not carried out, a trading standards service first needs an idea of the extent of this problem in its area. However, 63 per cent of trading standards services have not assessed the particular needs of their communities.
authorities have produced good business plans for their trading standards services and some are attempting to test citizens’ priorities via consultation. But few have attempted a systematic analysis and estimate of the extent of unlawful trading activity in their areas.\textsuperscript{II}

\section*{Assessing risk}

\textbf{78.} There is widespread acceptance that risk assessment is key to an effective trading standards service. Trading standards services should thus determine which premises and traders present the greatest risk and hence which require the greatest investment of services’ resources. This process requires good ‘knowledge management’. The integrity of information is vital if effort is to be targeted effectively. Trading standards services need reliable, up-to-date databases of information on traders in their areas. Service managers estimate that more than 10 per cent of premises may alter in a year as businesses close or change hands.\textsuperscript{III} Currently, information is not continually updated and maintained effectively.

\textbf{79.} As itinerant traders move across boundaries, intelligence also needs to be shared with other authorities to alert them to potential problems. Inadequate information-sharing currently also leads to duplication of food sampling and means there is no effective national approach to product testing, or even to inspecting national chainstores.\textsuperscript{IV}

\vspace{1cm}

\textbf{Itinerant traders move across [council] boundaries}

\vspace{1cm}

\begin{itemize}
  \item[I] Audit Commission survey.
  \item[II] Analysis of business plans returned with responses to the Audit Commission survey.
  \item[III] Audit Commission fieldwork.
  \item[IV] See Ref. 32, which shows the extent of joint working.
\end{itemize}
Variations in risk assessment

80. In 1994, LACOTS issued guidance on risk assessment to local authorities and, following the Food Safety Act, MAFF set out a suggested risk assessment process for food standards inspections. Despite the widespread dissemination of this advice, risk assessment – where it is carried out – is done in an inconsistent manner. Over half of authorities have globally re-risked premises since 1993 (i.e., have risked premises by type – for example, all second-hand car dealers may be classified as high-risk). Global risking may have been a reasonable starting point for risk assessment, but assessments should be developed and updated frequently, using information from complaints, inspections and other local sources, to allocate risk to individual premises and traders. And, while about three-quarters of authorities now update their risk assessment of premises on an ongoing basis (i.e., base decisions upon specific information about individual premises), the other quarter do not [EXHIBIT 18].

81. Current risk assessment practices have led to anomalies in how retailers are treated [BOX H]. Perhaps as a consequence, the proportion of trading premises classified as high-risk varies across local authorities, from 32 per cent in one council to less than 1 per cent in others [EXHIBIT 19, overleaf]. Though the proportion of high-risk premises will vary between authorities of different types and sizes, it seems unlikely that such wide differences would be caused solely by differences in the underlying level of risk between traders.

82. There are two likely consequences of failing to carry out a robust and objective risk assessment and of not continually updating the risk grading of premises. First, scarce resources may be expended on inspection of premises that are unlikely to present problems. Second, as a consequence, areas of greater risk may not receive sufficient attention. Authorities that take an over-rigorous approach to risk assessment, and categorise many premises as high-risk, may over-stretch their resources and visit premises infrequently; conversely, others may not be targeting all of the traders that pose serious hazards. Better risk assessment could allow more visits to premises posing the most risk.

EXHIBIT 18
Risk assessment of trading premises
While about three-quarters of authorities update their risk assessment of premises on an ongoing basis, the other quarter does not.

Percentage of authorities

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</table>

 Authorities globally re-risking their premises

 Authorities that have ongoing risk assessment

Note: Percentages exclude five respondents that did not answer the question.

Source: Audit Commission survey

I The scheme considers how each trading premise is complying with legislation under four core areas of work: weights and measures, quality standards (including food-related work), safety and fair trading. Each trading premise is scored, taking account of its production or usage risk, turnover, the trader's history and the quality control systems in place (Ref. 40).

II Criteria are set out in the Food Safety Act 1990, Code of Practice No. 8 (Ref. 39). These include: effectiveness of business' quality systems, likelihood of business failing to meet food standards, type of business, product and type of processes operated, number and volume of production lines and international, national and local importance of the business.
BOX H

Inconsistencies in risk assessment

There are many anomalies in how trading standards services apply risk assessment to traders.

- Fieldwork revealed that a leading national retailer whose premises were classified as high-risk by one authority was viewed as medium-risk elsewhere. The retailer is well known for its highly developed approach to customer services.

- A regional study revealed varying approaches to risk assessment among participating authorities, with some authorities using LACOTS’ criteria, others using MAFF’s approach, others a mixture of both.¹ One authority was using the LACOTS scheme but also developing a new system based on hazard/damage to people. Another authority visited by the Commission was using some of LACOTS’ criteria but – unlike LACOTS – did not consider the complaints histories of premises to be relevant.

- When initially risk-assessing premises, many authorities have first globally categorised the risk of these premises by trade sector. But this categorisation has not been consistent. The regional study revealed that among participating authorities, one classified shops selling guns and accessories as medium- or low-risk in the four core work areas: quality standards, metrology (weights and measures work), safety and fair trading. Another authority, using different criteria, considered these shops to be high-risk in one of the same core work areas.

- There are also differences in the premises categorised as having no inspectable risk – in one authority this included betting shops, child minders and beauty services. In another this included security services, printers/publishers and house builders. A third authority treated a café, a car dealership, electrical goods premises, a toy premise, and market stalls as having no risk. In contrast, other authorities treat such premises as medium- or high-risk; for example, car dealerships can have risks from car clocking, while there can be significant safety risks with both electrical goods and toys.

¹ Regional study of risk assessment provided by a county council during Audit Commission fieldwork.

Source: Audit Commission
EXHIBIT 19

Percentage of trading premises classified as high-risk

The proportion of premises classed as high-risk varies.

Source: Audit Commission survey

83. National traders with standard quality assurance schemes may query why different authorities categorise their operations as having different risks. The quality of a retailer’s local management is one of the factors that should be considered in risk assessment, and is one reason why different authorities may legitimately place a retailer’s shops in different risk categories, but such decisions should be based on firm local knowledge. Some other types of trader, which present higher risks, may be ignored altogether; the trading standards profession has stated that:

*Itinerant traders are for all practical purposes unaccountable for their actions whilst those who operate from fixed premises find it more difficult to avoid their responsibilities* (Ref. 28).
Setting priorities

When setting priorities for their trading standards services, authorities need to take account of guidance from central government and the priorities expressed locally by elected councillors and, through consultation, by local people, businesses and other stakeholders. Approaches will also need to be flexible, to enable the authority to respond to unforeseen serious hazards.

Guidance from central government

Consumer protection legislation rarely makes explicit the expected ‘degree’ of enforcement or sets minimum standards for trading standards services [BOX I, overleaf]. Nor do the various government departments with a policy interest in trading standards collectively provide guidance to local authorities on the relative importance of the many tasks expected of them. In one sense, government departments compete for trading standards services’ time and effort; yet, they do not make clear how authorities are to make best use of that time and effort. The balance of judgement is left to individual authorities [EXHIBIT 20].
Legislative expectations

The Audit Commission has set some performance indicators for trading standards services but the only major national standards set by central government, identified by the Audit Commission, derive from the Food Safety Act 1990. Under the Act, authorities are required to take food samples and inspect food premises, sending annual returns detailing their work to the Ministry of Agriculture, Fisheries and Food (MAFF) (Ref. 46).

Under the Food Safety Act 1990 Code of Practice No. 8 (Ref. 39), trading standards authorities are:

- required to visit food premises to establish whether ‘legal requirements covering the quality, composition, labelling, presentation and advertising of food and of materials or articles in contact with food’ are being met;
- expected to ‘adopt a programme for food inspections according to risk frequency and, as far as is practicable, ensure that inspection visits are carried out in accordance with that programme’; and
- advised that, ‘Premises assessed as likely to present a high-risk to food standards should be inspected at least once a year. Premises assessed as medium-risk should be inspected at least once every two years. Premises assessed as low risk should be inspected at least once every five years’.

MAFF has also recommended that authorities inspect a minimum of 40 per cent of food premises, for food standards purposes, each year (Ref. 46).

Food samples may be taken for testing either by trading standards services (to test food composition and labelling) or by environmental health services (for microbiological examination). While MAFF has not defined an expected sampling rate in the regulations, authorities often work to a sampling rate of 2.5 samples per thousand population. MAFF itself collates annual returns on food sampling rates by local authorities and will make follow-up enquiries of authorities that are not carrying out sampling.

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1 This is widely believed to derive from a World Health Organisation (WHO) recommendation, but no WHO source setting out this standard could be identified by the Audit Commission.

Source: Audit Commission
Even where national standards do exist, many local authorities are not meeting them; in 1997, 65 per cent of authorities in England and Wales were failing to reach the national standard for food inspections. There are also great variations where the Government has not provided clear standards. For example, in 1998/99 there were major differences in the numbers of food samples per 1,000 population taken by different councils [EXHIBIT 21]. Benchmarking by trading standards services from six major cities has shown that sampling rates can vary considerably even between apparently similar areas.

The recent White Paper, Modern Markets: Confident Consumers, proposes an Enforcement Forum. This would consist of the main central government departments, together with representatives from local authority trading standards services, environmental health services and from fire authorities. Its aim would be:

- to consider matters of common interest, to develop consistent approaches to enforcement, to look at ways they might be able to co-operate at working level and to exchange best practice (Ref. 1).

The Forum is likely to allow enforcement authorities operating in different fields to compare their experiences and to apply lessons across functional boundaries but is less likely to address the consistency with which different trading standards authorities interpret and enforce the law.

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EXHIBIT 21
Number of food samples taken (1998/99)

There are major differences in the number of food samples taken for testing by different councils.

Note: One authority reported taking no samples.

Source: Audit Commission survey

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1 In 1997, 113 authorities fell below the recommended level of inspecting 40 per cent of their food premises each year (Ref. 47).

II Benchmarking exercise results provided by a metropolitan council.
Consulting local people

88. Elected councillors’ views and policies are a crucial determinant of the priorities of their authority’s trading standards service. For example, if an authority wishes to address the needs of vulnerable groups to combat social exclusion, its trading standards service may seek to improve consumer advice outreach to elderly people and people from ethnic minorities, or to devote particular attention to combating loan sharks.

