

IMPACT ASSESSMENT

Enhancing consumer confidence -
Improving cross-border cooperation
and authorisation

MARCH 2012

Title: Enhancing consumer confidence : Improving cross-border cooperation and authorisation IA No: BIS0336 Lead department or agency: Department for Business, Innovation & Skills Other departments or agencies: Department for Communities and Local Government, Local authority Trading Standards Services	Impact Assessment (IA)		
	Date: 24/01/2012		
	Stage: Consultation		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
Contact for enquiries: Suzanne Redding suzanne.redding@bis.gsi.gov.uk Tel: 020 7215 0439			
Summary: Intervention and Options		RPC Opinion: AMBER	

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£0	£0	£0	No
			Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

The National Audit Office (NAO) estimated in July 2011 that 70% of consumer detriment is likely to arise out of activities which cross local authority boundaries. Data indicates that the cost of this consumer detriment is in excess of £4.8 billion. A number of legal cases have thrown some doubt in the minds of Trading Standards enforcers on their ability to investigate and prosecute cases outside their own local authority. To be safe, many tend to seek formal authorisation to operate on another authority's territory or even double up with local enforcers to ensure propriety. There is a need to reduce this bureaucracy and clarify the position to make such cross border investigations easier and simpler, by removing current legal restrictions.

What are the policy objectives and the intended effects?

Government policy in this area is intended to support the objective of improving the effectiveness and efficiency of local authority Trading Standards Services (LATSS). The intention of reform in this area is to ensure that cross border-working is as simple and efficient as possible for LATSS, so that authorisations are clear and court actions do not fail due to a lack of proper authorisation. We propose to do this by removing current restrictions in the Local Government Act and in the Weights and Measures Act, so that officers can or enforce the legislation outside their own local authority (LA) as appropriate. We are seeking to achieve that in the least burdensome way to both LATSS and business.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The following options have been considered, relative to 'do nothing' (i.e. Maintain the current legislative provision governing the ability of local authorities to enforce and take legal proceedings):

0: Do nothing;

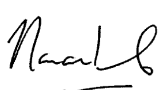
1: To remove current restrictions in legislation and enable LAs to enforce or take legal proceedings outside their own local authority;

2: Introduce a national authorisation scheme for LATSS.

The Government's preferred Option is 1: to deregulate and reduce the bureaucracy which hinders the ability of LATSS to tackle cross border detriment effectively and efficiently. There would be no costs to business and LAs would benefit from less time spent seeking formal authorisation from neighbouring authorities.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 12/2019					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro No	< 20 No	Small No	Medium No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY:  Date: 28/03/12

Summary: Analysis & Evidence

Policy Option 1

Description: To remove the restrictions in legislation and enable LAs to enforce legislation or take legal proceedings outside their own local authority

FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0	0	0

Description and scale of key monetised costs by 'main affected groups'

There will be no additional costs.

Other key non-monetised costs by 'main affected groups'

There will be no additional costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		
High	Optional		
Best Estimate	Optional		

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

Enforcement teams and LAs will benefit from increased efficiency in enforcement due to less time spent seeking formal authorisation from neighbouring authorities (£0.32 - £0.75m, for illustrative purposes); The main benefit will arise over time out of increased flexibility for Trading Standards to organise themselves regionally and specialise locally for greater efficiency. Businesses may benefit from reduced charges levied by local authorities for verification services, due to increased competition in this area.

Key assumptions/sensitivities/risks

Discount rate (%)

It is assumed that the figures from the Yorkshire and Humber Scambuster team are representative of all 11 Trading Standards regions. While we acknowledge this is not a robust estimate, it does help provide a ballpark figure, which can then be refined in the consultation process.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	Zero net cost

Summary: Analysis & Evidence

Policy Option 2

Description: Introduce a national authorisation scheme for local authority Trading Standards Services (LATSS)

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional		
High	Optional		
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

There are no direct costs to businesses.

