

**Open Report on behalf of Pete Moore,  
Executive Director of Finance and Public Protection**

Report to:	<b>Community and Public Safety Scrutiny Committee</b>
Date:	<b>25 January 2017</b>
Subject:	<b>Bespoke Business Advice Provided by Trading Standards - Update</b>

**Summary:**

This paper provides an update and overview following the introduction of chargeable advice to Lincolnshire businesses on the 1<sup>st</sup> April 2016 by the County Council's Trading Standards Service.

**Actions Required:**

The Community and Public Safety Scrutiny Committee is invited to consider and comment on the report and highlight whether it supports the continuation of the business advice strategy service which commenced in April 2016, giving businesses clear options and access to full and comprehensive bespoke business advice.

## **1. Background**

Lincolnshire Trading Standards enforce a wide range of complex business and consumer protection legislation relating to quality, quantity, safety, description, commercial animal welfare and pricing of goods and services.

Since 2011, when Lincolnshire Trading Standards received a reduction in budget of nearly 50%, the service has not been able to provide bespoke, in depth advice to Lincolnshire businesses on the laws applicable to them within the Trading Standards remit. However following an Executive decision and the support of The Community and Public Safety Scrutiny Committee in February 2016, Trading Standards now offer many more services to Lincolnshire businesses on a cost recovery basis.

The key to creating harmony between high performing and prospering businesses and consumers is creating a fair playing field where businesses are well informed and supported. Lincolnshire Trading Standards have a number of services they can offer to businesses to help support this including providing up to the minute advice on complex consumer legislation.

Whatever the size of the business it will be subject to a wide range of legislation designed to protect the consumer and promote a fair and safe trading environment. Lincolnshire County Council Trading Standards can help businesses comply with

these often complex and crucial consumer protection laws, giving them the right answer to important questions such as:

- How do I make sure the goods I sell are safe?
- What information must I put on my food labels?
- When I trade online, what details should be on my website?
- Who can provide consumer law training for my staff?
- How can I be sure my contract terms and conditions are really protecting my business?
- How can I improve my age restricted sales procedures?
- How can I stop unfair advertising from my competitors?
- Do I have to give the consumer a refund?

Businesses can contact Lincolnshire Trading Standards looking for legal guidance in relation to the goods and/or services they sell to consumers. Since April 2016 the following levels of advice are available:

- A.** General basic advice and guidance without charge which is limited to providing the business with a general explanation of the law in relation to a question raised by signposting to web based advice materials. This general basic advice and guidance is time limited, exceeding no more than one hour of a Trading Standards Officer's time in total, to help the business comply with the law.
- B.** Where a business requires more in-depth information and guidance or requires detailed research an hourly charge of £58.00 (plus VAT) will incur.
- C.** Where a business trades outside of the County and subject to eligibility, a Primary Authority Partnership is available. Primary Authority is a national statutory scheme signed off by the secretary of state which allows businesses to form a partnership with a single local authority. Qualifying businesses receive an annually agreed package of advice and support charged at £58.00 per hour. Primary Authority simplifies how businesses can comply with the necessary regulations and helps Lincolnshire Trading Standards engage better with the businesses in Lincolnshire.

No pricing rise was implemented in 2015/2016, from 1<sup>st</sup> April 2017 we propose to increase our charges to £60.00 per hour.

## **2. Update on Performance Achieved**

As this is the first time a chargeable services to Lincolnshire businesses has been offered there are no baseline comparisons. The advice requests received from business from the 1<sup>st</sup> April 2016 – 30<sup>th</sup> November 2016 are shown in Figures 1 to 4.

Please note due to resource limitations the business advice service has not been actively, information is available via the County Council website and our Social media Facebook and twitter account.