89. However, under best value, councils will also need systematically to canvass the views of local people when setting priorities rather than, as can be the case now, relying on less structured contacts with their electorate. They will need to weigh up the views of the community against their statutory duties. While 62 per cent of authorities say that they have carried out consultation about council priorities, only half of authorities have consulted the community on the priorities of the trading standards service itself. Authorities have a range of options for structured consultation. Where consultation on trading standards’ priorities has been carried out, the main form favoured has been service-user satisfaction surveys. Over half of the councils that have consulted about the priorities of trading standards services have adopted this approach [EXHIBIT 22].

Note: Percentages based on authorities responding to yes/no questions about the use of each method. An authority may have used more than one method.

Source: Audit Commission survey

EXHIBIT 22
Forms of consultation adopted for assessing trading standards’ priorities
Consultation on trading standards’ service priorities is not common. When it is carried out, the most common approach is to survey service-users.

Forms of consultation

- Service-user satisfaction surveys
- Complaints schemes
- Postal questionnaires
- Focus groups
- Other forms of consultation
- Media consultation
- Consultation documents
- Public meetings
- Citizens’ juries

Percentage of councils that have consulted on trading standards priorities

Source: Audit Commission survey

64
Most trading standards services do not allocate resources in the light of formally identified priorities

90. User satisfaction surveys may be useful to highlight specific problems. But they fail to reach people who do not use the service but who might do so if they knew of it, if they found the service easier to contact or if it changed the package of support that it offered to the public. User satisfaction surveys also fail to collect the views of people and organisations who have a legitimate interest in, but who do not use, the service; examples include those local taxpayers who do not have any consumer complaints but who help to fund the service. Reliance on these surveys may also provide only limited information. For instance, one authority received a positive, but misleading, picture from a user survey; some 80 per cent of callers to a consumer advice help-line were very satisfied. But further research revealed that many other people who attempted to contact the service were unable to get through; their views were not covered by the survey. Furthermore, this authority had repeatedly obtained evidence that showed that people were experiencing difficulty in contacting its advice service by phone but had not addressed the problem.

91. Most trading standards services do not allocate resources in the light of formally identified priorities. Twenty-nine of the authorities surveyed by the Audit Commission did not list their priorities by service area. The top-priority service areas of the other 97 respondents showed some consensus; a large proportion of trading standards services identified product safety and fair trading as their top priorities [EXHIBIT 23, overleaf]. But even where priorities have been set, resources have not been allocated in line with them. There is no evidence that priorities determine either expenditure on, or staff resources devoted to, different areas of work, even for the highest priority activities. For example, the average percentage of staff working on product safety is similar whether it is the first, second or third priority of the authority. In addition, the percentage of staff time spent on this activity varies from under 5 per cent to over 35 per cent even where it is the top priority [EXHIBIT 24, overleaf].

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1 Information provided on fieldwork.
A large proportion of trading standards services identified product safety and fair trading as their top priorities.

Note: Figures exclude authorities that offered no priorities by service area. Some authorities reported more than one top priority.

Source: Audit Commission survey

The average percentage of staff time spent working on product safety is similar whether it is the first, second or third priority of the authority.

Source: Audit Commission survey
Achieving compliance

92. While some authorities prefer to advise businesses about their legal obligations, and prosecute as a last resort, others view prosecution as the key to achieving compliance. The Cabinet Office is seeking to promote an enforcement culture that emphasises prevention before prosecution and encourages working with businesses to help them to comply with regulation. To this end, authorities are encouraged to adopt the Enforcement Concordat, a code of practice drawn up by central and local government in consultation with consumers and business.

93. Different approaches to enforcement are likely to be appropriate in different circumstances. However, the trading standards profession does not have an agreed view on which model works best in particular circumstances. And, with a few exceptions, councils are not systematically evaluating the effectiveness of different techniques. Without testing the impact of alternative models of enforcement, their general application is based only upon assumptions and opinions.

Resourcing the service

Setting budgets

94. Having set priorities, assessed risk, and decided their approaches to enforcement, authorities need to ensure that they resource their trading standards services adequately and provide the right blend of staff and skills to target their work and to address local needs. Some managers in trading standards services believe that their work is under-funded. They feel that their services consistently lose funds to education, social services and other high-profile local authority services, when councils set their budgets. Some thus argue that trading standards services should receive ring-fenced funding from central government. But much of this debate is taking place in a vacuum. In the absence of a robust and consistent methodology for identifying need and risk, it is not possible to demonstrate whether a particular level of funding is or is not appropriate. And, in the absence of such a system, it is not clear how ring-fenced sums could be distributed equitably to authorities.

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1 Neither trading standards services’ business plans nor fieldwork findings suggested any widespread attempts to evaluate different approaches to enforcement. One exception is Liverpool City Council – for its consultation and evaluation of different consumer and business enforcement needs, see Chapter 4.
Resources and specialist expertise

95. In addition, many trading standards professionals believe that there are problems with the availability of resources and specialist expertise, particularly following the local government reorganisation of the 1990s, which led to the break-up of some county council trading standards services, and the creation of smaller unitary authority services. Some officers also argue that some of these smaller trading standards services cannot possess the full range of skills and expertise needed to provide an effective modern service and that any reductions in budgets have a disproportionately severe impact upon them. For example, a trading standards officer from one unitary authority said:

‘We’re on a slippery slope from 1 April 1996 to this [unsatisfactory level of service], we’re probably in a worse position now than we were in 1996. Best value just isn’t working here... A unitary level for this authority just doesn’t work.’

96. At the time of local government reorganisation, ITSA argued that trading standards services in Wales would be ‘adversely affected by [reorganisation]’ and sought to persuade the Government that Welsh trading standards services required a ‘distinct approach’. ITSA suggested, If the [eight] county councils [in Wales] are to be abolished we would like to see our Service administered through larger strategic units (Ref. 51) [BOX J].

The Government decided against this; the 22 Welsh unitary councils are now trading standards authorities. LACOTS subsequently appointed a regional co-ordinator in Wales. In 1997, the Director General of Fair Trading, commenting on the OFT’s relationship with trading standards’ services, said:

The quality of staff is high but local government reorganisation is creating an increasingly fragmented service at a time when the needs of economy, efficiency and effectiveness require concentration (Ref. 52).

I Audit Commission fieldwork.
BOX J

Maintaining a strategic approach

ITSA argued that …

Trading Standards/Consumer Protection Departments in Wales have established proven methods of co-ordination and communication which allow joint initiatives throughout the Principality. Regular safety sweeps, food sampling checks, national education schemes and trade surveys are just some of the success stories. Industry teams with specialist qualifications help local industrialists with quality assurance systems, total quality management procedures and guidance over harmonised European standards and interpretation of legislation. Scientific and analytical procedures are carried out by our specialists. We provide consistency of advice and enforcement.

- Fragmentation of the Service will inevitably lead to a break up of the specialist teams and make us less cost effective and efficient.
- Uniformity is the key to achieving fair competition... It is much easier and cheaper to share facilities, expertise and resources with a relatively small number of enforcement units and much harder with a larger number.
- Resources are the key to quality enforcement. We need enough money to do our job properly. Analytical laboratory equipment does not come cheap. Prosecutions are vital to deter crooks and rogues, but fighting national and international consumer crime is costly.
- Europe is the key to our future. It requires a strategic approach to ensure that the level playing field is achieved in the interests of consumer protection and fair competition for business.
- If the county councils are abolished we would like to see our Service administered through larger strategic units... the Trading Standards Service needs to be protected from any changes that may result from the Government’s proposals.

Source: Extracted by the Audit Commission from Ref. 51
The Audit Commission emphasised the need to work in partnership following local government reorganisation, to ensure that the benefits of scale were not lost.

97. In some areas, reorganisation coincided with reductions in the resources allocated to trading standards work, though the position has now stabilised [EXHIBIT 25]. However, the reduction in expenditure per head of population in the mid-1990s was greatest in London, which was not affected by reorganisation. And the average expenditure per head of population in Wales is still higher than in England and is about 70 per cent greater than in the English metropolitan districts.

98. Some members of the profession continue to argue for a regional or national service for both England and Wales. Such a move would have both advantages and disadvantages (Appendix 4). But trading standards staff have to work within the current framework and must try imaginatively to overcome any disadvantages that they believe it possesses. The Audit Commission emphasised the need to work in partnership following local government reorganisation, to ensure that the benefits of scale were not lost (Ref. 53), but councils have often failed to do so. For example, none of the new unitary councils agreed to create joint trading standards services following the reorganisation of the 1990s, even though the joint service created in the 1980s in West Yorkshire shows the economies of scale that can be achieved from such arrangements (see Ref. 37 for more information on this and other joint arrangements).

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EXHIBIT 25

Expenditure on trading standards services

In some areas, reorganisation coincided with reductions in the resources allocated to trading standards work but the position has now stabilised.

Staffing and skill-mix

99. There are different views within the profession about the skill-mix needed to deliver trading standards services. Less than half of the frontline staff in trading standards services are qualified weights and measures inspectors who have the Diploma in Trading Standards (DTS) or an equivalent qualification (Ref. 23). Many authorities now favour using more enforcement officers (EOs), who do not hold the DTS qualification. However, the ratio of DTS-qualified trading standards officers to EOs varies substantially across England and Wales; on average, metropolitan district councils now have the highest ratio and Welsh unitary authorities the lowest [EXHIBIT 26].

100. A shortage of DTS-qualified staff has caused concern in the profession. One unitary authority had appointed six people in succession to the post of trading standards team leader since reorganisation. In 1999, having filled the post, the team still had 2.4 other vacancies for TSOs. In 1998, 7.7 per cent of TSO posts were unfilled in England and Wales, in all, some 117 full time employees. The profession’s workforce survey (Ref. 23),

EXHIBIT 26

Ratio of trading standards officers to enforcement officers

The ratio of DTS-qualified trading standards officers to EOs varies substantially across England and Wales.

Note: Figures exclude consumer advisers and clerical and other support staff.

Source: Audit Commission, using data from Ref. 23

Number of trading standards officers per enforcement officer

County councils  English unitary authorities  London boroughs  Metropolitan district councils  Welsh unitary authorities

0 1 2 3 4 5 6
however, shows 129 trainee TSOs in England and Wales at 1 October 1998, compared with 108 in September 1995, suggesting that the number of trainees employed by local authorities is now increasing after having fallen earlier in the decade. The resourcing of training is one problem that the Government is seeking to address in the proposals in Modern Markets: Confident Consumers (Ref. 1).

