

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

Report to:	Public Protection and Communities Scrutiny Committee
Date:	23 October 2018
Subject:	Trading Standards Impacts and Outcomes Framework

Summary:

This report provides a review of the delivery of Trading Standards Services in Lincolnshire for the financial year 2017-18.

Actions Required:

Members of the Committee are invited to consider and comment on the contents of this report and the delivery of Trading Standards Services for the financial year 2017-2018.

1. Background

The Trading Standards Service has a key role to play in enhancing the economy for legitimate businesses and safeguarding the financial interests of the residents of Lincolnshire, particularly the vulnerable, at greatest risk from unfair trading methods employed by organised criminals and unscrupulous businesses. Through effective use of resources to meet statutory obligations the service endeavours to ensure that businesses based and operating in the County are legally compliant and deliver quality goods and services. In doing so Trading Standards seek to achieve a level playing field for businesses based on fair competition and customer confidence both of which are crucial to promoting economic growth in our local economy.

The Trading Standards Service exists to fulfil the Authority's statutory responsibilities to deliver consumer protection for the residents of Lincolnshire. It has duties and powers in over 124 Acts of parliament and over a 1000 regulations.

In delivering the service the aim is to be responsive to the needs of those consumers, communities and businesses. The service continues to work closely with partner agencies and stakeholders to add value to services provided and support corporate aims and values where there is benefit for local communities.
Strategic Priorities 2016-2019

Through a process of strategic assessment the Trading Standards Service identified the following strategic priorities areas to be addressed:

Objective 1: To develop the use of intelligence to scan and test the market place and tackle those organised criminal networks and unscrupulous businesses who deliberately, repeatedly or recklessly engage in fraudulent trading practices that harm the interests of consumers and legitimate businesses. Whilst rogue trading can occur in any trade sector it has been identified the following that specifically impact local communities in Lincolnshire:

- Doorstep Crime and Scams;
- Cybercrime;
- Illicit Tobacco;
- Product Safety ;
- Second-hand Car Sales;
- Intellectual Property, and
- Food Fraud.

Objective 2: To support economic growth by helping businesses to comply with their legal responsibilities and enhancing public protection through delivery of chargeable business advice services and through increasing the number of business partnerships.

Objective 3: To engage with the public, communities and businesses to increase resilience and safeguard the vulnerable against scams, rogue trading and unfair business practices.

Objective 4: To develop our Officers to maximise resilience and flexibility in delivering services.

Objective 5: To effectively manage income and expenditure to achieve a balanced budget for the Trading Standards Service.

To meet these objectives the Service has needed to prioritise work in these areas. Other trading standards functions are considered low priority and will be resourced only in exceptional circumstances. These include:

- The provision of civil law advice to resolve a breach of contract unless the customer is considered vulnerable when our response will be limited to assistance writing a letter before action. All Lincolnshire consumers can access free and impartial advice from the national Consumer Helpline operated by Citizens advice by professionally staffed call centres.
- Responding to individual complaints alleging a breach of criminal law unless there is evidence of serious safety or animal welfare concerns, high value fraud or there is an immediate need to secure evidence.
- Programmed inspection medium and low risk at premises unless in response to a serious complaint, they are identified through analysis of intelligence as presenting an immediate risk or they are included in a market surveillance project.

- Programmed inspection at high risk premises only if identified through intelligence and included in the annual inspection plan, in response to a serious complaint, they are identified through intelligence as presenting an immediate risk or they are included in a market surveillance project.
- Minimal food, feed or product sampling to confirm compliance with legislation or standards.
- Inspection of weighing and measuring equipment in use for trade unless a risk is identified through intelligence.
- Business advice beyond that which can be provided in one hour unless under the chargeable services pay as you go or primary authority.
- Requests to give presentations to local groups and meetings unless they are considered to be vulnerable and the presentation provided addresses their vulnerability.
- Routine inspection of livestock markets and fairs other than monthly attendance at Louth livestock market

Outcomes and activity against the objectives in 2017/18

Objective 1: Tackling Detriment and Preventing Harm

In 2017/18 Trading Standards prosecuted 31 Defendants for a range of offences in respect of food safety, animal welfare, illicit tobacco, toy safety, cosmetic product safety and counterfeiting. In total defendants were sentenced to 46 months imprisonment, fined £9886 and ordered to complete 1520 hours of unpaid work. The courts also required them to make a contribution towards prosecution costs of £54,465.

