



Local Government Association review of trading standards CTSI submission

Introduction

The Chartered Trading Standards Institute welcomes the Local Government Association's review of trading standards, particularly in its efforts to clarify the role of trading standards in achieving local government objectives. However there are serious challenges to the ability of the service to deliver its potential on the ground due to shrinking resources and the ability of the profession to get the recognition it deserves for its vital role in economic growth, public health and safer communities. CTSI has already laid out these issues elsewhere, and we encourage the LGA review to consider the three challenges around structure, governance and funding laid out in our 'Vision for the future of trading standards'.

We are particularly interested in how the review will seek to address the challenge around governance of issues that cross borders and represent a national threat at a time when locally elected members are under increasing pressure to focus on clearly visible, local issues. Another key concern is around the training and ongoing competence of officers to deal with highly specialist subject areas when some local authorities are choosing to move to more generic regulatory officers with a minimum of expertise and training.

In advance of further engagement with the LGA on the review, we would like to set out in more detail our thoughts on two specific points relevant to the review: the issue of ringfenced funding for national priorities and voluntary shared service arrangements.

Cross border issues and ringfencing

We recognise that a central principle of local government is that local people are best placed to make decisions that affect their local areas and we wholeheartedly support the strong accountability and democratic mandate that this brings to local services. However, a large amount of trading standards activity has impacts that reach beyond local boundaries. Trading standards are crucial to the enforcement of national legislation, on issues as diverse as pricing (the biggest driver of consumer behaviour and a key cause of hidden detriment), metrology, agriculture and animal health. Lack of enforcement in any of these areas can cause detriment that reaches beyond local authority boundaries and has the potential to develop into a national threat if weaknesses in local enforcement capabilities mean that it cannot be effectively dealt with at source.

Mechanisms put in place by central government to ensure sufficient regard to national priorities have been gradually removed. While it is widely accepted that previous performance frameworks for trading standards were not effective at measuring impacts or outcomes, a properly designed performance framework would provide crucial information to central government about what issues are prioritised and enforced on the ground. Equally, direct ringfenced funding for specific national priorities has in the past been effective at directing local efforts towards the creation of a coherent system for the enforcement of national priorities. Ringfenced funding that central government allocated to the delivery of animal health functions following the foot and mouth outbreak in 2001 was effective in creating capacity necessary to deal with a major outbreak of animal disease, however, the funding and associated capacity was drained out of many trading standards services when ringfencing was removed and the funding has flowed to more visible services. The result is that there is no adequate governance mechanism for the delivery of national priorities by local authority trading standards services and in times of shrinking services, national priorities are ignored. For example, no trading standards service in the country does significant work on pricing, despite its standing as the biggest

drive of consumer behaviour. This causes serious detriment to the economy in the long term as attention is focused on individuals instead of systems.

Our advocacy of direct central government funding to trading standards services within the vision paper to tackle this problem has been criticised by the LGA as seeking to remove powers from local government control and disregard the advantages of local delivery. However, the rejection of ringfencing as a method by which central government can seek to ensure funding for less visible but vital services has already led to a loss of powers from local government, in particular where the impact of these issues can go far beyond the boundaries of a single local authority. Lack of local government action has led to central government creating central units to tackle serious cases of intellectual property crime (PIPCU) and food crime (FSA's Food Crime Unit) at a national level and increasing the powers of the National Measurement Regulation Office (NMRO). This trend is likely to continue if local government fails to act on the rapidly diminishing capacity of local trading standards services.

Moreover, an increasing number of duties are being passed down to local authority trading standards services which derive from European legislation. Without appropriate funding and monitoring of these duties, local government is open to European Commission infringement proceedings, which could result in fines for local government. This is on top of the threat of increased legal challenges where local authorities attempt to reduce their service to the statutory minimum level without fully understanding the remit of trading standards, as has been seen in the Liverpool judicial review case.

Voluntary shared service agreements

As stated in our Vision, CTSI would like to see a solution to the current challenges that moves beyond calls for local authorities to enter into voluntary shared service agreements. While shared services would create greater economies of scale and can be effective in some areas, a voluntary arrangement will not secure a sustainable and resilient trading standards service for the future for three main reasons:

1. Establishing shared services by voluntary agreement takes time. The level of resources within the service is at a critical level and requires swift, coordinated action. The creation of a shared service is usually a long, slow process and will not happen fast enough across the country. Wales provides a case in point: both the Welsh Assembly and the Welsh Local Government Association agreed to move from 22 separate local authority trading standards services to just 6 more regional services. However, progress has been very slow, with only one area forming a shared service (Cardiff, Vale of Glamorgan and Bridgend) in three years. Plans in other areas have fallen apart due to political and technical difficulties.
2. A voluntary restructure by individual councils will leave gaps in protection across the country. The emerging map of combined authorities is already showing the areas which could be left out due to lack of agreement or leadership. This problem looms particularly large for trading standards, a service which may lack the political attention granted other services because of its very small size. As we have argued in our Vision, as a service that has a significant impact on cross border issues, a patchwork system which leaves varying levels of protection across the country for businesses and consumers is not acceptable. This will be unfair to those left in less protected areas, and weaknesses in one area will cause problems to spread to neighbouring areas.
3. Voluntary shared services are vulnerable to collapse on the decision of a single partner. This has already been seen in shared services in Warrington & Halton and in Worcestershire Regulatory Services, where joint services collapsed or have been weakened due to decisions made within one authority. These arrangements are therefore not stable or sustainable.

In summary, CTSI believes that voluntary shared service arrangements for trading standards services will not produce a sustainable service for the future or ensure adequate protection for consumers and business. The service is too small to be granted the necessary attention in all authorities, and risks disappearing before slow shared service arrangements are put in place. Strategic trading standards authorities require a different legal status in order to ensure their stability and sustainability in the future and direction from the centre to drive restructuring quickly and coherently across the country.