101. More flexible working practices may also help to overcome staff shortages. The recent consultation document on weights and measures, A Fairer Measure (Ref. 2), discusses the danger that the different qualifications for TSOs and EOs may be hindering this. It suggests replacing special certification requirements for weights and measures inspectors with a general requirement on local authorities to ensure that those carrying out functions under weights and measures legislation have appropriate training, skills and knowledge. This could allow greater flexibility in recruitment [BOX K].

**BOX K**

Weights and measures qualifications

A Fairer Measure states:

*Under the current legislation, enforcement of weights and measures provisions is by weights and measures inspectors. These are local authority officers who have passed a special examination and have received a certificate… Lack of due skill or care by enforcement officials could have very expensive consequences for companies. Clearly it is vital that for these important functions local authorities only use officers with appropriate training, skills and expertise. It is however not clear that whatever qualifications are necessary for particular functions it is necessary to have a special certification process. Moreover, requiring inspectors to have one all-embracing certificate removes flexibility from local authorities in the people they can use for particular tasks. Although one stop enforcement is often in the interests of a company the current provisions are not necessarily the best way of ensuring that this is achieved. The proposal… is therefore that the special provisions for certification of Weights and Measures Inspectors would be replaced with a general requirement on local authorities to ensure that those carrying out functions under this legislation have appropriate training, skills and knowledge.*

*Source: Ref. 2*
In spite of major changes in the trading environment in which they operate, the vast majority of trading standards staff are full-time employees on traditional contracts and the predominant working patterns in trading standards services remain ‘9am–5pm, Monday to Friday’. As yet, not many councils have adapted their working practices significantly to meet the demands of the changing trading environment, though there are exceptions [CASE STUDY 4]. The changing labour market, more flexible working practices and new technology will continue to impact upon a service that by its nature should be working in the field, not tied to an office. Changes in staffing requirements will need to follow.

At the moment, few authorities have systems in place regularly and systematically to monitor how their staff spend their time. This makes it difficult for them to evaluate the effectiveness of their resourcing of different elements of their work or to assess whether staff time is being misdirected or could be more effectively channelled elsewhere. In short, authorities and trading standards staff are sometimes more willing to focus on resources or the structures within which they have to work, rather than thinking creatively about how to staff and provide their services.

CASE STUDY 4

Seven-day working initiative – West Yorkshire

West Yorkshire Joint Trading Standards Service serves the metropolitan districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield. Managers have responded to the seven-day trading environment by contracting a small number of staff to operate for an additional 20 days a year, above their standard 220 days. This time can be used to work longer hours during a weekday or to carry out operations over weekends.

The new operational approach has enabled the trading standards service to address the 24-hour market place – by, for instance, visiting licensed premises and night-clubs to check on drinks measures and to visit 24-hour food outlets to check on trading practices – without compromising their normal office hours service.

Those staff involved are aware that this may mean that they sometimes work for more than 48 hours a week, a limit set under the European Working Hours Directive, but have agreed to opt out.

Source: Audit Commission fieldwork
The way forward

104. Trading standards work is often responsive or dictated by programmes that are not the product of a clearly derived set of priorities and rigorous needs assessment. Some trading standards staff have argued that analysing need, risks and potential impacts cannot be done – because of a lack of resources. Or, moreover, that the professionalism of trading standards staff alone is sufficient. The reverse is the case – if trading standards services believe that they are resource-constrained, then carrying out a needs analysis, and identifying how and where they can be most effective, has to be their first priority. This approach underpins, not undermines, the professionalism of the service and is at the heart of the best value challenge agenda. Knowing these things allows a council to challenge the value of what it is doing and the way it is doing it. Working more closely with other authorities will also ensure that resources are well targeted to meet these priorities. The next Chapter discusses how to address such issues within the best value framework.
Achieving Best Value

The '4Cs' of best value – challenge, consult, compare and compete – provide a framework for continuous improvement of trading standards services. Effective information and performance monitoring systems will help authorities to identify needs, priorities and risks and to monitor the impact of their work. Central government and others can help by encouraging and stimulating still further co-operation between authorities.
This chapter sets out some practical steps for improving trading standards services. In an era of constrained resources, it is essential to target activity if maximum impact is to be achieved. The best value framework provides a means for achieving this objective. Under best value, services provided by an authority will have to be included in the council’s annual best value performance plan and be subject to regular review. The review will address the ‘4Cs’ of challenge, consult, compare and compete.

This chapter addresses what best value will mean for trading standards services. It considers:

- applying best value to trading standards services: it lists the issues that authorities need to review under best value and provides a best value impact model based upon the ‘4Cs’, which offers authorities an approach for delivering trading standards services under best value;

- challenging what they do and how they do it: authorities need to improve the ways in which they evaluate, and respond to, local needs by adopting more systematic approaches to considering the problems in their area, the relative hazard that these pose to traders and consumers and how these, in turn, will affect authorities’ priorities;

- consulting local stakeholders: authorities need to consult local consumers, businesses and other stakeholders to help them to set priorities for the service and decide on approaches to enforcement; consultation needs to be designed carefully to ensure meaningful and informed responses;

- comparing approaches and performance: authorities need to establish systems to compare costs, activities, and different approaches, so that they can measure the impact of what they do over time and compare their approaches, performance and impact with those of other councils; and

- competitive service delivery: authorities need to review how they deliver the service, identifying the core functions and competencies that they require in-house and other skills and expertise that may best be bought in. Authorities should also continue to develop more flexible and efficient ways of working.

The chapter also discusses how central government and others can help. It ends with a series of key questions for local authorities to consider, in order to ensure that they are addressing the best value agenda, and a list of key issues for central government.
Applying best value to trading standards services

107. The ‘4Cs’ of best value provide a framework around which the agenda for trading standards can be implemented. The ‘best value impact model for trading standards’ provides a structure in which the ‘4Cs’ lead to a series of practical actions [EXHIBIT 27]. In part, the best trading standards services are already following this approach. Applying the model will require that authorities carry out detailed assessments of needs and priorities, that they review their approaches to enforcement, provide appropriate resources and monitor the effectiveness of their work [EXHIBIT 28, overleaf]. As part of the process, they should consider which problems and issues are best seen in a regional and national, rather than purely local, context and thus need to be addressed in co-operation with others [TABLE 2, overleaf].

108. The excellence model developed by SOCTSO for trading standards services is a good starting point for a best value review. Authorities that have already adopted this approach will have in place many of the building blocks of a thorough reappraisal of their activities. The model examines how current service delivery can be improved. Taken together with a fundamental challenge to what is being done – why, how, and to what extent – the outcome of the best value review should deliver the ‘continuous improvement’ expected by the Government.

EXHIBIT 27

The best value impact model for trading standards
The ‘4Cs’ lead to a series of practical actions.
Reviewing trading standards services

Authorities should assess local needs and priorities, review their approaches to enforcement, provide appropriate resources and monitor the effectiveness of their work.

Source: Audit Commission
In order to challenge current approaches effectively, councils need to:

- evaluate the needs of their communities by considering the trading malpractices that consumers face;
- assess the relative significance of the risks posed by these problems, and the potential of trading standards services to have an impact; and
- set their service priorities, weighing up statutory and discretionary duties.

This work is discussed further in the rest of this section.
Evaluating local needs

In challenging current approaches and setting or reviewing their priorities, authorities need to take account of their legislative duties, the relative significance of different local needs, and their potential to have an impact and make a difference when they address problems. This process will mean that councils need to review the information available to them. Some authorities already do this, when setting their business plans [CASE STUDY 5].

CASE STUDY 5

Surrey County Council: addressing local needs in service planning

When drafting its trading standards service business plan, Surrey County Council uses information it obtains from complaints and inspections to analyse the problems it is seeking to address. It also includes an analysis of performance against targets set by the service. The analysis considers:

- targeted proactive work;
- complaints received and possible reasons for changing trends; and
- activity to improve joint working.

The business plan begins with a review of the previous year, including consideration of consumer redress and user satisfaction surveys. Other features include analyses of:

1 **Detection rates**: the number of visits and detection rates per visit are reviewed to assess the impact of proactive visits. This approach has been used to consider the most effective means of service delivery. Currently Surrey is adopting a project-based approach in order to improve targeting of offenders.

2 **Level of investigations**: Surrey has identified that 15 per cent of all the complaints that it received resulted in further investigation and yet only around one-fifth of these were subsequently found to be justified. This information has prompted work on the early identification of substantive offences.

3 **Complaints**: Surrey analyses complaints, comparing data for the county with national data issued by the OFT, to identify local trends. In 1998 the service began to record complaints/service requests by reference to the relevant legislation. It now uses this to identify the type of offence or breach of the law that concerns its customers. This information will also be used to help to set priorities.

Source: Audit Commission review of business plans
Specific research and consultation may be necessary to ensure that the authority identifies the needs of, and problems faced by, the entire cross-section of society.

111. Councils need a thorough understanding of the type and level of trading malpractice in their communities in order to assess the extent to which a particular problem affects local people. Initially, any assessment of needs may involve simplified assumptions. For example, the number of tobacconists selling cigarettes to children, identified as a result of test purchases, can be extrapolated to estimate the total number of illegal sales in the council’s area. However, over time, systems can be developed that complement the chosen enforcement methodology, and will improve the reliability of the needs analysis [BOX L, overleaf]. Authorities should also use information from central government departments; for instance, they can use national data on product-safety related accidents or on under-age purchase of cigarettes to help to identify local needs.

112. Within an assessment of local needs, authorities will need to understand the different levels of consumer disadvantage as well as the types of problem consumers face. National data can be compared with local profiles in many areas, including trends in consumer spending, consumer complaints, and educational needs. The authority can also contact local agencies and voluntary groups such as disability groups, Citizens Advice Bureaux or Age Concern to help it to understand the local needs of vulnerable people and of people who are subject to social or economic exclusion. Specific research and consultation may be necessary to ensure that the authority identifies the needs of, and problems faced by, the entire cross-section of society, including people from minority groups, those on low incomes and elderly people. It should be alert to the possibility that assessments based on information collected through its consumer advice services may present only a partial picture.