Other key non-monetised costs by 'main affected groups'

Costs of administering a national warrant scheme.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		
High	Optional		
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

Total savings to Trading Standards teams under the new regime are likely to be the same as in Option 1.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

A number of assumptions underpin the initial estimates of cost and benefits associated to this policy. Initial estimates are set out for illustrative purposes only. It is assumed that the figures from the Yorkshire and Humber Scambuster team are representative of all 11 Trading Standards regions. We do acknowledge these are not totally robust estimates, given that precise and reliable information is not available on these areas, but it does help provide a ballpark figure. The consultation might help us refine these costs estimates. Further evidence will be sought for the costs of administering a national warranting scheme.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	Zero net cost

Evidence Base (for summary sheets)

Introduction

1. Government is proposing to deregulate to allow Local authority Trading Standards Services and Trading Standards regional teams and national units sited within local authorities to operate across local authority boundaries. The Government's preferred option is to amend legislation to remove restrictions on local authorities to enforce or take legal proceedings in other local authorities. This will not only clarify the legislation, but most importantly remove the bureaucracy for local authorities in seeking authorisation to operate across local authority boundaries and thereby help improve the effectiveness of enforcement, without adding any additional burden on businesses.

Background

2. Trading Standards Services are local authority services which often work across traditional enforcement boundaries to respond to local and regional threats. In order to do this they often develop memoranda of understanding with neighbouring local authorities or work with local enforcers. Government has financially supported regional coordination of Trading Standards and regional collaboration to develop intelligence on regulatory threats, to reduce the burden on honest businesses and to prioritise enforcement against rogue traders. Government has also funded specialist regional Scambuster teams and Illegal Money Lending teams, which work across local authority borders to tackle scams and rogue traders. Under the Government's proposed reforms to the consumer landscape set out in its consultation in July 2011,¹ regional coordination and leadership of Trading Standards would be strengthened and would support enhanced national leadership. This offers opportunities for increased specialisation and substantial efficiency gains in individual Trading Standards offices as threats can be tackled in an integrated way and each local authority can focus efforts on where it can make the most difference locally, regionally and nationally. In order to maximise these gains, however, Trading Standards officers must be able to operate across local authority boundaries.
3. Under weights and measures laws which transpose EU measuring instruments directives, the appointment of notified bodies for EC verification of weighing and measuring equipment is not limited to the geographical area of a local authority and that model already allows greater choice over which local authority verification service a business might choose. The ability of local authorities to carry out verification of instruments prescribed by national law is limited to the geographical area of the local authority, but so is the responsibility for inspection. Trading standards claim that the income from national verification activities helps offset the cost of their enforcement activities.

Problem under consideration

4. In July 2011 the National Audit Office (NAO) report estimated that 70% of consumer detriment is likely to arise out of activities which cross local authority boundaries. The cost of consumer detriment at regional and national level where offences occur across local authority boundaries is in excess of £4.8 billion.²
5. The current law enabling Trading Standards to work across local authority borders is open to different interpretations and the result is confusion amongst enforcers.³ To be safe, many tend to seek formal authorisation to operate on another authority's territory or even double up with local enforcers to ensure propriety. This problem was also highlighted in the NAO report and is most acute for the specialist regional Scambuster teams and Illegal Money Lending teams. An example given by Surrey Trading Standards in their response to the Consumer Law Review illustrates the problem:⁴

¹ Empowering and Protecting Consumers: Consultation on institutional changes for provision of consumer information, advice, education, advocacy and enforcement, Department for Business, Innovation and Skills, June 2011, <http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/e/11-970-empowering-protecting-consumers-consultation-on-institutional-changes.pdf>

² Department for Business, Innovation and Skills, the Office of Fair Trading and Local Authority Trading Standards Services Protecting consumers – the system for enforcing consumer law, Report by the Comptroller and Auditor General, HC 1087SesSion 2010–2012, page 25, National Audit Office, 15 June 2011, http://www.nao.org.uk/publications/1012/protecting_consumers.aspx

³ Section 222 of the Local Government Act 1972

⁴ Consumer Law Review: Call for Evidence: Responses S-Z, page 9, Department for Business, Innovation and Skills (BIS), July 2009, <http://www.berr.gov.uk/files/file52000.pdf>

“[Scambuster] officers devoted 12 months investigating a prolific offender trading across most of the south of England only to find that the authority who had agreed to take the action were then advised by their Legal Services that they could only deal with one local offence.”

6. The Government considers this reduces the effectiveness and efficiency of enforcement which Trading Standards can ill afford.
7. Also, under the Weights and Measures Act 1985, officers’ powers are specifically restricted to the local authority area in which the inspector is appointed.⁵ Feedback from a minority of Trading Standards stakeholders indicates that this restricts businesses’ choice of local authority when requesting verification of weights and measures equipment regulated under domestic law. Domestic weights and measures law is thus more restrictive than EU law in this area.