A further 10 investigations resulted in Offenders accepting simple cautions. These are only issued where there is an admission of guilt and steps have been taken to reduce the risk of further offending. These cautions can be used to evidence previous offending if convicted in the future.

Trading Standards worked with the Economic Crime Unit within Lincolnshire Police to recover the proceeds of crime wherever possible. An application was made to recover the £10,160 benefit arising from the sale of illicit tobacco; however the Defendant was able to convince the court that he had no realisable assets and an order for £1 was made. Whilst this is disappointing it does leave the door open for the Economic Crime Unit to reopen this case in the future to recover the full amount should assets be identified in the future.

The Trading Standards Service received £6921 arising from payments made to settle historic orders to recover the proceeds of crime.

Trading Standards was successful in obtaining an undertaking from a business failing to supply memorial headstones to consumers having applied to the County Court for an injunction to stop their unfair practices. This process was adopted initially to ensure that further offending was curtailed. One Defendant is currently awaiting trial for fraud offences for offences occurring prior to the injunction.

Whilst no illicit alcohol was found in 2017/18, 5531 packets of illicit cigarettes and 1745 packets of hand rolling tobacco were seized from 10 premises. The value to the retailer is estimated as £19,358.50 and £7852, considerably less than the value in excise duty payable to the Treasury for the legitimate tobacco products.

In 2017/18 the Service removed 11,809 unsafe products from the market place, including toys, chainsaws, cosmetics and perfumes.

The Trading Standards Service supports local businesses by removing counterfeit goods from the market. Counterfeit goods harm the interests of those legitimate traders selling genuine products, deny the Treasury revenue in taxation and damage investment by companies whose brands are counterfeited. The Trading Standards Service removed 28,811 counterfeit items from the market place in 2017/18.

The Service took 39 food samples of which 11 were found to be unsatisfactory. 7 food businesses were found to be operating in breach of food standards legislation.

Objective 2: Supporting the Local Economy

In 2017/18 Trading Standards responded to 252 requests for advice directly from local businesses. Basic advice is provided free of charge, usually through signposting or the provision of guidance. In-depth advice is provided on a pay as you go basis and is bespoke to the business.

Those businesses wanting regular assured advice are offered the option of entering into a Primary Authority partnership agreement. Trading Standards has currently entered into 14 such agreements and provided 141 hours of advice in 2017-18. Again the Service charges for advice on a cost recovery basis and ensures that a named contact officer is assigned to the business.

Trading Standards also completed a program of inspections. In total 524 premises were inspected and found to be compliant. A further 84 inspection were found to be noncompliant and requiring some remedial action. Only 3 of those businesses visited were considered serious enough to warrant a revisit. In total 84% of businesses visited were found to be compliant or were brought into compliance during the 2017/18 financial year.

The Trading Standards Service undertakes a monthly tasking process that includes a review of those businesses generating the most complaints from local residents. Through this process the Service has reviewed the trading practices of 149 businesses and tasked 46 of those for further action. 15 were brought into compliance through the provision of business advice and 31 were considered serious enough to investigate formally. 21 resulted in a successful outcome, 7 are

still under investigation. A small number of investigations could not proceed, usually where the seller was trading online and was not active at the time.