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1 The Office of Fair Trading provides a national overview of trends in consumer complaints (for example, Ref.14). The Department of Trade and Industry can provide information on home and leisure product accidents (for example, Ref.18), the Health Education Authority has carried out research on under-age sales of cigarettes (see, for example, Ref.19). The Department of Trade and Industry has produced reports on internet use and other relevant statistical trends (for example, Ref.10). National statistics may be supplemented by information from other local service providers – for example, schools on the incidence of smoking.
### BOX L

**Ways of assessing need**

<table>
<thead>
<tr>
<th>SERVICE AREA</th>
<th>MEANS OF ESTABLISHING NEEDS</th>
<th>EXAMPLES OF INFORMATION ON LOCAL NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weights and measures</strong></td>
<td>Test a random sample of equipment and identify the percentage that is inaccurate or does not meet legal requirements; estimate the proportion of premises likely to have incorrect equipment in a given year; cross-check whether non-compliant premises are high-risk for weights and measures</td>
<td>Proportion of premises with inaccurate weighing and measuring equipment; whether current risk-assessment is accurate</td>
</tr>
<tr>
<td><strong>Fair trading</strong></td>
<td>Visit a random sample of premises, determining number of lines not priced; use this as a basis to establish non-compliance in premises as a whole; review consumer complaints</td>
<td>Proportion of premises with prices missing; level of problems raised by the community</td>
</tr>
<tr>
<td><strong>Product safety</strong></td>
<td>Examine national information on accidents; consider home authority records as a source of information; consider proportion of goods tested that are non-compliant or unsafe</td>
<td>Number of sales, in the local area, of products that may cause injury</td>
</tr>
<tr>
<td><strong>Food standards</strong></td>
<td>Random survey home authority producers and retailers, establishing level of compliance through inspection and food sampling</td>
<td>Proportion of producers and retailers whose products are accurately labelled and appropriately described</td>
</tr>
<tr>
<td><strong>Consumer advice</strong></td>
<td>Assessment of small claims and county court cases taken with and without help from the trading standards service; examination of outcomes for those cases; survey of consumers</td>
<td>Proportion of local people not using service but who appear to have consumer problems</td>
</tr>
<tr>
<td><strong>Animal health and welfare</strong></td>
<td>Survey establishing proportion of animals transported that were not fit for transport</td>
<td>Proportion of animals transported that are unfit for transport</td>
</tr>
<tr>
<td><strong>Licensing</strong></td>
<td>Inspection-visit survey of premises likely to sell poisons</td>
<td>Number of premises that need to be licensed</td>
</tr>
<tr>
<td><strong>Under-age sales</strong></td>
<td>Number of premises selling tobacco; number of children buying cigarettes from shops, calculated using Health Education Authority data, supplemented by local information and compliance rates in test purchasing</td>
<td>Incidence of local under-age smoking and of under-age cigarette sales, compared to national data</td>
</tr>
</tbody>
</table>

Note: The box is illustrative and is not exhaustive.

*Source: Audit Commission*
Assessing risk and the potential to make an impact

113. Councils should consider the entire range of trading standards responsibilities and not simply the issues on which they currently focus. Once they have identified all of the threats that may affect local people, they will need to consider the extent to which action by their authority can make a difference. In their assessment, they should take account of the relative significance of the different threats posed to the health and wealth of the community. Sometimes the results will be obvious. For example, preventing cigarette sales to children addresses the threat to life posed by tobacco use. Other issues of priority may require more local judgement. One tool that may help councils evaluate the risk versus impact trade-off is a hazard/impact matrix [EXHIBIT 29].

EXHIBIT 29
The trading standards service hazard/impact matrix
Use of a hazard/impact matrix may help trading standards service managers to set their priorities in service delivery.

Note: The analysis is illustrative. Authorities may identify different levels of hazard and impact for the examples shown.
Source: Audit Commission
Councils can consider each area of activity against the two dimensions of ‘hazard to the public’ and trading standards services’ ‘potential impact’. Activities in the top right-hand square (greatest threat to the public and greatest potential to make a difference) should receive the highest priority. The matrix should change over time, as the authority’s strategy takes effect and reduces the hazard posed by some activities. Authorities will thus need to update their matrix periodically.

When considering where they can achieve the greatest impact, authorities should take account of the different points in the supply chain at which they can intervene. For example, for test purchasing and analysis, a trader’s home authority might focus on the manufacturing/importing level, and back this by rigorous inspection of internal procedures, to try to ensure that goods placed on the market are safe and correctly labelled. Other authorities might not then need to test-purchase these products at the retail level. But it will only be possible to take account of the supply chain in this way if authorities co-operate and share information.

Setting priorities

Identifying needs and the relative detriment that hazards pose to consumers and honest traders is a means to an end. Councils must challenge the whole basis of what they are doing. When reviewing trading standards services, councils should address each aspect of their trading standards responsibilities and ask:

- how important is this aspect of the service?
- should we provide it?
- should we increase or decrease the resources allocated to it?
- is there a better way to provide this aspect of the service?

The authority should specifically consider the role of discretionary activities, such as providing consumer advice, and the balance between these and work to meet its statutory duties. On consumer advice, it should take account of the proposals in Modern Markets: Confident Consumers (Ref. 1) as well as the parts played by other advice agencies such as Citizens Advice Bureaux, and weigh these up against the use of intelligence gained, and the enforcement activity resulting, from complaints.
Consulting local stakeholders

118. Decisions on priorities should be made in consultation with stakeholders. Indeed, the Local Government Act 1999 imposes a general duty to consult local taxpayers, businesses and others during best value reviews. Such consultation brings benefits – often outsiders can introduce a new perspective or reveal that managers’ and councillors’ perceptions are ill-founded or incomplete.

119. Authorities will need to consider whom they are seeking to reach and how, and when, to consult them. Meaningful consultation may require that the council should have its own view of priorities before formally asking stakeholders for their views. Conversely, this implies that members must be prepared radically to change priorities following consultation. There are many possible approaches; one option is to follow a model used in New Zealand (Ref. 55), under which an authority would survey public opinion, asking people which of a number of activities undertaken by trading standards services they considered to be the most important. The responses could shape the authority’s priorities and it could then provide a response to local people about the decisions taken. An illustration of how the results of such consultation might be summarised and fed back to local people is set out in Appendix 5.

1 The Audit Commission has recently published a paper on consultation (see Ref. 54).
Consultation needs to be designed carefully in order to permit meaningful and informed responses. One county council that had consulted on its priorities showed local residents a list of its services and asked whether the council should increase or decrease spending on them. The public was in favour of a reduction in spending on services that ‘protect the interests of consumers’. The trading standards service manager – who had not been involved in framing the questionnaire – argued that there might have been a different result if consumer protection had been described more fully, for example if the question had mentioned food safety.1

A useful first step for a council is to carry out an audit of all recent consultation. This should generate information about local approaches, provide a basis for the best ways of using consultation and highlight local good practice. Consideration then needs to be given to how often consultation is needed, at what stages it is necessary, what techniques to use, whom consultation is seeking to reach, how this can inform the work of the council and how to provide feedback to consultees. A co-ordinated corporate approach may reduce waste and alleviate problems caused by ‘consultation fatigue’; co-ordination with other tiers of local government may also be beneficial. Authorities should also identify groups that have been under-represented among consultees (for instance, people from ethnic minorities, or those in remote geographical areas), identify barriers to their involvement (such as language or access to technology) and seek to overcome these in the future. This may be particularly important for trading standards services if councils are seeking to address the needs of vulnerable consumers who may not currently be aware of, or using, the services.

Whatever mechanism of consultation is chosen – user surveys, focus groups or other methods – should involve sharing information with stakeholders in a sensible manner. Trade-offs need to be made explicit. Questions such as what do you think of the public protection service? or what is more important, trading standards or education? are rarely likely to produce a response that will be helpful when prioritising services and allocating resources. A consultation exercise that sets out the current types of provision and shows the scale of the problem that is being tackled is also more likely to be helpful.

1 Audit Commission fieldwork.
Improving information systems

123. An effective information system is a prerequisite for best value. At the most basic level, an authority and its service managers need to know what is currently being done, how much this costs and what it is achieving. That understanding needs to be communicated to elected councillors and to stakeholders in a manner that is meaningful. Trading standards services should set up information systems that:

- identify the various elements of the service;
- allocate costs and staff to each of these elements; and
- monitor performance and achievement.

124. The cost and performance categories used in the Audit Commission’s survey could form the basis for an effective information system. The survey outlined the main constituents of the service as: consumer advice, consumer education, animal health and welfare, fair trading, food safety, product safety, road traffic, metrology and other services. Business advice might be added as a further category. An agreed approach to monitoring information within the profession would enable authorities to build up comparative data which would assist them in benchmarking costs and services.

Adopting an approach to enforcement

125. Having set their priorities and established information systems, councils will need to decide how to enforce the legislation. A paper produced by the Cabinet Office suggests four approaches to enforcement [EXHIBIT 30, overleaf]. Examples of how these may be applied are set out in Appendix 6. A council will need to decide which approach is appropriate for each area of activity, what outcomes it is seeking and address its problems accordingly. Decisions should take account of the work of the Cabinet Office and the Enforcement Concordat. It may be that a combination of approaches is required to tackle a problem, or that different approaches may be used at different times. The decision to adopt particular approaches should be based on an evaluation of research evidence and ongoing monitoring, at local authority level, to measure the relative effectiveness of different approaches. This information should be shared between councils.

Establishing performance measures

126. In order to assess the effectiveness of their service delivery, authorities need to ensure that they develop performance information systems that include rigorous performance measures and set targets linked to their service objectives. Currently, there is little systematic attempt to monitor performance, although some authorities have made some headway and are now setting their own performance indicators and, in some cases, targets associated with that work [TABLE 3, overleaf].
EXHIBIT 30

Approaches to enforcement
There are four possible approaches to enforcement.

Source: Audit Commission, based upon work by the Cabinet Office (Ref. 56)

127. Good performance measurement can make it easier for authorities to monitor how their performance changes over time and to compare their effectiveness with that of other councils. This will only be possible, however, if different authorities use the same, consistently defined measures. More work is needed on this if meaningful comparisons of performance are to be made at a national level.
Under best value, the Government will set new national best value performance indicators for trading standards services, although it does not propose to do so until 2001/02 (Ref. 57). Any best value performance indicators then set will need to take account of proposals by the Food Standards Agency, which has a remit to set performance standards relating to food enforcement. In the interim, the Audit Commission performance indicators for trading standards services will continue. However, many trading standards staff argue that the Audit Commission indicators should cover a fuller range of trading standards activities; otherwise authorities will tend to focus on those aspects of the work for which there are indicators, to the detriment of the rest.