Rationale for intervention

8. Evidence indicates that the majority of consumer harm occurs across local authority borders therefore, local authority Trading Standards Services need to be able to respond to local, regional and national threats. With the increasing importance of internet sales and the proposed institutional changes to the consumer landscape currently under consideration,⁶ the need for Trading Standards to work effectively across local authority boundaries and abroad is likely to increase.
9. Restrictions under the Weights and Measures legislation not only hampers effective and efficient enforcement of weights and measures legislation across local authority boundaries, but also restrict businesses’ choice of local authorities when requesting verification of weights and measures equipment regulated under domestic law. Feedback from Trading Standards is that competence in the inspection of measuring instruments is most effectively gained by performing verification activities. Should a local authority cease to carry out verification activities, then the competence to inspect will be lost. The National Measurement Office supports this view based upon feedback from the Local Government Association National Metrology Focus Group. The IA regarding the development of a more flexible Trading Standards statutory qualification will ensure officers’ competencies in the areas they enforce.
10. Cross-border integration and co-ordination enables local authority enforcers to take advantage of economies of scale. This is demonstrated the Government supported Scambuster teams, which operate on a regional or national level with local authorities and other enforcement agencies. An OFT led evaluation of the impact of Trading Standards has been used to provide an estimate of a return on investment of the Scambuster teams of almost 8:1.⁷

Policy objective

11. Government policy in this area is intended to improve the effectiveness of enforcement. The intention of reform in this area is to ensure that cross border-working is as simple and efficient as possible for local authority Trading Standards Services (LATSS), so that authorisations are clear and court actions do not fail due to a lack of proper authorisation.

Options identification

12. In considering options for reform relative to a ‘do nothing’ scenario, there are three main options for reform:

0: Do nothing: Maintain current legislative provision on ability for local authorities to take proceedings;

⁵ Section 79(1) Weights and Measures Act 1985

⁶ Empowering and Protecting Consumers: Consultation on institutional changes for provision of consumer information, advice, education, advocacy and enforcement, Department for Business, Innovation and Skills, June 2011, <http://www.bis.gov.uk/assets/biscore/consumer-issues/docs/e/11-970-empowering-protecting-consumers-consultation-on-institutional-changes.pdf>

⁷ Using the Office of Fair Trading methodology from - An evaluation of the impact of the fair trading work of local authority Trading Standards Services in the UK , Office of Fair Trading, June 2009, http://www.offt.gov.uk/shared_offt/about_offt/oft1085.pdf

- 1: To remove the restrictions in legislation and enable local authorities to enforce or take legal proceedings outside their own local authority;
- 2: Introduce a national authorisation scheme for local authority Trading Standards Services.

Options analysis

Option 0: Do nothing

13. Doing nothing or maintaining the status quo will mean that Trading Standards will continue to waste time and resources seeking formal authorisations to operate in another authority's territory and double up with other local enforcement authorities. This will mean that regional work by Trading Standards will not be able to realise its full potential and the benefits of improved effectiveness and efficiency of enforcement that clarity and simplicity of authorisations would bring. It will also prevent increased choice for businesses wishing to request verification services.

Option 1: To remove the restrictions in legislation and enable local authorities to enforce or take legal proceedings in other local authorities

14. In this Option, the Local Government Act 1972⁸ would be amended to remove the restriction whereby proceedings can only be taken where such action is for the promotion or protection of the interests of the inhabitants of their area. This would eliminate the need for formal authorisation through memoranda of understanding (MOUs).
15. The intention is also to remove the restriction under the Weights and Measures Act 1985⁹ to enable Weights and Measures Inspectors to carry out cross border verification and enforcement.
16. Of course it will still be necessary for local authorities to cooperate with each other to ensure a coordinated approach to cross border investigations and to guard against duplication of effort. But this coordination happens anyway through regional coordination mechanisms and shared intelligence systems, and under the Home Authority and Primary Authority arrangements. All of these should be strengthened following the Consumer Landscape Reforms.

Costs

17. The costs for business of deregulation will be zero, as this only applies to the legal framework underpinning the activity of enforcement teams.
18. Trading Standards Officers are well-informed about their powers, so the familiarisation costs with this slight change in the law are also likely to be negligible.

