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## **Understanding and promoting the work of National Trading Standards (NTS)**

### **Purpose**

For discussion and direction.

### **Summary**

National Trading Standards (NTS) was established in 2012 and is responsible for tasking and coordinating regional and national trading standards activity. However, there is limited awareness of the work of NTS across local government. Lord Harris, Chair of NTS, will attend the Board meeting to outline the work of NTS and discuss how it can share information about its work more widely.

### **Recommendation**

For information and discussion.

### **Action**

Officers to progress as directed.

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## **Understanding and promoting the work of National Trading Standards (NTS)**

### **Background**

1. National Trading Standards (NTS) was established in April 2012 following a National Audit Office recommendation that the coordination and governance of cross-boundary activity to tackle regional and national consumer detriment should be strengthened. Central government funding for responding to national and regional consumer threats was transferred from the Office of Fair Trading to NTS in April 2013.

### **How NTS is funded and governed**

2. NTS directs regional enforcement work by trading standards teams and is responsible for a range of national teams working on issues that extend beyond individual local council areas. NTS is primarily funded by a £13m grant from the Department of Business, Innovation and Skills (BIS).
3. NTS is governed by a board comprising heads of service from each English region and from Wales, and an independent Chairman, Lord Harris. English regions form the foundation of NTS because that is the basis on which groups of local authority trading standards services worked together before the inception of NTS. NTS work is commissioned from council trading standards teams, and the framework operates by identifying individual councils to act as lead national teams for different areas of work, for example e-crime, mass-marketing, illegal moneylending and estate agents regulation.
4. If councils identify a serious issue which they want to continue to lead on, then they can bid through the tasking process for financial support from NTS. In addition, geographic teams are responsible for work with a geographic dimension; for example, the safety at ports workstream supports work at the nine highest priority border points, and feed work is commissioned through each region.
5. At regional level, each region has a scambusters team overseen by the regional heads of service group. Regional tasking groups are responsible for directing the work of regional scambuster teams, and for escalating work to the national level; similarly, they are responsible for work that is tasked down from the national group.
6. The work of NTS is heavily based on an intelligence operating model developed by NTS during its first year. There is a national intelligence team, and each region has a regional intelligence analyst. In some areas, councils have added some of their own resources to provide additional analysts to support their cross-border working.
7. While most NTS funding comes directly from the Department of Business, Innovation and Skills (BIS), the Food Standards Agency also provides nearly £3m to coordinate local authority animal feed hygiene enforcement. Previously, the FSA provided grant funding direct to councils; however, following concerns raised by the EU about low levels of

activity in this area, the funding has been re-routed through NTS to coordinate. This has led to an increase in the number of councils participating in this to 99% with only one council not currently engaged in the work. As a result, from April this year NTS will receive further funds to support work on food standards surveillance; again, to provide the safety net to deliver EU requirements and protect import/export markets as well as the general safety of the food chain.

8. When NTS was initially established a Political Oversight Group was set up, comprising political representatives from NTS, Communities and Local Government, LGA and WLGA and chaired by the Minister for Consumer Affairs. The first couple of meetings of this group indicated that it was not a particularly effective mechanism and following consultation with members, BIS took the decision to replace the group with an officer group that provides 'observational input'; and bilateral meetings between Lord Harris and both the Consumer Affairs Minister and local politicians. Lord Harris last met Councillors Blackburn and Worth in December 2015.
9. Additionally, representatives from the LGA and WLGA are invited to attend NTS Board meetings as observers, although due to the operational nature of the meetings, LGA officers only tend to take this up if when there are specific items of interest on the agenda (eg, the recent trading standards reviews).

#### **Current NTS objectives and priorities**

10. NTS's strategic objectives have focused on a number of key issues since its inception and are to:
  - 10.1. Ensure effective governance arrangements for the delivery of national and cross boundary consumer protection activities;
  - 10.2. Embed the framework for sharing intelligence more effectively and efficiently in order to identify and tackle emerging threats;
  - 10.3. Ensure effective delivery of national and cross boundary enforcement projects;
  - 10.4. Lead the coordination, collaboration and communication of local, regional and national consumer protection enforcement; and
  - 10.5. Deliver a programme of animal feed hygiene enforcement to improve the UK enforcement landscape and help ensure the safety of the food chain.
11. For 2015-6, NTS identified the following operational priorities:
  - 11.1. Doorstep Crime
  - 11.2. Fair Trading issues
  - 11.3. Mass Marketing Scams
  - 11.4. e-crime

- 11.5. Product Safety
  - 11.6. Illegal Money Lending, and
  - 11.7. Intellectual Property.
12. The Board may be interested to note that NTS is also in the early stages of a costly legal case seeking to take action against a number of operators of copycat websites, for which it has received additional funding from BIS.
13. NTS is currently awaiting details of its funding for 2016-7, having originally been asked to model cuts of between 25-40% (although the overall BIS settlement contained a cut of 17%).
14. The Board will recall the discussion at the last meeting about the anticipated cut to the Illegal Money Lending Team hosted by Birmingham, when members requested that the LGA lobby in support of the Financial Conduct Authority picking up any funding shortfall. Following the meeting, the Chancellor indicated in a Parliamentary Question that government was exploring this option with the FCA, although there has been no announcement since. NTS officials have indicated that they would welcome public lobbying from the LGA on this if further progress is not made in due course.

#### **LGA perspective on NTS**

15. The LGA supported the introduction of NTS as a pragmatic way to use local trading standards expertise to manage regional and national trading standards issues extending beyond a single council boundary. Initial concerns that NTS could potentially undermine the importance of local decision making for local trading standards services have proved unfounded. In practice, it is the shrinkage of local trading standards services that are at risk of undermining NTS rather than vice versa. For example, NTS officials report a tendency in some areas to try to escalate local trading standards activity through NTS structures due to lack of local resources. Furthermore, the reduction in local capacity to support NTS creates risks around the capacity of local heads of service to be fully involved and the skills, competence and resources available in the reducing local workforce to deliver commissioned work.
16. The recent LGA review on the future of trading standards concluded that NTS is an effective mechanism for addressing regional and national trading standards issues and provides a solid basis for this type of work. Although cross-border regional and national enforcement was one of the issues the Chartered Trading Standards Institute cited in the vision that called for strategic trading standards authorities, there seems no sensible reason for disrupting the structures that already exist to manage this area.
17. Additionally, NTS has proved a useful route for government or other agencies to commission specific types of work, as with the FSA feed work. It seems that because NTS is considered part of the local government and trading standards frameworks, the better linking of local, regional and national work has delivered far better engagement and improvements than simply central government providing individual grants to councils and / or running competitive bidding processes.

## Issues

18. **One issue the Board may wish to consider in discussion with Lord Harris is how we can increase member awareness of NTS's work.** While LGA officers receive periodic updates from NTS officials, and there have been occasional meetings between Lord Harris and members of the Board, we have yet to find the right mechanism for disseminating the work of NTS to a wider audience, and any suggestions from the Board would be welcome
19. The Board may also be interested to **hear the perspective of Lord Harris and NTS on the future of trading standards services**, and the LGA's recent trading standards review.
20. In light of the paper on cybercrime that the Board will also consider at the meeting, the Board might also wish to invite **Lord Harris's views on the changing nature of trading standards issues and threats to consumer / product safety**, arising from the increasingly international nature of supply chains and use of the internet and social media.

## Next steps

21. Members are asked to:
  - 21.1. Note the information in this paper and raise any questions or points in response.

## Financial Implications

22. None.