### TABLE 3

<table>
<thead>
<tr>
<th>Authority</th>
<th>Performance measures, indicators and targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gwynedd Council</td>
<td>Ratio of resolved to unresolved consumer complaints; number of problem traders and number of complaints against them; percentage of people making enquiries who felt that they were now better equipped to deal with potential/actual problems.</td>
</tr>
<tr>
<td>London Borough of Bromley</td>
<td>Percentage of businesses complying with legal requirements when visited and after receiving advice/assistance.</td>
</tr>
<tr>
<td>City of Westminster</td>
<td>Targets to reduce number of people trading illegally by 75 per cent by April 2000, maintain 100 per cent compliance in premises dealing with age-restricted goods and reduce number of high-risk premises by 30 per cent.</td>
</tr>
<tr>
<td>Walsall Metropolitan Borough Council</td>
<td>Percentage of recipients of consumer information packs who subsequently feel able to deal with future problems themselves.</td>
</tr>
</tbody>
</table>

*Source: Audit Commission analysis of local authority trading standards service business plans sent to it by authorities that returned the Commission’s questionnaire*
Several government departments already collect information on trading standards work (Appendix 7) and a number of initiatives to assess performance are under way (Appendix 8). The Cabinet Office has been considering performance measurement for trading standards and environmental health services with the aim of focusing on outcomes rather than inputs. It has identified a series of good practice case studies, which it is seeking to update in conjunction with LACOTS (Ref. 56), but the Government has not yet finalised any preferred performance measures. Individual local authorities have been considering how to evaluate their services through the Improvement and Development Agency and other benchmarking activities. Welsh authorities are carrying out their own benchmarking on three main areas of trading standards’ work: animal health and welfare, consumer advice and programmed inspections of retail premises.

Under best value, local, as well as national, performance indicators will be used to evaluate services; the trading standards profession thus needs to arrive at its own set of meaningful local performance indicators. The breakdown of activities used for the Audit Commission survey may serve as a basis for this.

**Competitive service delivery**

Under best value, authorities are required to consider the role of competition as a means of securing efficient, economic and effective services.

**Reviewing service provision**

The core enforcement activities of trading standards services have not been subject to compulsory competitive tendering. However, the duty of best value will, from April 2000, apply to all local authority functions. Under best value, authorities are required to consider the role of competition as a means of securing efficient, economic and effective services. Where there is a developed supply market for all or part of a service, retaining all the work in-house will rarely be justified unless the authority can show that in-house provision is competitive with the best alternative. This is likely to be shown by market testing or by some other robust test.

There seems no inherent reason why some aspects of trading standards services could not be provided by a private sector or not-for-profit organisation. Indeed, buying-in parts of the service is one obvious way of addressing the difficulty that some authorities face in ensuring that they have access to the full range of expertise and skills they require. If a council needs to use particular expertise for only a few person-weeks a year, buying-in that expertise from elsewhere may be preferable to trying to develop and retain this specialism in-house. Authorities need to consider whether the cost of directly providing a service is competitive, when they compare their provisions with other councils.
Tasks involving powers of entry, search and seizure may need to be carried out by local authority employees. And though, Section 101 of the Local Government Act 1972 allows one authority to act for another, Section 101(7) prevents local authorities from making arrangements under the Section for discharge by other authorities of functions in relation to animal health. Nevertheless, when councils are reviewing their trading standards services they should consider whether, where lawful, parts of the service could be provided more effectively by a private or not-for-profit organisation.

At present, many authorities use contracts for highly specialised aspects of their work, such as laboratory testing. For example, Nottinghamshire trading standards service has contracted out its testing services both for analysis of food samples and for wider product testing.

ITSA has noted that local authorities would benefit from competition in choosing the laboratories they use for the analysis of food samples. Discussing public analyst arrangements, ITSA comments that:

Whilst new technology and improvements to record and access data will go some way towards the quest for improvements in support given by scientific services, we are inevitably drawn to the prospect of some regional dimension – either through fewer but larger laboratories, or a regional grouping of smaller laboratories. The management arrangements could be administered by means of service level agreements put in place to ensure uniformity and consistency in meeting defined standards...

(Case Study 6)

CASE STUDY 6

Nottinghamshire testing services subject to competition

In keeping with the best value agenda, Nottinghamshire trading standards service decided to review its laboratory testing services due to concerns about costs and effectiveness. Service managers decided that product testing could be carried out more economically if the authority contracted out this function. The authority believes it will save substantially from this move and is now considering reviewing other trading standards work to see if it could also be carried out more efficiently by alternative means.

Source: Audit Commission fieldwork
Councils that believe they face diseconomies of scale can...explore the option of joint working with others or even of arranging for another authority to undertake work

136. There are currently no market suppliers of comprehensive trading standards services. If councils consider that large-scale outsourcing may be a lawful option, they should consider how to help to develop the private sector market, for example, by encouraging management buy-outs. Councils that believe they face diseconomies of scale can also explore the option of joint working with others or even of arranging for another authority to undertake work. For example, Leicestershire County Council lost parts of its area to new unitary authorities on local government reorganisation. One of these, Rutland Unitary Authority, which serves a population of only 35,000 people, has contracted out much of its trading standards work to Leicestershire.

137. The benefits of joint service arrangements have been advocated in an evaluation of the ‘Crossing the Boundaries’ best value pilot partnership. This suggests that:

[From] experience in other services and sectors, establishing joint provision can typically reduce individual operating costs in the order of 30 per cent... once the start up investment has been made, we consider that there may be an opportunity to add value in the order of 15 per cent in terms of enhanced services. (Ref. 59)

Westminster City Council is already exploring the options for contracting out parts of its trading standards service.

138. Authorities can also agree and ensure that a designated council will lead on certain areas of work, for example product testing of goods from a particular company, or to co-ordinate inspections of a national retailer.

Reviewing staffing

139. Authorities need to consider how they resource and staff their activities. Teams of appropriately skilled staff are essential and authorities should review how staff are allocated to different aspects of trading standards work, to ensure that resources are being used in line with priorities. The profession has invested much energy in debating changes to the qualifications required for trading standards work. Important though this is, there are other factors that would help to ensure a continued supply of appropriately skilled staff. These include:

• considering more use of EOs instead of TSOs, for work that does not require a weights and measures qualification;
• encouraging flexible working, for instance to allow women who have left to have children to return to work, by offering part-time work and opportunities for extended leave during holiday periods;
• revising contracts to allow more flexible use of staff, for example, to cover weekends and work outside normal office hours; and
• exploiting new technology, to allow TSOs and EOs to spend more time away from the office.
Some councils have already developed new approaches; hand-held technology allows staff to record data during inspection visits and, later, to download it to central computer systems, without the need to return to the office. Effective management, including communicating clear expectations to staff, and close monitoring of performance, will be particularly important as such new approaches are introduced. Monitoring how staff spend their time will also enable councils to develop activity-based costing and target resources more effectively. Most importantly, councils need to consider what they want to achieve, and then employ staff with relevant skills and experience – or buy these in from elsewhere – rather than try to fit the tasks around the staff they have. Alternatively, additional training may be needed to enable existing staff to meet new objectives.

**Monitoring effectiveness**

Under best value, there is an expectation of continuous improvement in service delivery. To identify what improvements they are making, authorities need to carry out more evaluation of what they do. Research and monitoring can have useful results. This is illustrated by the experiences of Liverpool City Council where managers have evaluated consumer and business needs [CASE STUDY 7, overleaf].
CASE STUDY 7

Liverpool City Council: Evaluating consumers’ and businesses’ needs

Consumer advice
Following local government reorganisation in 1986, Liverpool City Council identified problems with its consumer advice service. While those who received advice were generally satisfied, many people could not get through to the service by telephone. Initially, a decision was made to provide advice by telephone only to residents of Liverpool. But further research showed that many local people were still not receiving help and that:

- 80 per cent of requests for advice came by phone from people wanting immediate assistance;
- each call took between 10 and 15 minutes to answer; and
- existing information leaflets were not meeting local needs.

Liverpool wanted to reduce call time, so that more consumers would be able to contact the service, and to provide advice more suited to their customers’ needs. The City drafted new information material, contacted users to evaluate the new designs and revised the leaflets, in the light of consumers’ comments, to provide a Consumer Action Pack more tailored to individual needs, before bringing them into general use.

Further monitoring revealed:
- a reduction in the time spent on calls to consumers to 4–5 minutes (saving costs on staff time per consumer);
- high satisfaction rates; and that
- more callers had been able to resolve their complaints, following receipt of the pack.

In addition, advisers were able to accept more calls. Increased efficiency enabled the service to re-deploy three staff into developing a consumer education programme for secondary schools. This team now provides a three-module course for 14–15 year-olds in nearly 30 local schools, as well as providing additional support to other enforcement sections of the service.

Business advice
The service subsequently reassessed its enforcement activity. Staff were finding common areas of non-compliance during inspections of business premises, which might be due to traders’ ignorance of, rather than wilful disregard for, the law. Staff were spending time giving verbal advice to traders who might benefit more from written advice.

Consequently, the service developed a Business Advice Pack. This set out major issues affecting all traders, for instance on pricing and describing goods and services. Traders could use a form, included in the pack, to request more detailed product or trader-specific factsheets.

Business Advice Packs have recently been sent to 1,600 high- and medium-risk business premises. They include a self-assessment checklist for completion and return to the council. These will establish businesses’ level of knowledge of, and self-assessed compliance with, the law. The council will inspect a sample of the businesses that return the forms to establish whether the self-assessments are accurate. The council now plans to send a revised form, with advice packs, to 500 low-risk premises.

The service expects that the approach will:
- assist traders to comply with the law;
- allow it more easily to identify those traders who deliberately flout the law; and
- enable it to revise its risk assessment of premises, to target inspections more effectively.

