

Title of Report:	Consumer Direct	Item 14
Report to be considered by:	Executive	
Forward Plan Ref:	N/a	

Corporate Plan Priority:	DT2: Building Capacity
<p>The proposals contained in this report will help to achieve the above Corporate Plan priority by <i>allowing the Trading Standards Service to concentrate on the more complex enquiries and those received from the most vulnerable consumers. In conjunction Consumer Direct will deal with the more straightforward enquiries that can be dealt with by the provision of self-help advice.</i></p>	

Purpose of Report: To outline the Consumer Direct Initiative and determine the level of interaction between the Councils Trading Standards Service and Consumer Direct.

Recommended Action: That subject to the caveat outlined in Paragraph 3.3 the Council adopt the commitments outlined in Section 3 of the report.

Reason for decision to be taken:

- This is a key decision as the introduction of Consumer Direct could have a marked effect on the way in which the Council's Trading Standards Service interacts with local residents and businesses on consumer issues.

List of other options considered:

- To not support Consumer Direct.

Key background documentation:

- Consumer White Paper - Modern Markets: Confident Consumers

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Implications

- Policy:** If successful CD should assist the Council in striving to improve customer access.
- Financial:** No financial implications at this stage. It is our best belief that adopting the recommendations will be cost neutral as the resource saved in not dealing with the more straightforward enquiries will be diverted into working on the more complex. However, if CD is very successful in creating a market then resource issues will need further consideration. Staying outside and taking referrals could lead to the need for further resources if the volume of calls were to increase as the government suggests.
- Personnel:** It is anticipated that staff will contain the work within current duties and no further resources are anticipated. However this will be kept under review. There may be some need for further staff training but this is likely to be provided at regional level and at no or low direct cost. There will be no additional budgetary requirements.
- Equalities:** Access to high quality advice is consistent with the policies relating to equalities and empowerment as is the ability to further assist those more vulnerable in our community.
- Partnering:** Currently the advice calls to trading standards are taken in the first instance by business support. In the first instance call traffic may reduce. However if the DTI predictions are correct then over time traffic should rise again with the more complex referrals.
- Community Safety:** None at this stage although in the future CD could be employed to support the work on doorstep crime and under age sales by providing a rapid reporting mechanism.

Supporting Information

1.0 Background

- 1.1 This month the DTI has launched the first phase of a new, national telephone and on-line consumer information and advice service known as Consumer Direct (CD).
- 1.2 CD will be operated through a network of eleven call centres across Great Britain, all of which will be fully operational by 2007.
- 1.3 It will be funded entirely by the DTI and operated in partnership with existing providers specifically local Trading Standards Services.
- 1.4 DTI suggest it will give consumers improved access to advice and information; will help in identifying and reporting scams and will empower consumers to be able to resolve issues themselves. Additionally, they also expect that it should free some time within local authority trading standards services to spend more time assisting those most vulnerable to settle disputes by offering mediation and on occasions assisting them through the Court process.
- 1.5 The DTI wish West Berkshire Council to join the eighteen out of nineteen authorities (Oxfordshire CC have decided against joining) in the south-east, working to implement the Service from now on until the go-live date of April 2005.
- 1.6 There is LGA support for the initiative.
- 1.7 The DTI have brought forward the timetable for implementing Consumer Direct in the SouthEast. The letter from CDSE requesting the confirmation that the Council wished to support to join Consumer Direct was sent on the 21st June 2004. This letter requested a response by 19 July, hence the urgency of bringing the matter before Executive at short notice.

2.0 Detail

- 2.1 Informed, confident consumers are central to the Government's vision for a productive and dynamic economy, promoting competition, innovation and growth (*Modern Markets: Confident Consumers - 1999 White Paper*). Reflecting this vision, the DTI have set up an initiative to establish a single, widely publicised, national 0845 help-line number which is intended to provide consumers with a high quality and easily accessible advice services across Great Britain. There are a number of similarities with NHS Direct.
- 2.2 The Treasury has approved funding for this project which, when fully operational, will have an annual running cost of around £16m nationally. In the Trading Standards environment this is a large sum of money, but the project is potentially far more significant as it could change the way that a major part of the Trading Standards Service is delivered within local government.
- 2.3 Research by the DTI, including commissioning three pilots to test the feasibility of the project, claims that unmet demand for consumer advice is currently running at around 0.4m to 1.5m enquiries nationally and that some 3% of the population would seek advice annually. In interpreting these figures for West Berkshire it is suggested that call volumes could be substantially increased. However, the assessment was based upon a UK scenario and we already know that within the South East Region, there is a greater awareness of consumer advice and trading standards services so the

growth potential may not be as great as elsewhere in the country. These figures need to be seen as at best an approximation.

