

PERFORMANCE AUDIT

Made to measure?

An overview of trading standards services in Scotland

EXECUTIVE SUMMARY



Summary

Trading standards services play an important role in promoting the well-being of their local communities by ensuring that ...

- consumers are protected and not cheated or treated unfairly by traders
- traders are protected from unfair competition from other traders who knowingly break the law.

Councils have a statutory duty to enforce trade and consumer legislation ...

- trading standards services do this through a range of integrated service activities, including inspecting traders' premises, investigating alleged offences, providing services to businesses, and animal health and welfare services
- although not required by statute, all trading standards services in Scotland provide additional services to consumers and businesses, including advice, information and education, and, in some cases, debt counselling.

Most trading standards duties are reserved matters under the Westminster Parliament, and the Government aims to achieve a seamless trading standards service that provides consistent, high-quality services across the United Kingdom ...

- expectations were set out in the DTI's National Performance Framework (NPF), launched in April 2002. Its objectives are to have informed, confident consumers; informed, successful businesses; effective enforcement of a fair and safe trading environment; and improving trading standards services
- the DTI has made £30 million available over a three-year period to all trading standards authorities and other organisations in Britain to support more effective enforcement, better information and advice to consumers, improved staff skills and improved consumer safety
- the NPF will be developed over the next few years to include meaningful outcome performance measures for the service

- the service standards guides developed during this review underpin the NPF and they are now being used by over 100 trading standards services – an important step in encouraging all councils to achieve national standards.

Service expectations are broadly the same, but there is a wide variation in the level of service to consumers and traders in different council areas ...

- larger services tend to provide higher quality services compared to smaller services (those with fewer than eight staff)
- for similar sized councils, those that spend more per head of population tend to provide higher quality services – some spend twice as much per head as others
- there is a wide range across services in the number and mix of staff with different skills and expertise.

Overall, services to consumers and businesses need to be improved in a number of areas ...

- across all trading standards services, consumer advice and debt counselling are the most fully developed services; consumer education and information is the most poorly developed service (Exhibit 1).

Exhibit 1: Assessment of activities undertaken by trading standards services

Consumer education and information is the least developed of the seven activities reviewed using the service standards guides.



Note: The figures in brackets show the number of trading standards services undertaking each activity.

Source: Audit Scotland fieldwork 2001/02

- at least a quarter of trading standards services do not meet the minimum standards of service because they do not:
 - publicise business services or actively promote advice and education services to businesses
 - seek ‘home authority’¹ agreements with appropriate companies, and keep the LACORS ‘home authority’ database updated
 - issue calibration and testing certificates within an agreed time period
 - have available a range of cross-cutting education material
 - have an enforcement policy setting out a scheme for prioritising investigations and enforcement actions
 - have written inspection procedures.

Scottish councils spend £18.5 million a year on trading standards services, employing around 500 staff² ...

- all 32 councils have their own trading standards service – the number of mainland services trebled as a result of local government reorganisation in 1996, fragmenting the former nine regional trading standards services into units of significantly differing sizes
- there is considerable variation in the size of trading standards services – staff numbers range from three to over 50
- larger services tend to employ specialist staff to deal with consumer enquiries and complaints, and provide debt counselling services.

¹ The Local Authority Co-ordinators of Regulatory Services (LACORS), with the support of major business organisations, introduced the voluntary ‘home authority’ principle, whereby 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 where the headquarters are located. The LACORS ‘home authority’ database lists those companies for which an authority has ‘home authority’ responsibility.

² Excludes public analysts, which are included in the Scottish Executive’s quarterly Joint Staffing Watch figures.

Resource problems are affecting service performance...

- most³ trading standards services fall well short of meeting their targets for inspecting business premises, including those assessed as high-risk
- councils are experiencing problems in recruiting both qualified trading standards officers and trainees – a quarter do not have an adequate number of appropriately skilled staff to undertake investigations of offences
- nearly half of trading standards services have little staff time to further develop services such as consumer education
- the proportion of all premises assessed by trading standards services as high-risk for inspection purposes, varies from 42% to less than 1%. This suggests that similar types of premises are being under- or over-inspected, resulting in available resources not being used to best effect and traders not being treated consistently.

Better management and organisational processes help councils to provide better services ...

- overall, trading standards services perform well across the majority of their business processes
- many trading standards services implement effective and smarter ways of working, including making good use of information and communications technology (ICT), mounting joint operations with other agencies and sharing the use of expensive equipment
- however, more than a third need to improve their arrangements to meet the standards expected by the NPF and achieve Best Value services, in the following areas:
 - consulting and communicating with stakeholders – to understand their needs and priorities
 - mainstreaming equalities issues across all aspects of their work – to ensure vulnerable groups are protected
 - prioritising activities on the basis of robust risk assessment – to ensure resources are used to best effect

³ This report uses the terms 'almost all', 'most', 'majority', 'less than half', and 'few' to indicate the number of councils and trading standards services (refer to Appendix 3 for details).

- establishing more effective performance monitoring and review – to monitor continuous improvement
 - formally involving members in policy approval, service planning and review of performance – to raise the profile of trading standards services within the council and enable members to hold trading standards services to account
 - public performance reporting – to inform people of how well the service is performing
- these improvement actions will require the commitment of both the council and trading standards services as some of the actions are heavily influenced by corporate policies.

The report identifies areas where resource management needs to be improved and councils are encouraged to review their ...

- staffing requirements – six services have not done so since reorganisation in 1996
- approach to enforcement, to ensure that resources deployed are based on the LACORS risk assessment guidance, and are proportionate to tackling problem traders or business sectors and practices that target the vulnerable and socially excluded
- time spent managing the service, which ranges from 3% to 32% of total staff time in small services
- level of central support costs charged to trading standards services, which vary significantly between councils
- approach to accessing external funding (eg, the DTI's Modernisation Fund).

Small trading standards services perform worse overall than larger services and there is a risk that they do not have the capacity to further develop their services ...

- there is a strong case for councils looking at options to establish joined-up trading standards services (eg, through local consortia arrangements with their neighbouring councils). Other options include reconfiguring internal arrangements⁴ and reviewing whether there is a case for outsourcing any elements of the work
- there are many potential benefits – improved staff flexibility, a better skill mix and economies of scale (eg, management costs), which would provide councils with greater capacity to undertake more proactive work, and establish a higher service profile in their local communities.

All councils need to respond to the challenge of the new National Performance Framework ...

- a lot of work is required to bring more consistency to the level and quality of trading standards services provided by councils
- the priority for all councils is to:
 - meet all of the minimum standards of service and make further progress towards the better-quality services being provided by other councils
 - develop excellent business processes to support improved service performance
 - review the staffing resources they need to deliver the NPF
- all councils should use this report, and their local audit reports, to help them to meet the standards in the NPF. External auditors will be monitoring councils' improvement actions.

⁴ 'Better together: making improvements by reconfiguring services', Accounts Commission, May 1999.



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ISBN 1 903433 73 8