Source: Audit Commission fieldwork
Challenges for central government

142. The recent consumer protection White Paper proposes a number of changes that should help councils to provide more effective services. The Government could also assist authorities in other ways, for instance by simplifying its own arrangements for oversight of the work of trading standards services, for example by identifying a lead minister and department to develop and provide consolidated policy and guidance that sets out its expectations.

143. Central government has recognised the need for clearer standards and more consistent enforcement of the laws on food with the creation of the Food Standards Agency. It should also give attention to the protection of consumers in general and the associated need for comprehensive guidance and standards on other aspects of trading standards work. Otherwise, there is a danger that food-related work will take priority over other enforcement and skew performance in trading standards authorities to this area.

Joined-up working

144. Local circumstances and problems with traders can vary greatly. Locally-based trading standards services can be responsive to these local variations and are accountable to local people. But trading standards services also need to address the wider regional and national situation in order to avoid unnecessary duplication of effort and to deal effectively with both reputable national and regional traders and with rogue traders who move across council boundaries.

145. Local discretion is clearly appropriate when providing many services. But some traders believe that such discretion is not appropriate when the consequence is differential enforcement of the law, affecting their ability to compete on equal terms. In submissions on the Food Standards Agency (Ref. 60), Asda suggested:

an all embracing Consumer Ministry within the DTI... local authority trading standards officers would also then have a single home in terms of central government guidance towards achieving uniform and consistent policies.

Tesco believed:

It would also be advantageous to have central co-ordination with respect to national multiples, an enhanced home authority approach... A national body should be better resourced to co-ordinate activity and provide advice to businesses, both large and small.

146. The Government has recognised the need for consistent enforcement, for example, in proposing the Food Standards Agency and in setting up the Meat Hygiene Service. The recent White Paper said:

Consumers need adequate protection. Legitimate businesses need assurance they will not be undermined by competitors who cut corners ... It is therefore important that public law is effective and is enforced efficiently and consistently (Ref. 1).
The National Consumer Council echoes such views:

_Bringing regulation into disrepute by poor co-ordination or lack of consensus between authorities will not inspire compliance in business, only frustration. Consumers’ needs are best served when they are guaranteed a consistent level of safety, accuracy of description and quantity and standards of quality (Ref. 37)._ 

147. Existing initiatives, such as the home authority principle, are laudable, but further co-ordination is needed. Central government can help by providing further consolidated guidance but it, the Local Government Association, LACOTS and professional bodies, such as ITSA, should also encourage and stimulate co-ordination in other ways to help councils to provide equitable and effective services [TABLE 4]. Options include greater seed funding from central government for new and innovative cross-border initiatives.

**Conclusion**

148. Some trading standards staff view the changes ahead as a threat. But consumers, and the Government, have a great appetite for better consumer protection. The changing consumer protection agenda, and best value, provide great opportunities for local authorities and their trading standards staff. However, these opportunities will only be grasped if trading standards services continue to modernise.

149. Though locally based and locally accountable trading standards services already do much to protect the public and honest businesses they need to change. Best value offers a means of improving the service that the public receives, but local authorities need to develop more effective methods, based on best value and on partnership, co-operation and co-ordination, for providing a seamless service across council boundaries. If they do not, then those arguing that trading standards responsibilities should be removed from local government, and dealt with regionally or nationally, will become increasingly influential.

The changing consumer protection agenda, and best value, provide great opportunities for local authorities and their trading standards staff. However, these opportunities will only be grasped if trading standards services continue to modernise.
## TABLE 4
Providing equitable and effective trading standards services throughout the country

<table>
<thead>
<tr>
<th>REQUIREMENT</th>
<th>HOW TO MEET IT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent assessment of threats to the community</td>
<td>Consensus within the trading standards profession about how to identify and assess threats to the public from trading malpractices</td>
<td>Authorities apply consistent approaches to planning service delivery</td>
</tr>
<tr>
<td></td>
<td>Consolidated and comprehensive guidance from central government about expected minimum standards and levels of service to be delivered</td>
<td>Authorities have clear expectations about levels of service they need to deliver</td>
</tr>
<tr>
<td></td>
<td>The profession reviews risk assessment methodologies and agrees and applies a common approach to identifying the risk posed by individual traders</td>
<td>Authorities treat traders equitably; different authorities arrive at similar decisions in similar local circumstances</td>
</tr>
<tr>
<td>Individual authorities fulfil all their statutory obligations</td>
<td>Each council either takes action itself to fulfil its duties or works with others to ensure it meets those duties (e.g., reviews needs for product testing and then co-operates with others to achieve this)</td>
<td>Statutory duties are fulfilled, but duplication of work is avoided</td>
</tr>
<tr>
<td></td>
<td>Government supports co-operative inter-authority mechanisms to identify lead authorities for particular activities</td>
<td></td>
</tr>
<tr>
<td>Consistent enforcement within and between authorities</td>
<td>Home authority principle revised and applied rigorously: a single authority leads if enforcement action is taken against a national or regional trader when identical breaches of the law have occurred in more than one authority’s area</td>
<td>Clearer standards, more equitable treatment for traders and learning from best practice about the most effective ways to achieve impact</td>
</tr>
<tr>
<td></td>
<td>Shared evaluation of the results of different approaches to enforcement, to see how compliance is affected by different activities</td>
<td></td>
</tr>
<tr>
<td>Effective action against itinerant rogue traders</td>
<td>Effective sharing of intelligence and co-ordination between councils</td>
<td>Authorities are alert to itinerant traders active in their area and these traders are more accountable when they breach the law</td>
</tr>
</tbody>
</table>

*Source: Audit Commission*
Measure for Measure

Challenge

1. What statutory obligations are we under? What discretion do we have?
2. What risks do local people and businesses face from trading malpractice?
3. What impact can our trading standards service have on each of these risks?
4. What information do we have, or need, about the extent of problems in our area?
5. What do we currently do? What does this cost? What does it achieve?
6. How important are the different aspects of the service (including things that we could do but currently have chosen not to)?
7. What do we want to achieve in future?
8. What approach will we take to enforcement (for example, when is it appropriate to warn and educate traders and when is it appropriate to prosecute them)?
9. What discretionary services (for example, consumer advice) do we want to provide and why?

Compare

10. What do other authorities do?
11. How do our approaches, costs and performance compare with those of other trading standards services?
12. Do we need to develop better performance measures?
13. How can we work with others to benchmark performance and evaluate the outcomes of different approaches to enforcement?
14. How can we improve our performance?
Measure for Measure

Consult

15 What do local people, local businesses and other stakeholders think?

16 With whom will we consult? When and how will we do this?

17 What questions do we need to ask to ensure that consultees can express views on service priorities? What background information will consultees need?

18 What feedback can we give to consultees about the choices we make when setting priorities?

Compete

19 Are our arrangements for delivering the service competitive?

20 Would we improve quality, or reduce costs with no loss of service quality, if, where lawful, we bought in elements of the service?

21 Do we need to encourage the emergence of private sector suppliers, for example, by encouraging a management buy-out?

22 Alternatively, do we need to co-operate with others to provide all or part of the service?
The Government could also assist authorities by:

1. Simplifying its own arrangements for oversight of the work of trading standards services, for example, by identifying a lead minister and department to develop policy and guidance;

2. Providing consolidated advice and guidance that sets out its expectations of trading standards services; this could include setting minimum national standards and targets for achieving these;

3. Developing core best value performance indicators that will allow meaningful measurement and benchmarking between authorities. These indicators should be linked to any core standards and targets. The Audit Commission already sets some performance indicators for trading standards services and would be happy to work with central and local government and the trading standards profession to help develop a more comprehensive suite;

4. Providing more seed funding for new, innovative cross-border initiatives;

5. Working with local government and the trading standards profession to develop ways of evaluating effectiveness and of choosing the approaches to enforcement that are most appropriate to an authority’s circumstances;

6. Working with local government and the trading standards profession to continue to update and develop the profession’s skills base; for example, by following up the discussion, in the consultation paper, *A Fairer Measure*, about changing qualification requirements to allow more flexible use of staff; and

7. Intervening if authorities are not responding to the best value agenda or are failing to co-operate effectively.
## Appendix 1

### Advisory group

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matti Alderson</td>
<td>Director General, Advertising Standards Authority</td>
</tr>
<tr>
<td>Stephen Butterworth</td>
<td>Director of Trading Standards and Consumer Protection, Devon County Council</td>
</tr>
<tr>
<td>Denis Cronin</td>
<td>Head of Trading Standards, Birmingham City Council</td>
</tr>
<tr>
<td>Hugh Dunsmore-Hardy</td>
<td>Chief Executive, The National Association of Estate Agents</td>
</tr>
<tr>
<td>Ian Foulkes</td>
<td>Head of Environmental Health, Consumer Protection and Building Control, Local Government Association</td>
</tr>
<tr>
<td>Ron Gainsford</td>
<td>Assistant Director, Local Authorities Co-ordinating Body on Food and Trading Standards</td>
</tr>
<tr>
<td>Frances Harrison</td>
<td>Senior Policy and Development Officer, National Consumer Council</td>
</tr>
<tr>
<td>Peter Heafield</td>
<td>Chief Trading Standards Officer, Lincolnshire County Council</td>
</tr>
<tr>
<td>Alan Higgins</td>
<td>Trustee, Chartered Institute of Environmental Health and City Environmental Health and Trading Standards Officer, Portsmouth City Council</td>
</tr>
<tr>
<td>Ashley Holmes</td>
<td>Head of Legal Affairs, Consumers Association</td>
</tr>
<tr>
<td>Noel Hunter</td>
<td>Chief Trading Standards Officer, Warwickshire County Council</td>
</tr>
<tr>
<td>Rachel Kenningham</td>
<td>Food and Drink Executive, British Retail Consortium</td>
</tr>
<tr>
<td>John Lamidey</td>
<td>Director, Consumer Credit Association</td>
</tr>
<tr>
<td>Roman Leszczyszyn</td>
<td>Head of Consumer Protection, Leicester City Council</td>
</tr>
<tr>
<td>Wendy Martin</td>
<td>Commercial and Trading Standards Manager, London Borough of Merton</td>
</tr>
<tr>
<td>Susan Perkins</td>
<td>Welsh Officer, Local Authorities Co-ordinating Body on Food and Trading Standards</td>
</tr>
<tr>
<td>Mike Rogers</td>
<td>Assistant Director, Trading Standards, Flintshire County Council</td>
</tr>
<tr>
<td>David Sibbert</td>
<td>County Trading Standards Officer, Oxfordshire County Council</td>
</tr>
<tr>
<td>Alan Street/Allan Charlesworth</td>
<td>Chief Executives, Institute of Trading Standards Administration (Allan Charlesworth succeeded Alan Street in the post)</td>
</tr>
<tr>
<td>John Taylor</td>
<td>Director of Trading Standards, London Boroughs of Brent and Harrow</td>
</tr>
</tbody>
</table>
## Appendix 2