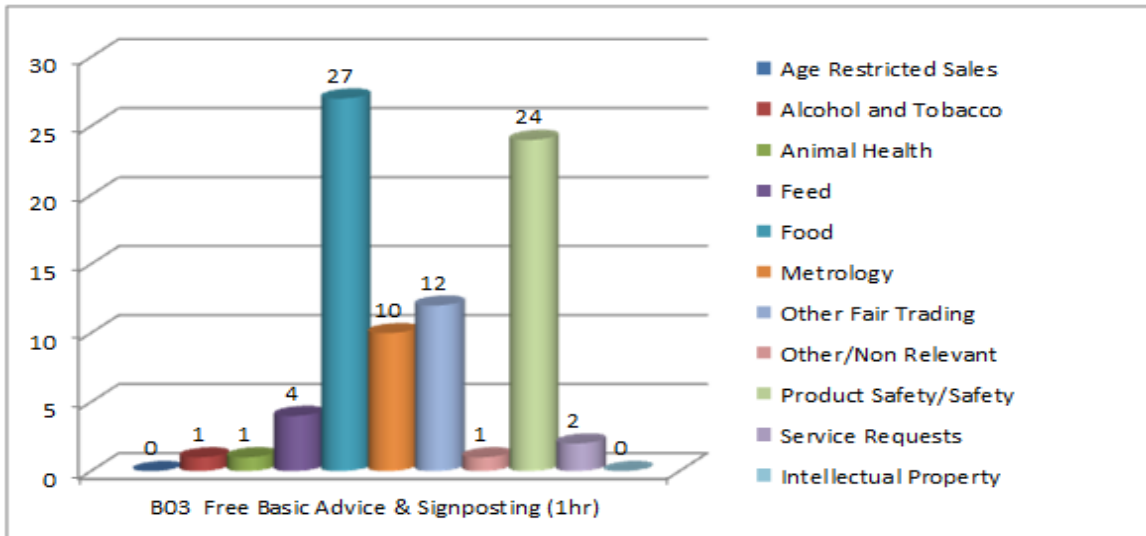


Figure1 - Requests for Free and Basic Advice by subject area

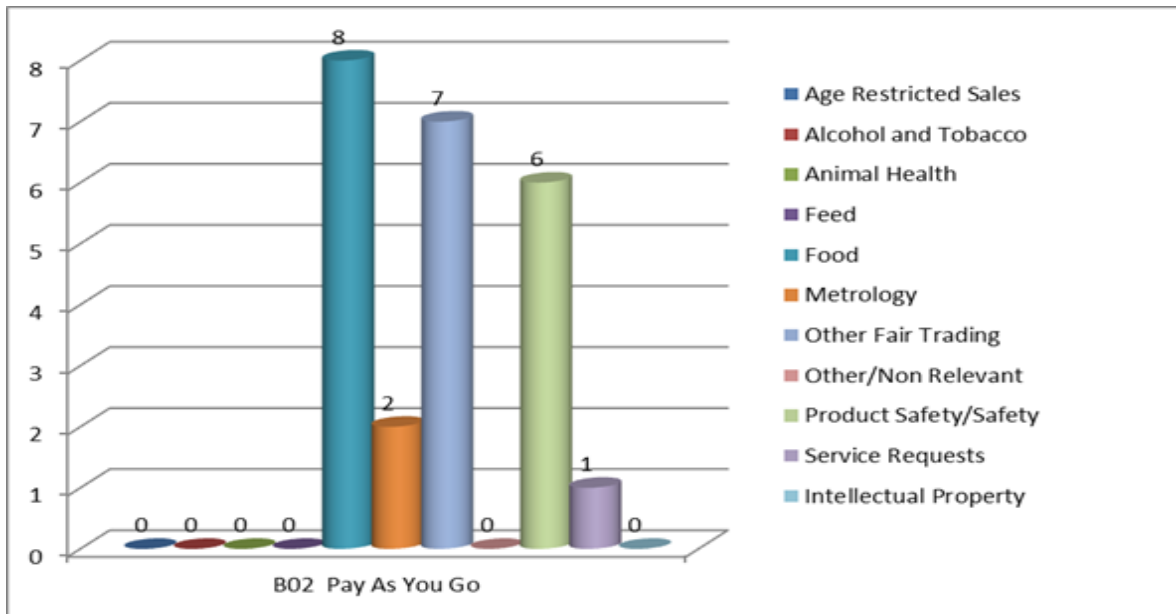


Figure 2 - Requests for Pay as You Go Advice by subject area

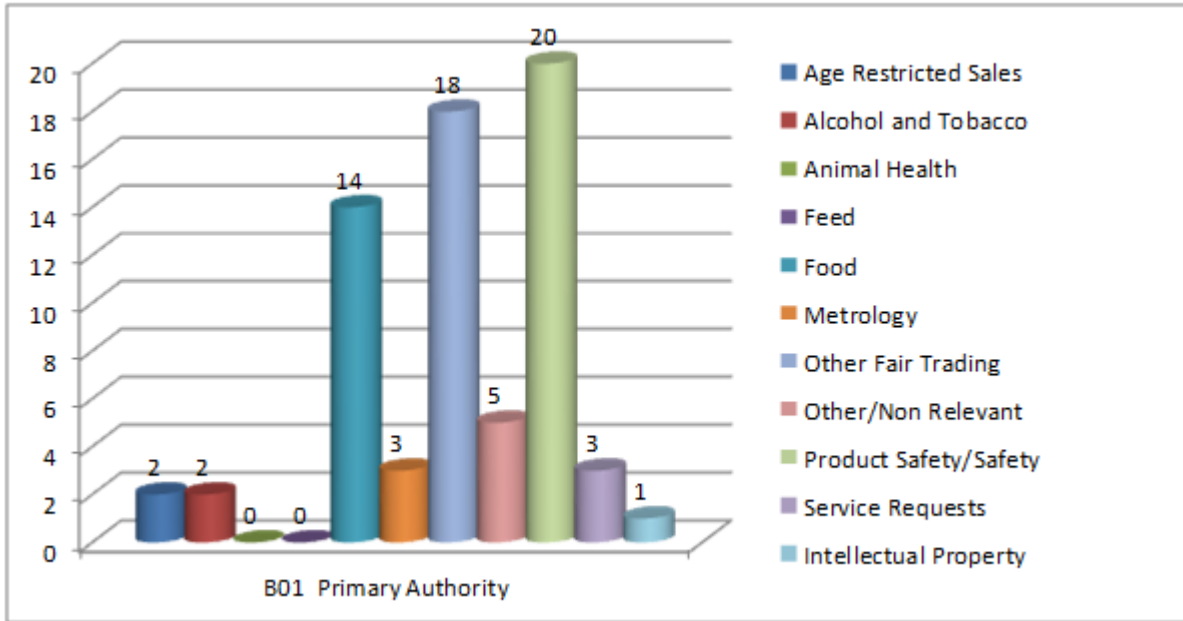