Benefits

Savings for Trading Standards

19. The change will make it easier for Trading Standards professionals to tackle rogue traders operating across local authority borders, by removing the need for bureaucratic MOUs with neighbouring local authorities.
20. **Whilst Government has made use of all available evidence, including the knowledge on the ground from Trading Standards professionals, we believe that the evidence available is not robust enough to provide a reliable estimate. Therefore, the estimate of benefits indicated here are for illustrative purposes only. We will use the consultation to gather further evidence to refine the estimate of benefits to local authorities.**
21. Officers in Scambuster teams spend time setting up and obtaining memoranda of understanding with neighbouring authorities. The time spent on obtaining MOUs will vary depending on how many local authorities a team works across. For illustrative purposes, the manager of the Yorkshire & Humber

⁸ Section 222 of the Local Government Act 1972

⁹ Section 79(1) Weights and Measures Act 1985

Scambuster team, based on his own assessment, spends about 4 - 6 weeks per annum obtaining and renewing the authorisations from the 10 Trading Standards Services in the region. This amounts to an annual opportunity cost of between £3,400 and £5,100.¹⁰ (This amounts to about 50 authorisations for officers in the Yorkshire & Humber team alone). The Yorkshire & Humber Scambuster team estimates it costs them around £5,000 - £8,000 per year.¹¹ There are currently 8 Scambuster teams in the 11 Trading Standards regions, but as from April 2012, each region is expected to once again be covered by a Scambuster team, so across all 11 regions, for illustrative purposes, the savings are estimated to amount to a minimum of £37,400 to a maximum of £88,000 per annum, depending on the figures used. Over the life of the policy¹² the present value amounts to opportunity costs of £0.32 - £0.75 million.

22. However, the bigger impact on local authorities will come from increased specialisation of officers in individual authorities, offering efficiency savings as not all authorities have to have expertise in every single area of legislation. The benefits will accrue over time and are impossible to calculate with any certainty at this stage, but they are likely to be considerable.
23. By removing restrictions under the Weights and Measures Act, Government will enable local authorities to undertake verification services in neighbouring local authorities. This will enable local authorities to share resources and take advantage of economies of scale. This might lead not only to specialisation, but also enables competition between the specialised providers, which might lead to better quality and or lower prices, which, in turn, should benefit business. Such benefits are impossible to calculate with any precision at this stage. It is difficult to be precise as how many local authorities will want to carry out verifications outside their own local authority or how many businesses would want to take advantage of the change.
24. For illustrative purposes, a useful comparison is that currently only 52 out of 197 local authorities are 'notified bodies' and can carry out EC Verification of weighing and measuring equipment, including outside their own local authority. The result of reform might therefore be that the same number, roughly a quarter of Trading Standards offices, would retain domestic law weights and measures verification services and provide them to businesses around the country. How much public money this might save is unclear at the moment. BIS will be inviting comment from local authorities as part of the consultation process.

Benefits for businesses

25. Making it easier for Trading Standards to work across local authority borders will mean that law-abiding businesses will gain from improved enforcement against rogue traders who operate across local authority borders, leading to a more level playing field among competitors. It should deliver more specialised teams, leading to faster, more effective and risk-based inspection, reducing burdens on honest businesses. It should also mean greater public service efficiency in tackling cross border detriment, which is good for the long-term business operating environment.
26. If local authorities offer verification services across local authority borders, the costs of these services may be reduced as a result of increased competition between local authorities. This will increase the choice to businesses of providers of verification services.

Question: Do you have any evidence that could help to refine the benefits estimates presented above?

Option 2: Introduce a national authorisation scheme for Trading Standards

27. In this Option, the intention is to introduce a national authorisation scheme for Trading Standards. There are a number of useful existing models which demonstrate how a national authorisation scheme might work. Essentially, they involve enforcers' authorisations, known as warrants, being provided by a national body.

¹⁰ Rounded to nearest £100. Based on Senior officials in local government median weekly pay - Excluding overtime (£695.6). Source: ASHE 2010; plus 21% non-wage labour costs, in order to get total labour costs as suggested by Eurostat, http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_costs/main_tables, see table tps00113

¹¹ Based on the costs of the manager's time of £62,500 per annum including pay and pension costs (giving a weekly wage of £1,202 over 52 weeks including pay and pension costs)