### Inter-governmental liaison group

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation and Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Burbridge</td>
<td>Local Government Quality Division, Department of the Environment,</td>
</tr>
<tr>
<td></td>
<td>Transport and the Regions</td>
</tr>
<tr>
<td>Steve Frost</td>
<td>National Audit Office</td>
</tr>
<tr>
<td>Kris Green</td>
<td>Food Labelling Safety &amp; Standards Division, Ministry of Agriculture,</td>
</tr>
<tr>
<td></td>
<td>Fisheries and Food</td>
</tr>
<tr>
<td>Darryl Howe</td>
<td>Regulatory Impact Unit, Cabinet Office</td>
</tr>
<tr>
<td>Peter Mason</td>
<td>Consumer Affairs &amp; Competition Policy Directorate, Department of</td>
</tr>
<tr>
<td></td>
<td>Trade and Industry</td>
</tr>
<tr>
<td>Timothy Walker</td>
<td>Her Majesty’s Customs &amp; Excise</td>
</tr>
<tr>
<td>Ray Watson</td>
<td>Consumer Credit and Regulation, Office of Fair Trading</td>
</tr>
</tbody>
</table>
Appendix 3

Main legislation enforced by trading standards services in England and Wales

**Metrology**
Weights and Measures Act 1985

**Quality**
Agriculture Act 1970
Agriculture (Miscellaneous Provisions) Act 1972
Agricultural Produce (Grading and Marking) Acts 1928 and 1931
Food Safety Act 1990
Food and Environment Protection Act 1990
Medicines Act 1968
Scotch Whisky Act 1988

**Safety**
Animal Health Act 1981
Children and Young Persons (Protection from Tobacco) Act 1991
Protection of Children (Tobacco) Act 1986
Control of Pollution Act 1974
Cross Bows Act 1987
Explosives Acts 1875 and 1923 and the Explosives (Age of Purchase) Act 1976
Farm and Garden Chemicals Act 1967
Fireworks Acts 1951 and 1964
Health and Safety at Work Etc. Act 1974
Motor Cycle Noise Act 1987
Performing Animals (Regulations) Act 1925
Petroleum (Consolidation) Act 1928 and Petroleum (Transfer of Licences) Act 1936
Poisons Act 1972
Public Health Act 1961 (Section 73)
Road Traffic Act (Consequential Provisions) Act 1988
Road Traffic Offenders Act 1988
Road Traffic (Foreign Vehicles) Act 1972

**Fair trading**
Accommodation Agencies Act 1953
Business Names Act 1985
Companies Act 1985
Consumer Credit Act 1974
Consumer Protection Act 1987  
Copyright, Design and Patents Act 1988 as amended by the Broadcasting Act 1990  
Development of Tourism Act 1969  
Education Reform Act 1988 (Sections 214, 215, 216, 217)  
Energy Conservation Act 1976  
Estate Agents Act 1979  
Fair Trading Act 1973  
Hallmarking Act 1973  
Merchant Shipping Act 1979  
Mock Auctions Act 1961  
Olympic Symbols (Protection) Act 1995  
Prices Acts 1974 and 1975  
Property Misdescriptions Act 1991  
Shops Act 1951  
Solicitors Act 1974  
Telecommunications Act 1984  
Theft Acts 1968 and 1978  
Timeshare Act 1992  
Trade Descriptions Act 1968  
Trade Marks Act 1994  
Trading Representations (Disabled Persons) Acts 1958 and 1972  
Trading Stamps Act 1964  
Unsolicited Goods and Services Acts 1971 and 1975  
Video Recordings Acts 1984 and 1993

**Procedural legislation**  
Administration of Justice Acts 1970 and 1985  
Criminal Attempts Act 1981  
Criminal Law Act 1977  
Criminal Justice Act 1988  
Data Protection Act 1984  
European Communities Acts 1972 and 1986  
Local Government Acts 1972 and 1987  
Magistrates Courts Act 1980  
Police and Criminal Evidence Act 1984

**Civil legislation**  
Consumer Arbitration Agreements Act 1988  
Malicious Communications Act 1988  
Misrepresentation Act 1967  
Sale of Goods Act 1979  
Supply of Goods and Services Act 1982  
Torts (Interference with Goods) Act 1977  
Unfair Contract Terms Act 1977

**Other**  
Clean Air Act 1993  
Nurses Agencies Act 1957
## Appendix 4

### A local, regional or national service?
The pros and cons

#### A NATIONAL SERVICE?

<table>
<thead>
<tr>
<th>PROS</th>
<th>CONS</th>
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<tbody>
<tr>
<td>A more consistent strategic approach to service delivery, which would be welcomed by national retailers</td>
<td>Local knowledge could be lost</td>
</tr>
<tr>
<td>Potential economies of scale – eg, reduced capital and equipment costs</td>
<td>Local accountability would be lost</td>
</tr>
<tr>
<td>Better intelligence on national problems, eg, major counterfeiting rings; problems less likely to be displaced across local authority boundaries</td>
<td>The service could become faceless and divorced from service users</td>
</tr>
<tr>
<td>National information sharing, to assist planning and reduce duplication</td>
<td>Consumers might still want to bring problems to a local service point</td>
</tr>
<tr>
<td>A national approach should increase the public’s awareness, and the credibility, of fair trader schemes, under-age sales identity cards and other initiatives</td>
<td>Local offices might still need to be retained, to act as a contact point with local people and a base for local inspections</td>
</tr>
<tr>
<td>Easier to use call centres to provide consumer advice</td>
<td>Greater staff specialisation possible</td>
</tr>
<tr>
<td>Entire service would share, and act upon, the results of trials and evaluations of different approaches to enforcement</td>
<td></td>
</tr>
</tbody>
</table>

#### A REGIONAL SERVICE?

<table>
<thead>
<tr>
<th>PROS</th>
<th>CONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits of joint working, eg cost savings, while, maintaining a local connection and local knowledge</td>
<td>The service could become distant from service users</td>
</tr>
<tr>
<td>Regional expertise could be developed on specific issues, eg, animal health, food, etc.</td>
<td>Requires political commitment from all participating authorities, if established as a joint local authority service</td>
</tr>
<tr>
<td>Pooling of equipment and staff expertise</td>
<td></td>
</tr>
<tr>
<td>Intelligence would cover a wider area</td>
<td></td>
</tr>
</tbody>
</table>

#### A LOCAL SERVICE?

<table>
<thead>
<tr>
<th>PROS</th>
<th>CONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeps local connection, relationships and local knowledge</td>
<td>Currently:</td>
</tr>
<tr>
<td>May be easier to identify changes in the ownership or use of premises, helping with risk assessment</td>
<td>• Resourcing of services varies greatly</td>
</tr>
<tr>
<td>Allows local needs and preferences to drive service delivery; may thus be more appropriate in terms of best value</td>
<td>• No consistent approach to enforcement</td>
</tr>
<tr>
<td>Accountable to the local authority and thus to councillors who have been elected democratically by local people</td>
<td>• No consistent strategic approach to national retailers or itinerant traders who move across council boundaries</td>
</tr>
<tr>
<td>Best placed to provide face-to-face advice and easy access for service users</td>
<td>• Information sharing is weak</td>
</tr>
<tr>
<td></td>
<td>• Information provision is duplicated</td>
</tr>
<tr>
<td></td>
<td>• Food sampling and testing of goods is duplicated</td>
</tr>
<tr>
<td></td>
<td>Smaller authorities may not possess, in-house, all the skills required for an effective service</td>
</tr>
</tbody>
</table>
Appendix 5

Consultation following the New Zealand model

The following illustrative examples have been prepared by the Audit Commission to show how the results of consultation might be presented. Real consultation may reveal different local priorities; and individual councils could respond differently to the results of consultation.

Summarising the results of consultation

<table>
<thead>
<tr>
<th>Major Activities</th>
<th>Very important (80 per cent support or above)</th>
<th>Important (50-79 per cent support)</th>
<th>Controversial (49 per cent or less support)</th>
<th>Not important (20 per cent disagreed)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Protection against sale of short measure or short weight goods</td>
<td>Prevent the use of false descriptions in the sale of goods</td>
<td>Ensure that all goods offered for sale are priced</td>
<td>Ensure that all goods offered for sale are priced</td>
</tr>
<tr>
<td></td>
<td>Protection of businesses and consumers from potentially unsafe counterfeit goods (eg, sunglasses, car parts, etc.)</td>
<td>Ensure that all price reductions advertised or displayed by traders are genuine</td>
<td>Provide a calibration service for trade weighing and measuring equipment</td>
<td>Provide a calibration service for trade weighing and measuring equipment</td>
</tr>
<tr>
<td></td>
<td>Protection from sale or supply of other unsafe goods (eg, electrical goods, toys, machinery)</td>
<td>Prevent the use of false descriptions in the sale of property</td>
<td>Ensure that all goods offered for sale are priced</td>
<td>Ensure that all goods offered for sale are priced</td>
</tr>
<tr>
<td></td>
<td>Action to reduce availability of age-restricted goods (eg, cigarettes to children)</td>
<td>Ensure that all food is labelled accurately (eg, for genetically modified ingredients)</td>
<td>Ensure that all goods offered for sale are priced</td>
<td>Ensure that all goods offered for sale are priced</td>
</tr>
<tr>
<td></td>
<td>Registration and inspection of businesses selling or storing dangerous goods (eg, petroleum or explosives)</td>
<td>Control spread of animal disease</td>
<td>Protect welfare of animals</td>
<td>Protect welfare of animals</td>
</tr>
<tr>
<td></td>
<td>Maintain internal market within Europe by enforcing EU legislation</td>
<td>Registration and inspection of businesses selling or storing dangerous goods (eg, petroleum or explosives)</td>
<td>Action to reduce availability of age-restricted goods (eg, cigarettes to children)</td>
<td>Action to reduce availability of age-restricted goods (eg, cigarettes to children)</td>
</tr>
<tr>
<td></td>
<td>Control and provide guidance on quantity control packing systems</td>
<td>Protection against sale of short measure or short weight goods</td>
<td>Protect welfare of animals</td>
<td>Protect welfare of animals</td>
</tr>
<tr>
<td></td>
<td>Protection of businesses and consumers from general counterfeit goods (eg, clothes, tapes, CDs)</td>
<td>Protection against sale of short measure or short weight goods</td>
<td>Ensure that all goods offered for sale are priced</td>
<td>Ensure that all goods offered for sale are priced</td>
</tr>
<tr>
<td></td>
<td>Provision of a credit advice service</td>
<td>Protection against sale of short measure or short weight goods</td>
<td>Provide a calibration service for trade weighing and measuring equipment</td>
<td>Provide a calibration service for trade weighing and measuring equipment</td>
</tr>
</tbody>
</table>