Figure 3 - Primary Authority Advice provided by subject

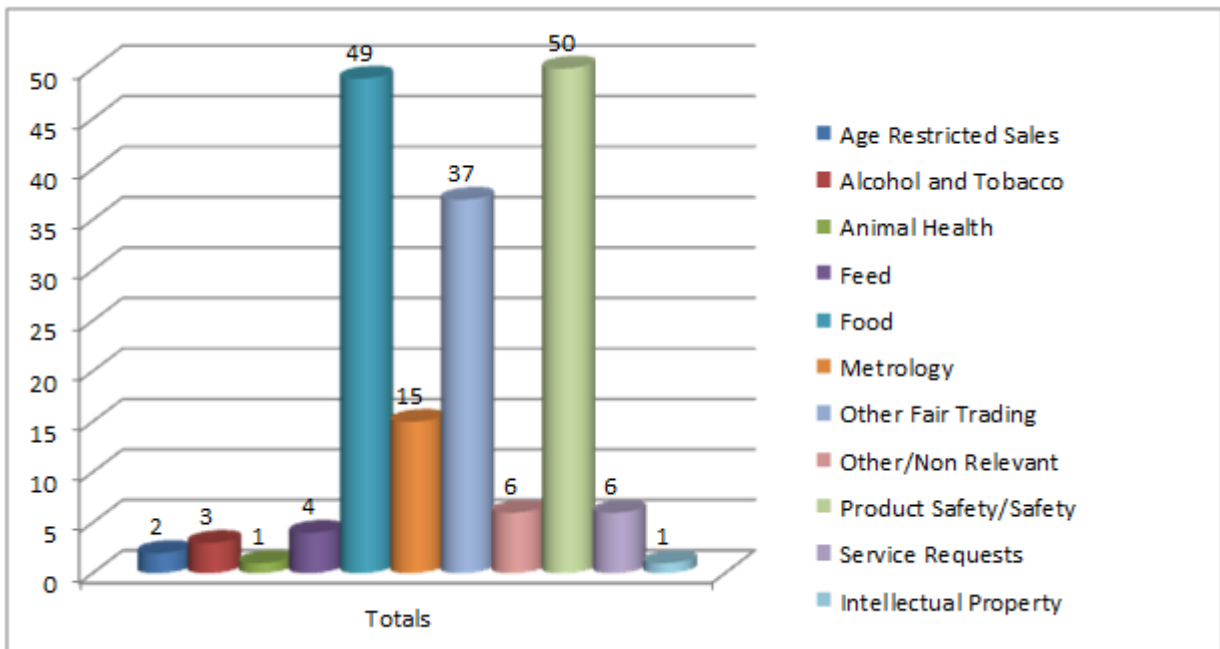


Figure 4 - Total requests for advice provided by subject

### 3. Analysis

The graphics show that this service is assisting us in achieving our aims of maintaining:

- A fair, equitable and safe trading environment in Lincolnshire
- The quality and competitiveness of goods and services provided by local business and agriculture

Of particular note is that the subject areas with the most advice requests are:

**Product Safety:** Legislation in this area is very technical and specific to the product. Complexity is driven by the risks and harm the products could cause if not manufactured or used by the consumer correctly.

**Food Standards:** auditing business to ensure compliance with the provisions of the Food Safety Act 1990 and regulations made under the Act, Trading Standards provide advice regarding the safety of food in relation to contaminants and use of ingredients and additives and the composition and correct labelling of all food products. The number of requests reflects the large number of food businesses that are based in Lincolnshire and form an important part of the local economy.

**Fair Trading:** covering a wide area of consumer protection law, we support business to ensure a fair trading environment in relation to descriptions applied and prices indicated for goods and services to consumers and business.

**Metrology:** this area covers the accuracy of weighing and measuring equipment in trade use and of the statements of quantity made in relation to packaged goods. A verifications and calibrations services for businesses is also offered.

For the period in question around £23,000 has been charged to business. As the service provision is developing this may not be an accurate reflection of the Officer hours required but it does allow the Trading Standards service to improve and retain the breadth and depth of knowledge which it is able to utilise in its broader enforcement role.

#### **Primary Authority**

We currently have 11 Primary Authority Partnerships with Lincolnshire businesses, these include:

**Lincolnshire Co-op, Lincoln:** Very successful Primary Authority Partnership with Lincolnshire Co-operative Group Ltd covering 93 Food Stores across Lincolnshire, North East Lincolnshire, North Lincolnshire, Newark & Doncaster, employing 1639 staff.

**Smiffys, Gainsborough:** Was founded in 1894 and has become a global organisation with offices and showrooms worldwide. As the leading costume, Halloween and Carnival manufacturing company in the UK, Smiffys distribute over 5000 products to over 5000 stockists around the world, with over 26 million items shipped every year.

**Bakkavor, Spalding:** Are a leading international manufacturer of fresh prepared foods. They are committed to supplying outstanding quality, value and service to their customers, which include Marks and Spencer, Asda, Tesco. Morrisons.

**Minster Fine Foods, Bourne:** represent a selected number of Continental Food Manufacturers responsible for the sales and marketing of their products in the UK. Their policy is to offer their customers the best possible service combined with the most competitive prices. Goods are delivered direct from the manufacturers ensuring their customers enjoy fresh, high quality products with the maximum shelf life.

**Uncle Henrys, Grayingham, Gainsborough:** is an award winning farm shop, café and butchery.

**Cosmic Fireworks, Lincolnshire:** was founded over 25 years ago and came under new ownership in 2011. The new management at Cosmic Fireworks has once again established itself as a leading supplier of high quality fireworks, with its retail and wholesale partners across mainland UK.

**Chestnut Trading LTD, Lincolnshire:** is one of the UK's leading suppliers of fireworks for retailers and traders in the UK.

**Henry Bell & Co (Grantham) Limited:** trade within the agricultural industry supplying seed, fertiliser and chemicals. They are one of the major suppliers of flaked cereals and pulses to the animal and pet food industry with a very wide and varied customer base within the wild bird and small animal industry. As a large importer and end user of seeds like black sunflower, sunflower hearts, Niger, striped sunflower, safflower etc they also source and supply these seeds for other manufactures in either bulk or bags.

**Fold Hill, Old Leake:** are Pet Food Manufacturers based near Boston, Lincolnshire. Product range includes the Fold Hill Complete Food, Mixers and Meals, Chewdles range of cat and dog treats and Laughing Dog products.

