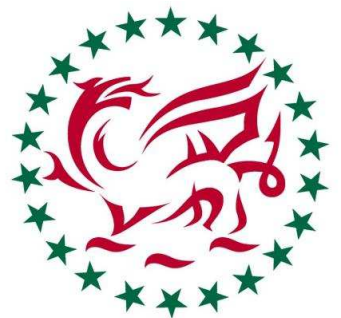




# Trading Standards Review - BiS

Chancellor's productivity plan

September 2015



WLGA • CLILC

## **INTRODUCTION**

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

### **Briefing from the Department for Business Innovation and Skills**

“You may recall that the Chancellor’s Productivity plan announced that the Government will review Trading Standards to ensure that consumer enforcement capability effectively supports competition and better regulation objectives. The review will be making its recommendations in autumn 2015.

The review, which will be led by BIS, will consider issues of efficiency and financial sustainability and will help inform the Government’s response to the Raine Review, which was conducted on behalf of BIS and the Chartered Trading Standards Institute (CTSI) earlier this year. We aim to better define Government’s ask of Trading Standards. We will be examining trading standards’ ability to meet the demands placed upon the service by central and local government and what could help its delivery and impact, including different delivery models and the scope for better regulation.”

On the 20<sup>th</sup> August 2015, the WLGA took part in a telephone conference call with officials from BiS, and BRDO. This was a wide ranging and detailed conversation. We discussed the current UK trading standards work streams, systems, models, structures, and also the specific landscape of trading standards activity in Wales including trading standards relationship with Welsh Government.

It is presumed that BiS colleagues have captured the essence of that conversation, and are able to reflect the detail in considering the final report.

Prior to the teleconference, the WLGA was asked to respond to the following questions:

**3. What does Government need Trading Standards to deliver and are there ways that central Government can better support them to do so?**

Firstly, we would need to know if government (across **all** relevant departments) completely understands what trading standards does. Is there a comprehensive knowledge across Westminster of the breadth and demands on the service (legislation, duty, power and policy)?

This must be the fundamental base from which a process of prioritisation can take place.

Secondly, there must be an objective balance of local, regional and national accountability and demand. Better engagement between local and national politicians is required. An open debate about capacity, priority, intention, risk and accountability, with a focus on preventative and economic development activity are key.

We know that good regulation assists both businesses and consumers to prosper – trading standards already deliver this. Evidence (in some detail), and not anecdote, must be the required standard when challenging regulation.

**4. What is the rationale for delivering through Trading Standards and should there be some realignment of responsibilities?**

Local government has the skills base, history of delivery, responsiveness, capability, flexibility, knowledge, intelligence and accountability to deliver locally. Trading standards has also met the most recent challenges to deliver and coordinate regionally and nationally too; for example consumer direct, national trading standards, intelligence coordination, animal feed enforcement etc.

Where trading standards is currently weak at a local level, is in terms of the lack of a corporate voice. The direct managers of trading standards services within local government can be as low as fifth or sixth tier – this can hinder the ability of the service to influence and impact the local agenda as part of the business planning process of a local authority.

There has been an interesting debate about the “enforcement gap” between national regulators and local regulators. There are extremely encouraging signs that the National Trading Standards capability is an appropriate and efficient mechanism for bridging and coherently meshing the reported gap between local and national investigations.

**5. What accountability and governance arrangements will be needed to encourage effective and efficient delivery?**

The early flow of communication, discussion and planning activity between central, devolved, regional and local decision making, can no doubt be improved; solving this

is fundamental to improving the future effectiveness of the trading standards service and the benefits it can achieve for businesses and consumers.

There must be mutual respect and an equal voice, encouraging development of the strengths, viewpoints, insights and priorities of all parties (and political colours) from national to local, so that a single and agreed set of objectives can be formed.

**6. What are the implications for consumers, businesses and Government if delivery is not effective or is inadequate?**

Increased costs to businesses, business failure, lack of economic regeneration, unfair competition, rogue businesses flourishing, financial detriment to consumers and the economy, increased ill health and mental health, increased costs to the health and treatment services, increased poverty, lack of choice of safe goods and services for consumers. An ineffective trading standards service will work against governments' objectives, including that for a prosperous and developing economy, and add to any reputational damage in this regard.

**7. How can the delivery of Trading Standards be developed to achieve deregulatory outcomes?**

As discussed above, a complete overview of the legislative and policy demands on the service must come first, once we collectively understand what that demand is, it can be prioritised and the deregulatory outcomes will follow. It may be overly simplistic, but if this were completed, the costs of administering the repeal of low priority legislation could be avoided.

We must also look to lose the perception that regulation per se is bad for business. It is not. Bad regulators, and bad businesses may exist. Where they do, that is where we should focus, and seek to positively influence or eliminate their activity.

**8. How can the outcomes delivered by Trading Standards be improved, and how can that improvement be measured?**

In crude terms; why do we insist on weighing and reweighing the pig? We know what it weighs, we know why it exists. We should nurture and feed it instead. Trading standards core objective is around prevention – of crime, of ill health, of inequality. We should be able to agree, those are good things to do. Some of these things – based on the attempts made over the last 20 years, including those by BRDO most recently – are extremely difficult or meaningful to measure, or see outcomes for, in the short term.

They are also prevention interventions which do not, in isolation, create change (for example of smoking behaviour, or obesity levels). They form a part of a wider package of measures which may take twenty years to realise. That is not the fault of the service, it does good things daily – but we must recognise that investing in auditing and continually attempting to devise measuring mechanisms has very

limited short term use. Better we invest in the practical good things that the service provides?

Short term political objectives do not sit well with the investment in preventative activity, which will reap benefits long after a politician no longer has a seat. Hopefully that is not too blunt.

If it were achievable, cross party agreement (trust) in the objectives for the service should be sought. This would ensure the much needed and agreed prevention agenda could be carried through and beyond political terms. Above all other measures, this would assist trading standards improve its outcomes.

**For further information please contact:**

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