

The Institute believes that, with careful planning, this structure can achieve the economies of scale possible in larger services and maintain expert and specialist staff while retaining responsiveness to local needs and community concerns. Population size, number of businesses, geographical distance and infrastructure links, the footprints of key partners and emerging combined authorities and city regions should be considered when scoping the size of these authorities.

Core funding should be allocated directly from central government to ensure guaranteed delivery of their priorities and enforcement of national legislation. A mixed governance model which includes elected members, business representatives and the third sector is proposed.

Structural change is always difficult; however the situation of trading standards across Britain has now reached the stage where it would be irresponsible not to take action.

The following pages outline in further detail the concept of strategic trading standards authorities. The information that follows is necessarily at a high level and it is recommended that further work be commissioned to explore the exact size and boundaries of strategic authorities, level of resource available, and the legal underpinnings of the new model with regards to funding and governance.

Rationale

Consumers in the UK expect a high level of protection against unfair, misleading and criminal activities when they purchase goods and services. Changes to the consumer protection landscape in 2011 have helped to address the lack of coordination among enforcement bodies, particularly in relation to regional and national level crime, as well as create a single clear route for consumers to get advice and make complaints. However, by focusing on the coordination of the landscape at a regional and national level, problems at a local level have been left to grow unresolved, to the point where they now threaten to undermine the entire system.

At a local level, trading standards services have always been fragmented, with each local authority determining local priorities and distinct ways of managing the service. This organisational model has its advantages, maintaining strong links to local knowledge and accountability and ensuring the service remains grounded in the concerns of real people. However many of the activities of trading standards services are directed at problems that cross borders. Crime does not stop at the local authority boundary, nor does the impact of unfair trading affect a single council's residents. The cross border nature of trading standards work was highlighted in the 2011 National Audit Office review, [Protecting Consumers: the system for enforcing consumer law](#): "enforcement weaknesses in a

confidence as well as more immediate financial impacts on consumers. A recent Local Government Association report, [Remodelling Public Protection](#), questioned whether it was appropriate to manage these cross border aspects at a local government level at a time when "councils are under growing pressure to manage specifically local challenges and services".

The huge technological and societal change which has occurred since the modern trading standards service was originally designed in the 1970s has made this even more relevant. Consumers and businesses trade and shop across borders, whether they be local, regional or national. With UK consumers spending almost £70 billion online in 2014, and three quarters of adults buying some goods and services over the internet, e-crime is a rapidly expanding cause of detriment that government and police are struggling to measure.

The focus of trading standards service activity has shifted from background checks and traditional regulatory activity (including routine inspections) towards intelligence led work that addresses serious criminality in these areas and aims to limit and ultimately prevent the associated financial and non-financial harm to citizens. Despite government focus on self-regulation as a solution to many of these issues, it is clear that some enforcement mechanism must remain in place to deal with criminality and rogue traders who do not attempt to comply with the law. A recent study concluded that in the UK there is "an ongoing high level of unfair trading practices, of fraud, of exploitation of the vulnerable, and much more; all of which, in the internet age, seems to be becoming, if anything, more challenging and intractable to address."

The shift in focus from routine inspection and background regulatory activity has also increasingly distanced trading standards services from their traditional partners in local government. Unlike environmental health and licensing, which generally deal with problems on premises by premises basis, trading standards is much more business and supply chain focused, hence why its activities often have benefits across local authority borders. A recent survey found police are the most important partners and frequent collaborators for trading standards services, with adult social care fire and rescue and HMRC also highlighted. This is in apparent contradiction to the trend in some of the unitary local authorities to brigade together 'regulatory services' which include environmental health and licensing.

This trend has largely been driven by reductions in local authority resources which are affecting all local services. Trading standards services have been particularly hard hit, with an average 40% fall in individual service budgets between 2010 and 2016. Staff numbers have halved in the same period, leaving some services with only one or two

21st century and the increasingly complex challenges trading standards faces, while making the best possible use of available resources.

What does trading standards deliver?

The role of trading standards is to ensure a safe and fair trading environment where business growth is supported, fair competition encouraged and consumers protected. Many of the basic trading standards functions, including the original metrology function, are designed to ensure equity in trading relationships where there is information asymmetry or another market imbalance. While it has often been judged, particularly in recent years, as a 'nice to do' service, recent research has concluded: 'it might seem difficult to overstate the potential value of trading standards work given all the potential detriment that might arise inadvertently – for businesses as well as for consumers; to say nothing of the effects of more wilfully dishonest and wanton trading practices.'

The three core aspects of this work are law enforcement, including but not limited to prosecution of rogue traders, business regulatory advice to assist businesses in complying, and consumer education and advice. This covers a range of legislation and policy areas, including those listed below. Responsibilities of each service differ according to local needs and devolved legislation. Further work is needed to define the role of trading standards and communicate this to consumers, businesses and elected officials who frequently misunderstand the remit of the service.

- Weights and measures
- Fair trading
- Product safety
- Intellectual property
- Underage sales
- Food standards
- Agriculture
- Animal health and welfare
- Safety of sports grounds
- Petroleum licensing
- Fireworks and explosives
- Business advice and support
- Consumer advice, intervention and education ▮legal money lending

A recent application for permission to judicially review Liverpool City Council's decision to cut its trading standards service from 19 to a skeletal staff of four challenged the decision on the basis that decision makers had misunderstood their statutory duties in relation to trading standards. The council's internal consultation stated that minimum requirements were limited to appointing an Inspector of Weights and Measures and conducting statutory food and feed inspections. The council has accepted that this falls below minimum service requirements and has agreed to review the decision to consider whether the new structure meets its obligations with regard to the local authority's statutory and European Union consumer protection duties and the government's list of enforcement priorities under section 11 of the Regulatory Enforcement and Sanctions Act 2008.