Objective 3: Safeguarding Vulnerable Consumers

The service identified a further 96 victims in 2017/18 bringing the total number since the project commenced in 2015 to 2392. Working with the Neighborhood Policing Teams 437 visits were made to victims bringing the total number of interventions to 820. We estimate that these 437 interventions resulted in victims saving £115,605 that would have potentially been sent to those promoting the scam. Since Trading Standards began working with victims we estimate that £728,233 has been saved.

The Trading Standards Service produces an annual inspection plan to undertake test purchases of age restricted products. The plan is based upon intelligence as far as possible and includes revisits where appropriate.

In total 35 premises were tested for sales of alcohol with a failure rate of 25.7%, 61 were tested for tobacco with a failure rate of 14.8% and a further 5 were tested for fireworks with a failure rate of 20%.

Objective 4: Staff Development

The Trading Standards Service was delivered by 28.1FTE, 24.6 FTE resourced from the revenue budget and the remainder from income generated by the service. This equates to approximately 3.7 FTE per 100,000 head of population or 1 FTE per 1000 PAYE businesses in Lincolnshire. They were supported by 4 members of Business Support attached to Safer Communities. In order to ensure officers were competent they completed a minimum of 20 hours CPPD training and development.

Objective 5: Balancing the Budget

The Trading Standards Service revenue budget for 2017/2018 was £1,289,710. The Service generated an additional £189,545 income equating to 14.7% of revenue budget. This income was derived from the following:

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| • Metrology Services | £4,337.50 |
| • Licensing activities | £8,794.00 |
| • Primary Authority | £8,450 |
| • Business Advice | £7,254 |
| • National Trading Standards Grants | £105,614.75 |
| • Public Health | £45,000 |
| • Department of Health | £9,995.75 |

National Trading Standards grants were provided in respect of feed hygiene inspections commissioned by the Food Standards Agency and to support the service in undertaking a serious fraud investigation involving several defendants with offences committed across the south east of England.

Public Health commissioned Trading Standards to undertake enforcement activities to reduce the availability of illicit tobacco to adults and young children. The Department of Health funding was provided to undertake work to check compliance with new regulations in respect of nicotine inhaling products.

Service Demand

The Trading Standards Service received 4219 notification and 1975 referrals from the Citizens Advice Consumer Helpline in this period. The total detriment identified in those records was £110,658. The notifications contain details of all contacts where contractual advice was given to a consumer or business in Lincolnshire. Referrals contain details of all contacts where there is an alleged criminal offence involving a consumer or business in Lincolnshire. In addition a further 150 referrals were received from other local authority services, 300 from the Police or other regulatory service, 80 from intelligence reports, 75 from the National Scams Team and 269 from other sources including local businesses.

All of these contacts were reviewed by the Service on receipt and assessed in line with Service objectives and the National Trading Standards Intelligence Operating Model, a national intelligence framework developed by the National Trading Standards Board to support them in their response to national and regional enforcement needs and local Trading Standards Services in their day to day work by:

- Identifying and understanding threats or problems;
- Increasing expertise in dealing with problems effectively;
- Providing clear and consistent tasking;
- Taking evidence based decisions, and
- Adopting a problem solving approach.

In adopting this model the Trading Standards Service produced an annual service plan linked to corporate objectives and driven by intelligence, problem profiles and priorities.

The Service carried out regular, scheduled monthly tasking meetings and created a monthly tactical assessment that was used to drive operational activity.

The Trading Standards Service had a dedicated intelligence team that produce a range of intelligence products. All staff are trained to use and had access to an intelligence recording system.

The Trading Standards Service holds information sharing agreements with all partners with whom intelligence was being shared.

2. Conclusion

The Trading Standards Service has implemented measures to ensure that resources are deployed effectively to meet the demands of Lincolnshire residents and businesses and our partners. By taking the decision to cease or reduce activities in areas presenting a low risk, and the adoption of intelligence led working

practices the Service has delivered effective enforcement to address serious noncompliance and support vulnerable consumers and legitimate businesses.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Not Applicable

b) Risks and Impact Analysis

Not Applicable

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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