



Leading the trading standards profession

## Central Government review of trading standards

## The contribution of trading standards to deregulation

The greatest strength of trading standards in contributing to the deregulation agenda is in its ability to combine a wide range of legislation and regulation from a number of government departments and make this comprehensible for small businesses. The key but non-statutory role for trading standards services to give advice to businesses to help them comply with the law is under threat as smaller services simply do not have the resources to provide tailored advice. Initiatives like Better Business for All will help achieve a better understanding between regulators and business which greatly reduces the regulatory burden. However, shrinking resources have been shown to have a direct impact on the ability of services to enter into these partnerships.

While trading standards can sometimes feel like a 'dumping ground' for new regulation, there are few duties that are not clearly linked to the core aims of maintaining safety, standards and a level playing field for consumers and businesses. There are clear benefits in bringing these miscellaneous regulations together into the remit of a single regulator able to give wide ranging advice to businesses on trading fairly and maintaining a balance between business and consumer. An exception to this are the regulations surrounding enforcement of Energy Performance Certificates (EPCs), which are not considered relevant to trading standards and remain a low priority because there is little detriment associated with infringement.

However, CTSI are concerned about the tendency in recent years for various government departments to give extra responsibilities to trading standards without considering whether there are appropriate resources for trading standards services to carry these out. This is particularly problematic where the duties in question are attached to European legislation, as they open up the risk of infraction proceedings should local authorities not allocate sufficient resource to enforce them. The need to demonstrate compliance with these European directives can have the unintended consequence of driving resource away from areas of greater harm if insufficient thought has been given to providing appropriate resources when the

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Without proper measures in place to record impact and outcomes from individual services, central government have few levers to ensure that important policy areas are being enforced. An example of this is pricing – the biggest driver of consumer behaviour – which is a major area of government policy but does not feature in the priorities of any local authority trading standards service because it is not considered a local priority. Lack of enforcement of national priorities can cause detriment that reaches beyond local authority boundaries and has the potential to develop into a national threat or a market wide problem.

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 driver of consumer behaviour. Focusing on local priorities over national ones could cause serious detriment to the economy in the long term as attention is focused on one or two vulnerable individuals at a local level instead of economic systems of national importance.

A properly constructed performance framework which takes into account local, regional and national priorities would help to clarify what central and local government expect of trading standards. It is vital however that capacity to deliver is also considered as there is a risk that this review establishes a clear central government ask, while the LGA's concurrent review establishes expectations from local government, without an exploration of what the service is able to deliver given limited resources.

#### 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



