

**Trading standards –**  
how cuts are putting individuals  
and communities at risk  
and damaging local businesses  
and economies

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Summary

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**THE  
DAMAGE**



**WARNING:** DISMANTLING  
COUNCIL SERVICES WILL  
SERIOUSLY DAMAGE OUR LIVES  
AND OUR COMMUNITIES

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# Trading standards – how cuts are putting individuals and communities at risk and damaging local businesses and economies

## About trading standards services

Trading standards services are run by local authorities in England, Scotland and Wales – and centrally by the Northern Ireland Executive in Northern Ireland. The responsibilities of the services are incredibly wide-ranging and include preventing animal disease outbreaks; tackling loan sharks; dealing with rogue traders; safety of electrical goods; and combating underage tobacco, alcohol and knives sales.

Trading standards services also play a critical role in creating a healthy economy by protecting legitimate businesses.

**“ We are going to be needed more than ever to protect vulnerable consumers from being ripped off and exposed to unsafe goods. Also to protect legitimate businesses from unfair competition from traders who do not comply with their obligations. ”**

In the fair trading function alone, trading standards services generate £6 of consumer savings for every £1 that is spent on them<sup>1</sup>. Yet as a result of austerity cuts imposed by central government, councils have had to make drastic budget cuts. Trading standards services appear to be particularly hard hit.

<sup>1</sup> Protecting consumers – the system for enforcing consumer law, *National Audit Office*

## Overview of the cuts

UNISON research based on data from FOI returns from 76% of councils in England, Scotland and Wales shows:

1. Average budgeted spending on trading standards services per head of population fell by 11% in two years (13% in England).
2. A total of 743 jobs have been lost – if this pattern is replicated across all councils we estimate it would amount to around 15% of the total workforce.
3. Some 30 trainee or student trading standards officer posts have been deleted.
4. There have been dramatic falls in levels of activity across all activity types including:
  - a 29% fall in the total number of prosecutions
  - a 26% fall in the total number of programmed (ie scheduled) inspections
  - a 24% fall in the total number of visits for enforcement purposes
  - a 25% fall in the total number of age restricted test purchases.

*(Figures compare 2011/12 with 2009/10)*

## About the survey

UNISON represents over 1,600 members working in trading standards services. We asked them for their views on the long-term consequences of the cuts for the public, businesses and for the UK economy.

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The survey was conducted in May/June 2012 and attracted 322 responses from members in every UNISON region across the UK apart from Northern Ireland. In all, 52% of councils responsible for trading standards services are represented in our findings.

### **Why the public needs trading standards services more than ever in times of recession and austerity**

**“ Payday loans, fee-paying debt collectors, cheap illicit tobacco, wines and spirits all become more attractive to consumers when money is short.**

**We no longer have the resources to carry out regular or routine unannounced spot inspections ... therefore we don't discover these goods on the shelves. ”**

Respondents were asked for their views on how recession and austerity cuts were impacting on the public's need for trading standards services.

- **Nearly 90%** said that the public are more likely to look for bargains.
- **86%** said there are more rogue traders.
- **84%** said hard times mean more people using unscrupulous money lenders.
- **Nearly three quarters** said legitimate traders are more likely to cut corners.
- **59%** said there is a reduced level of support from other enforcement agencies and 43% said police support had reduced.

The cuts are a false economy. If trading standards are not able to be pro-active in deterring rogue traders from ripping people off, or preventing people from getting harmed by dangerous goods, it costs more to deal with the consequences.

Co-operation between trading standards services in different localities is suffering. And cuts to the budgets of partner organisations such as the police and HMRC mean cost-effective joint operations are now harder to mount.

**“ All these factors work against fair competition and reduce growth. Less revenue will be collected by the government, legitimate jobs will be lost and the consumer is at risk of suffering unfair commercial practices. ”**

### **How local services are worse-equipped to protect the public and businesses because of the cuts**

Respondents were asked about how cuts had affected their service over the last two years.

**“ We cannot carry out sufficient internet investigations due to lack of investment in equipment and software. We cannot perform statutory required formal product safety testing procedures... because of the cost. We cannot perform adequate surveillance operations because of lack of equipment, staffing resources and competency training. Regional intelligence provision has been massively impacted. ”**

- **Over 95%** of respondents said that they now have fewer staff.
- **Three quarters** said they undertake fewer inspections.
- **70%** said they have stopped providing some services.
- **70%** said they do less preventative work.



- **Half** said they are less well-equipped to deal with new forms of scams.
- **Nearly half** said they spend more time on paperwork.
- **46%** said the public has to wait longer for a response.
- **Over a third** said they are now less likely to pursue complex cases.
- **30%** said their service was making greater use of charging for services.

There is concern about possible conflicts of interest if local services become over-reliant on income they can generate from large national companies via 'primary authority' agreements<sup>2</sup>.

### **Why the public is now more at risk of loss or harm**

Respondents were asked in what ways they think the public will be less well protected as a result of cuts to their services.

These were the most common responses:

- Rogue traders are now more confident that they can evade enforcement.
- The public are more likely to have to pursue legal remedies themselves.
- Animal health issues are less likely to be picked up – increasing the risk of animal diseases spreading, illegal animal movements and entry of rabies.
- Less routine sampling means knowledge and understanding of safety issues is not developing as quickly.