**Gadsby's, Southwell:** Gadsby's bake and supply a selection of traditional and continental breads, hand finished confectionery and cream cakes. Based in Southwell with 75 staff who produce, pack and deliver the 80,000 retail items they sell every day, six days a week. Gadsby's product range is supplied to stores from Liverpool to Grimsby, Sheffield to Peterborough, and in over 180 co-op food stores throughout Lincolnshire, Nottinghamshire and Derbyshire.

**Arthaus, Lincoln:** Arthaus sell flat packed bedroom, Living room and children's furniture from their showrooms in Lincoln and via their website. They also offer a delivery and assembly service.

We are in the process of signing up a 2 further Lincolnshire businesses that have received Pay as you Go advice from us and see the further benefits of a Primary Authority Partnership with us. So far all businesses that have reached their annual

review are resigning to continue working with us and have provided us with positive feedback regarding the services we provide.

## **The Benefits to Lincolnshire Business**

Without the advice, guidance and support provided by Trading Standards, businesses could face enforcement actions such as prosecutions resulting in significant fines and/or imprisonment, as well as claims from customers in relation to substandard products or services and the costs of product recall.

With advice, guidance and help with Trading Standards law, businesses can reduce their compliance costs; reduce risk and the cost of failure and increasingly generate a satisfied, happy and returning consumer base.

Businesses face legal challenges from a range of sources, Trading Standards support can help them become fully aware of their full regulatory obligations and help them to put programmes and measures in place to make their business fully legally compliant.

Providing businesses with robust and reliable regulatory advice supports growth by enabling them to invest with confidence in products, practices and procedures, knowing that there is professional regulatory endorsement of the resources they devote to compliance.

## **Feedback from Martin Ward, Regional Compliance Manager at Lincolnshire Co-op a Primary Authority Partner:**

*'The team at LCC have proved to be valuable partners to our organisation in providing accurate and reassuring information which allows us to keep up to date with, and also trade within the parameters set out by, new legislation.*

*Furthermore, Emma and Angela have provided support and advice at short notice which has helped us to resolve customer queries regarding our trading practices ensuring that we are able to provide accurate information to customers.*

*With regard to keeping us up to date, Emma and Angela have been in regular contact to offer advice about items which have become hot topics in the Trading Standards forum which allows us to review our own practices to minimise the risk of customer complaints or confusion regarding our policies. It can also be noted that the team take a conscientious approach to how our time is allocated which allows us to spend our hours in the most efficient way which allows us to get the most out of our partnership.*

*Overall, the support which we receive from our partnership with LCC Trading Standards throughout the food business allows us to operate efficiently and legally while helping to minimise the possibility of customer confusion. This is achieved through a mixture of assured advice, verbal guidance and site visits to identify areas which we could improve upon.'*

#### 4. Conclusion

Continuing to charge on a cost recovery basis for some business advice activities will allow Lincolnshire Trading Standards to deliver important services to support businesses, but at the same time allow the continued protection for frontline enforcement services that focus on rogue traders and other non-compliant businesses which undermine the level playing field and affect the safety and confidence of consumers.

Cost recovery means that the time and other costs accrued by officers in research and providing bespoke advice to a business do not detract from delivery of consumer and trader protection from unfair trading. At the same time Trading Standards is able to grow strong and prosperous partnerships with local business to enable them to grow, whilst being complainant with complex consumer legislation. Businesses requesting the advice are able to move forward with confidence, knowing that they have the support of Trading Standards as far as interpreting legislation around that particular aspect of product design, labelling or marketing is concerned. This service will become crucial as the impact of the UK leaving the EU become clearer particularly any changes to the consumer protection legislative framework.

#### 5. Consultation

**a) Have Risks and Impact Analysis been carried out?**

N/A

**b) Risks and Impact Analysis**

N/A

#### 6. Background Papers

Document title	Where the document can be viewed
Bespoke Business Advice provided by Trading Standards on a chargeable basis.	Community and Public Safety Scrutiny Committee Wednesday, 13th January, 2016  <a href="http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=489&amp;MId=4532&amp;Ver=4">http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=489&amp;MId=4532&amp;Ver=4</a>

This report was written by Emma Milligan, Principal Trading Standards Officer, who can be contacted on 01522 552408 or [emma.milligan@lincolnshire.gov.uk](mailto:emma.milligan@lincolnshire.gov.uk)