¹² Assuming a default period of 10 years

28. The Health and Safety Executive (HSE) runs a flexible warranting (authorisation) scheme which enables HSE inspectors to carry out local authority enforcement visits and vice versa. Flexible warrant schemes are normally set up between 5-14 local authorities and the local HSE Regional office. Each scheme normally has 20 to 30 warrant holders. Enforcing authorities sign a standard Memorandum of Understanding (MoU).
29. The National Police Improvement Agency (NPIA) trains and monitors accredited financial investigators (AFIs) from a wide background on the Proceeds of Crime Act 2002 (POCA). The NPIA gives a warrant to those who successfully complete the assessments allowing full use of the powers under the Proceeds of Crime Act 2002 (POCA) and access to NPIA databases. This scheme essentially provides an additional authorisation for quite sensitive enforcement work which Trading Standards would not otherwise be able to carry out.
24. This model would involve a body such as the Trading Standards Institute (the professional body for Trading Standards), or a lead local authority issuing national warrants to officers on behalf of all Trading Standards offices. This would require a statutory provision to give the power to the selected body to issue warrants.
25. National authorisation would make it clear that the officer is authorised to work in any local authority detailed in the warrant. This would enable officers to easily work across local authority boundaries and would provide certainty for officers. The scheme would operate alongside the existing local authorisations issued by local authorities to their officers.

Costs

Costs of establishing a national authorisation scheme

26. **Whilst Government has made use of all available evidence, including the knowledge on the ground from Trading Standards professionals, we believe that the evidence available is not robust enough to provide a reliable estimate. Therefore, the estimate of costs indicated here are for illustrative purposes only. We will use the consultation to gather further evidence to refine the estimate of costs to local authorities.**
27. Feedback from the HSE indicates that setting up one regional HSE scheme involves the local authorities concerned and the local HSE office agreeing participation in the scheme, agreeing what work will be covered in the scheme, and ensuring participants are competent to undertake the work. The HSE estimates that a full economic cost for it to administer/set up a typical scheme would be about £1,500 per annum. HSE schemes are typically county or region-based and cover 20-30 officers, probably 25 on average. For illustrative purposes, to extend this model to provide authorisation for 1,000 officers would therefore cost £60,000 per annum,¹³ assuming that about a quarter of the 4,313¹⁴ Trading Standards professionals would be authorised.
28. The cost of developing and setting up the national database to administer the NPIA warranting scheme for AFIs was £600,000 and it costs £100,000 per year to maintain. Due to the intrusive nature of financial investigations, the database needs to be secure. The database also provides a professional development register for approved AFIs and is used to maintain AFIs' portfolios of the work they have carried out to provide assurance that they are maintaining competency in this work, but it also provides a training resource for authorised AFIs including up to date legislation and case studies. Training fees for authorised AFIs range from £600 - £1,000 per 5 day course, plus £65 per year registration costs.
29. The level of administration by a central body required for a national authorisation scheme for Trading Standards is likely to be much less than for the NPIA scheme as there won't be the need to provide training or to administer an expensive database. The costs therefore might be similar to the HSE schemes but there should be some economies of scale from running the register nationally, rather than at regional or county level. For illustrative purposes, BIS estimates that about 1,000 Trading Standards Officers might seek to obtain the warranty. Its best estimate for the cost of administering the national scheme would be the costs of extending the HSE scheme to 1,000 officers, i.e. £1,500 x 1,000 x 0.04 = £60,000 per annum. Costs may be reduced as a result of running the register

¹³ £1,500 x 1,000 x 0.04 = £60,000

¹⁴ Based on Total number of Trading Standards staff in the UK, Chartered Institute of Public Finance and Accountancy statistics 2008 (Cipfa) statistics

nationally so for illustrative purposes we estimate that costs may range from £40,000 - £60,000 per annum.¹⁵

30. To this should be added the time burden on Trading Standards officers of making applications. This is expected to be small as it should be possible to make the process quick and easy. Even so there would be a cost. For illustrative purposes, BIS has estimated that the overhead cost to a local authority of a typical Trading Standards officer is £20.6 per hour,¹⁶ but this work would be done by clerical staff costing rather less, perhaps £13.40 per hour.¹⁷ Again, for illustrative purposes, if the processing time were on average 0.5 hour per officer and there were 1,000 Trading Standards officers seeking the authorisation, the cost would be £6,700 per annum.
31. Therefore, total costs across 11 regions would amount to (£40,000 + £6,700 – (£60,000 + £6,700)) = £47,000 - £67,000 or £0.34m - £0.52m over 10 years.

Question: Do you have any evidence that could help to refine the costs estimates presented above?