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*2 National companies pay to have advice and dealings through one council – other councils must refer any issues regarding that company in their patch to the primary authority council.*

**“ Rogue traders, fraudsters, car clockers and counterfeiters ... These criminals are fleecing the public and whilst we do our very best we can only be in one place at a time. ”**

**“ If there was a big safety issue like lead in paint on toys (which happened a few years ago) we would not have the resources to deal with it. ”**

### **Why the vulnerable will be hardest hit**

Respondents were asked about which groups would be particularly affected by the cuts. The most common responses were:

- the elderly, physically disabled people and people with learning disabilities
- young people
- the poor, those with financial difficulties and those who don't speak English as a first language.
- local shops and other small businesses – less enforcement of a level playing field and loss of access to advice
- local farmers – losing access to expert support and advice.

However there were also many who felt that it was 'Mr and Mrs Average' who would suffer most as resources and assistance were restricted to those classed as 'vulnerable'.

### **How trading standards services may fare in the next three years**

Respondents were asked about what they expected would happen to their services over the next three years.

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**“ The current thinking is that we will be funded only to provide the absolute minimum level of service covering statutory duties ... residents will get much less for their council tax. ”**

- **Nine out of ten** said that they expect to see changes to roles and skill mix.
- And **87%** are expecting to see more job losses.
- **83%** think some services will cease to be provided.
- And **four out of five** expect to be doing more ‘firefighting’ and less preventative work.
- **Over two thirds** are expecting to see merged or shared services between authorities.
- **Nearly two thirds** believe there will be greater strain on the consumer advice capacity of Citizens Advice.
- **45%** said there would be less national intelligence about future sources of consumer detriment, and less capacity for strategic cross-border enforcement.
- Some respondents said there will be attempts to outsource their services – **nearly half** expected attempts to outsource to the private sector, and **over a quarter** to social enterprises and mutuals.

**“ There is a big drive toward charging or cost recovery. Staff see this as jumping into bed with business. How can the service remain impartial when recovering costs from big business? ”**

### **Outsourcing – a new threat**

The North Tyneside council contract with Capita Symonds – thought to be the first instance of privatisation of the whole trading standards function – raises some serious questions about the future independence and integrity of the services. Key powers and statutory functions were entrusted to local councils to ensure impartiality and accountability – how can these be safeguarded when operational control is handed to a private business? Can private businesses really be put in charge of regulating other businesses and protecting consumers?

### **Why it doesn’t have to be like this – alternatives that work**

**“ In terms of avoiding consumer detriment, Trading Standards provides a significant return on investment – probably on a ratio of around 7:1. Therefore further growth, not contraction, of the service would support consumer confidence and contribute to expansion of the economy. ”**

Most respondents believe that the cuts are counter-productive. Investment in the services would make a key contribution to delivering growth: by protecting legitimate businesses from being undercut by rogues; by providing timely advice and support for small businesses; and by boosting consumer confidence.

But members had plenty of suggestions about how efficiency and effectiveness could be improved. Here are 20 ideas put forward by respondents:



## 20 ideas for improving efficiency and effectiveness

1. A nationally funded intelligence database.
2. National co-ordination and sharing of good practice between services.
3. Regional project planning and coordination while keeping local priorities.
4. More support for regional enforcement.
5. Better joint working with other authorities i.e. cross-border work; sub-regional sharing of particular specialist expertise and equipment which is in shortage.
6. Merge services between smaller councils
7. Some rationalisation with other services – for example having a food chain section which is combined with environmental health to tackle all food issues root and branch.
8. Focused teams to specialise in using the Proceeds of Crime Act and reinvest in improved services.
9. Closer working relationships with Citizens Advice consumer service and local bureaux.
10. More shared training delivery between services.
11. Reinstate the Office of Fair Trading which was able to pursue big cases.
12. Central government agencies should share intelligence and data with trading standards.
13. Make sure costs awarded in court go back into the service instead of into a central pot or legal services.
14. Use trading standards officers' expertise more holistically to advise other services such as licensing, street scene and safer neighbourhoods.
15. Tighten the law regarding internet trading
16. Reduce paperwork requirements – eg having to apply for special authorisation to undertake some test purchasing exercises.
17. Brand holders should contribute to the cost of action against counterfeiting.
18. Invest in preventative inspection work and consumer education.
19. Introduce minimum standards across all services.
20. Reappraise what is the role of a modern trading standards function, tackling and updating 'old models'.

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**“ There are still many central government services which will not willingly share their resources with us – in particular information. This somewhat hampers efficient working together and can lead to duplication. ”**

**“ Larger regional enforcement bodies and the creation of a proper national enforcement body to take on sector wide and trans-border problems. The new National Trading Standards Board is likely to be completely ineffective and there will be no effective replacement for the Office of Fair Trading. ”**

## **Conclusion**

**“ We are already at such a low level of staff that it is hard to see how we return from this. We need more public awareness of the job of trading standards to drum up support. ”**

When cuts are made to services which the public can't immediately see, there is a danger that they won't realise how much they rely on them until the services are gone.

**By highlighting what is happening to trading standards services we hope to warn the public of the dangers of cuts – before the damage is done.**

**Visit the [UNISON website](#) for the full report and statistical evidence accompanying this research.**

# THE DAMAGE



**WARNING:** DISMANTLING COUNCIL SERVICES WILL SERIOUSLY DAMAGE OUR LIVES AND OUR COMMUNITIES

This UNISON report is one in a series of studies looking at some of the vital services provided by councils. In it we explore the long-term damage to the public and to the economy caused by ongoing austerity cuts.

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for  
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services

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