Similar questions could be asked on other activities
Feedback to local people

<table>
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<tr>
<th>What you wanted</th>
<th>Our response</th>
</tr>
</thead>
<tbody>
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<td>Protection from sale of short weight and measure goods</td>
<td>• Targeted visits to risk-assessed premises</td>
</tr>
<tr>
<td></td>
<td>• Test purchasing programme for high-risk products/retailers</td>
</tr>
<tr>
<td>Protection from unsafe goods</td>
<td>• Specialist advice to all local manufacturers and retail outlets on areas of concern</td>
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<tr>
<td></td>
<td>• Product sampling</td>
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<tr>
<td>Regulating the sale or storage of dangerous goods</td>
<td>• Programme of inspection of all premises licensed to sell petroleum and explosives</td>
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<tr>
<td>Protecting children from age-restricted products</td>
<td>• Information campaign to all retailers of tobacco, solvents, fireworks, etc.</td>
</tr>
<tr>
<td></td>
<td>• Follow-up test-purchasing, with a view to taking legal proceedings against traders selling to children</td>
</tr>
<tr>
<td>Accurate pricing</td>
<td>• Providing technical advice to businesses on consumer protection legislation</td>
</tr>
<tr>
<td></td>
<td>• Establishing focus groups for consumers to suggest products and services whose retail prices should be monitored</td>
</tr>
<tr>
<td>Accurate food labelling</td>
<td>• Regular sampling from retailers and manufacturers, to check accuracy of food labelling</td>
</tr>
</tbody>
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What’s not in the plan

Some hard decisions had to be made once we had identified the costs of the projects and programmes that emerged as priorities. As a result, several major proposals were discarded from the authority’s draft plan. In many cases, those consulted thought the ideas were good but that the cost was too high given that implementing them would prevent our funding other service areas. The following activities are therefore no longer in the service plan:

- Employing dedicated business advice staff
- Daily monitoring of prices in high-risk retail premises
- Provision of an ‘animal welfare’ hotline
- Employing a consumer-education schools liaison officer
- Interactive video links from the service to all other council buildings that dispense advice
- Quarterly seminars for businesses on new developments
Appendix 6

Inspection-led approach

With the increasing predominance in the marketplace of national retailers, a single unsafe product may have a significant impact on a large number of people.

A smaller trader may have fewer customers but may also have fewer resources to devote to safety checks and internal quality assurance.

Trading standards services can thus establish the levels of risk posed by traders and then carry out ‘primary visits’ to premises as part of a scheduled programme of inspections.

Effective programmed inspection requires up-to-date information on the ownership and use of premises and the risks associated with them. Trading standards services need to monitor changes in ownership and use. With some exceptions, such as the sale of poisons, premises used for trade do not need to register or obtain a licence; trading standards staff must take the initiative in maintaining up-to-date records. Without this, an inspection-led approach may rely on inaccurate information.

Traders at one-day sales or markets and similar events, who have no fixed site from which they operate and who have no brand name to protect, may not easily be covered by this approach.

Intelligence-led approach

Special investigations seek to target specific issues and to focus on the key areas of concern in an authority. This may be an effective way to make use of limited staff time.

By using a project-based approach, authorities can focus on products or practices that their intelligence reveals to be causing the most problems in their area. For example, if the safety of toys is of particular local concern, the trading standards service may test samples of the toys that retailers in the area are offering for sale.

Covert operations may be needed to test the services provided by some suppliers. For instance, to assess the workmanship and quality of service of a company that maintains and repairs central-heating, officers may ask a suitably qualified expert to introduce faults into the central-heating system of a house or flat. Posing as householders, the officers then hire traders to rectify the problem. The expert subsequently determines whether the appropriate work was carried out and whether it was to a suitable standard. Problems with this approach are that bad workmanship may be a sign of incompetence, of poor diagnosis of the cause of a fault or of deliberate malpractice. Weighing up the evidence, for example to consider whether to prosecute, requires careful judgement.
Such approaches may be expensive, time consuming and have a fairly limited throughput but, if well-targeted, can be effective.

**Complaints-led approach**

Complaints from consumers alert trading standards services to problems and areas of concern. Responding to complaints provides direct help to local people and is one way of targeting activity. Analysis of consumer complaints may also highlight changes in the problems faced by local consumers and allow officers to monitor the impact of action taken by the trading standards service.

Authorities will need to prioritise their responses to complaints, especially if volumes are high. But, by targeting their responses, officers will be able to respond to areas of public concern and prevent malpractices from affecting more local people.

However, many people do not contact their local trading standards service if they have a problem with faulty goods. If the people who do complain to trading standards services are not representative of the whole community (e.g., if people from some socio-economic groups are not aware of, or willing to complain to, trading standards services) an exclusively complaints-driven approach may introduce biases into trading standards work. Authorities should monitor complaints for any evidence of this. They may need to carry out pro-active or outreach work to identify problems that affect groups in society that are less likely to contact them for help.

**Education-driven approach**

A proactive approach may help ensure compliance. Educating businesses about their duties may prevent problems from reaching the marketplace. Advising businesses on issues such as food labelling, as well as providing information on new laws which may affect them, can ensure that they get it right first time, before products go on sale.

Educating consumers about their rights can also help prevent problems. Consumers who are aware of their rights should also be able to take action on their own, if they have problems.

*Source: Audit Commission*
Appendix 7

Information collected by central government

The Ministry of Agriculture, Fisheries and Food (MAFF)

MAFF collates information on inspections of food premises and food samples that are taken for testing by local authorities. The data on sampling include whether samples are taken formally or informally and whether the sampling led to any enforcement activity. MAFF also collates figures on the percentage of food premises inspected by authorities for both food standards and food hygiene purposes. MAFF currently sets no standards for work relating to animal health and welfare legislation.

The Department of Trade and Industry (DTI)

The DTI requires local authorities to carry out inspections of premises which use weights and measures equipment and collects an annual return detailing:

- income from this work;
- inspections carried out for metrology purposes;
- equipment tested and examined; and
- items tested and examined under the Weights and Measures Act.

However, the DTI has not specified a target inspection level.

The DTI also collects information on the number of prosecutions instigated by trading standards authorities.

It does not monitor, or define standards for, the other aspects of trading standards work that fall within the Department’s policy remit, for example, fair trading.

The Office of Fair Trading (OFT)

The OFT collects quarterly data from local authorities on consumer complaints and issues reports on changing trends. The data collected include information on the type and number of complaints received on different goods and services under codes issued by the OFT.

The OFT also collects information on a daily basis on prosecutions (ie, information on individual prosecutions as they occur) for the Central Register of Convictions (CRC).

The CRC was set up in 1974/75 to allow local authorities to access information about traders’ previous convictions under consumer legislation and to ensure that local authorities did not waste resources by bringing duplicate prosecutions.
Local authorities have a duty to inform the Director General of Fair Trading if they intend to prosecute a trader under one of nine Acts. They have no duty to notify the OFT whether a prosecution resulted in conviction; however, most authorities voluntarily forward this information.

Authorities can ask the OFT for information from the CRC, about particular traders, if it is to be used in connection with:

- carrying out their duties under the Consumer Credit Act, the Fair Trading Act or the Trade Descriptions Act;
- the investigation of any criminal offence; or
- taking any criminal proceedings.

Information held on the CRC can also be used by the Director General of Fair Trading:

- under the Consumer Credit Act, in order to determine whether or not a trader is fit to hold a consumer credit licence; or
- under the Fair Trading Act, in order to obtain an assurance from a trader that he/she will discontinue trading malpractice, where the convictions information held shows the existence of persistent malpractice.

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Appendix 8

Initiatives to assess performance

Audit Commission: Best value inspection. Trading standards authorities’ participation in the development, field trials and piloting of the best value inspection methodology for trading standards services.

Cabinet Office with LACOTS: Performance measurement of environmental health and trading standards services and dissemination of good practice.

A regional group of trading standards authorities, in conjunction with the National Consumer Council: Mystery shopping of consumer advice services.

Local Government Improvement and Development Agency: Self-improvement through peer review.

Office of Fair Trading (OFT): OFT excellence award for trading standards services.


Welsh local authorities: Local government reference centre benchmarking exercise.

Individual local authorities: Use of the Charter Mark, Investors in People and Quality Assurance schemes to help improve the management of their trading standards services.
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Local authorities’ trading standards services protect consumers from suppliers of dangerous or substandard goods and services and from fraud by unscrupulous traders. These services face great challenges. Giant retail corporations are replacing local shops; people increasingly purchase goods and services by telephone and over the internet, while consumer expectations are rising. The recent White Paper, *Modern Markets: Confident Consumers*, proposes that local authorities receive extra powers to help combat rogue traders; and recent legislation requires that authorities achieve best value.

Currently, however, there are major variations in the types and levels of trading standards services that are provided by councils across England and Wales. These disparities are partly the result of the exercise of local discretion, differing priorities and political decisions. But they also reflect inconsistencies in approach that mean that consumers and businesses are being treated inequitably and point to the fact that effective arrangements for identifying needs and priorities, and for targeting resources and delivering services, are not yet well developed in many authorities.

The ‘4Cs’ of best value – challenge, consult, compare, and compete – provide a framework for addressing these problems and for continuous improvement in trading standards services. Effective information and performance monitoring systems will help authorities to identify needs, priorities and risks and to monitor the impact of their work. Central government and others can help by encouraging and stimulating further co-operation between authorities.