Benefits

32. The benefits would be the same as for Option 1.

Rationale and evidence that justify the level of analysis used in the Impact Assessment (proportionality approach)

33. There are no expected costs on business. There are likely to be benefits for business, but these depend on future enforcement practice and are impossible to measure with any certainty at this stage. The costs of the Government's favoured Option 1 (deregulation) on Trading Standards are also expected to be zero. The benefits are likely to be substantial, but also very difficult to measure at this stage, except in relation to the BIS-funded Scambuster teams. The Government has therefore focused on estimating these specific benefits at this stage, whilst inviting respondents to the Consultation to comment on the benefits they see arising out of these changes, in order to better inform the final Impact Assessment.

Risks and assumptions

34. We have used a number of assumptions to underpin the initial estimates of cost and benefits associated to this policy. Initial estimates are set out for illustrative purposes only. It is assumed that the figures from the Yorkshire and Humber Scambuster team are representative of all 11 Trading Standards regions. We do acknowledge these are not totally robust estimates, given that precise and reliable information is not available on these areas, but it does help provide a ballpark figure. The consultation might help us refine these costs estimates. Further evidence will be sought for the costs of administering a national warranting scheme.

Direct costs and benefits to business calculations (following "One-In, One-Out" OIOO methodology)

35. This impact assessment includes a proposal to remove the statutory restrictions that make it difficult for Trading Standards to work across local authority borders. It is deregulatory.

¹⁵ This is not a robust estimate, but it does help provide a ballpark figure, which can then be refined in the consultation process

¹⁶ Based on Inspectors of factories, utilities and trading standards median Hourly basic pay - Excluding overtime (16.99£). Source: ASHE 2010; plus 21% non-wage labour costs, in order to get total labour costs as suggested by Eurostat, http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_costs/main_tables, see table tps00113

¹⁷ Based on clerical staff local government Hourly pay – Excluding overtime (13.40£). Source ASHE 2010; plus 21% non-wage mark up to get total labour costs, as suggested by Eurostat, http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/labour_costs/main_tables, see table tps00113

36. The proposal has no effect on business. The guide on OIOO indicates that specific enforcement action is out of scope for OIOO purposes.¹⁸ Therefore it is concluded that the measure is OUT of scope for OIOO purposes. Although local authority Trading Standards Services (local government) may financially benefit from this simplification, the savings cannot be 'banked' as they are not part of business or civil society.

Statutory Specific Impact Tests

37. After screening the potential impact of this proposal on race, disability and gender equality, it has been decided that there will be no impact. It is not expected to have any impact on the Convention Rights of any person or class of persons, it will not affect small firms, or have an effect on rural proofing.

Summary and preferred option with description of implementation plan

38. Our preferred option is in Option 1: To remove the restrictions in legislation and enable local authorities to enforce or take legal proceedings in other local authorities. This will provide clarity for Trading Standards and reduce the bureaucracy in seeking authorisation between neighbouring authorities.
39. Option 2 introducing a national warrant scheme may also provide certainty for officers. National warrants could be limited to officers working in a national or regional role, such the Scambuster teams. However, such a scheme for consumer law enforcement would operate alongside and duplicate the existing local authority warranting system. It would also involve some cost, and could reduce the flexibility of local authorities in warranting their officers. Therefore, Option 1 is the clear preferred option.
40. We may be able to make these changes as a consequential amendment through an Order under the Public Bodies Act (PBA), which received Royal Assent in December 2011. This would require us to make changes to the Consumer Landscape regime before being able to use the consequential powers. A Public Bodies Act Order could be introduced to come into force towards the first half of 2013. The Order would be subject to an amended affirmative procedure under the PBA which will provide Parliamentary scrutiny. If the Order under the PBA cannot be used, the proposed Consumer Bill of Rights will be used to make any legislative changes proposed in this impact assessment. All Acts are now subject to post legislative scrutiny 3-5 years after Royal Assent. If the Consumer Bill of Rights is brought forward to Parliament, it is likely to be in 2013 and it could receive Royal Assent in 2014. Therefore, a review of these proposals would be carried out as part of the post-legislative review in 2017-2019.

¹⁸ Paragraph 16 - Measures that are out-of-scope of the OIOO Rule, include: viii. **specific enforcement action** - individual enforcement or inspection activities, or actions to ensure compliance with regulations;" One-In, One-Out (OIOO) Methodology, page 5, July 2011

© Crown copyright 2012

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This publication is also available on our website at www.bis.gov.uk

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.

URN 12/546