2.4 It is envisaged that the call centres should be capable of dealing with and closing around 80% of consumer enquiries, with the remaining 20% being referred to local authorities for further action and assistance as required. The basis for referral would be that:

- the complexity required a more specialist approach
- personal consultation with the consumer and/or examination of documents was required (particularly where the consumer was perceived as vulnerable)
- contact with the business complained about was needed
- there was an allegation of criminal offences or other persistent breaches of consumer protection laws.

3.0 What is being asked of West Berkshire Council?

3.1 By the 19th July 2004 WBC is being asked to make commitments to the following:

- Liaise closely with the Provider i.e. Consumer Direct South East and with other Local Authorities in the region on all aspects of Consumer Direct;
- Share information with the Provider on local consumer issues for use by Consumer Direct advisors;
- Divert, where possible, existing incoming consumer advice calls to Consumer Direct, with the diversion being as automatic as reasonably possible;
- Accept referrals from the Consumer Direct Contact Centre, based on agreed protocols;
- Promote Consumer Direct where opportunities arise (e.g. giving the central 0845 number and using publicity provided);
- Not encourage initial contacts from consumers to local authority operated or funded services where these are within the remit of Consumer Direct;
- Develop services in a way that complements and reflects the existence of Consumer Direct, ensuring at the same time that supporting services are in place;
- Ensure that the Council's Trading Standards Service is maintained and equipped to respond to an enhanced role in respect to referrals from Consumer Direct and in pursuing linked enforcement action.

3.2 It is clear from the above that the implementation of CD will have a significant effect on how and where local enquiries to the Trading Standards Service are dealt with.

3.3 While these commitments are commendable, they do raise significant questions about the way regulatory and advice services may be delivered in future. The Government has made little secret that it has an agenda for regionalisation and we need to be careful that in supporting one initiative, we do not act in a way that undermines the Council's fundamental opposition to creeping regionalisation. It is unlikely that we will receive satisfactory responses to our concerns within the timeframe allowed, but as a matter of principle we should reserve our right to withdraw from or seek to modify the "terms of engagement" if our concerns become well founded.

4.0 Resource Implications

4.1 Work to date on Consumer Direct has involved only the Food and Trading Standards Manager in his capacity as Chairman of the Thames Valley Regional Trading Standards Group and as a Member of the Programme Management Board. This amounts to around 2 days per month. If we agree to be a partner in CD there will be an increasing need to involve other trading standards staff in shaping how their roles develop and inevitably a degree of re-training will be required.

- 4.2 West Berkshire Trading Standards Service currently employs no dedicated consumer advisors. Qualified Trading Standards Officers (who operate on a duty rotation system) mainly provide our advice service. The service has attained a Quality Mark for both its General Advice and Casework. This combination means that consumers get the highest quality of advice available. However there are some basic complaints that could be dealt with by a person with less than the 5-6 years training that a qualified TSO has. It is these calls that it is envisaged that the Consumer Direct staff could provide – leaving West Berkshire TSOs to employ their considerable knowledge on the most complex cases.
- 4.3 Beyond this the precise impact on resources of Consumer Direct on the Trading Standards Service is unclear. With all first contact calls being transferred to Consumer Direct it would appear less resource may be required for answering calls. However, Consumer Direct is asking West Berkshire Council to enter into a service level agreement concerning referrals back of the more complex cases. If the level of input required by the service level agreement into these cases is greater than we would currently resource and if the volume of cases increases as the DTI claim, there will be a need to increase the level of professional Trading Standards resource. However, if we choose not to refer our calls to CD then we will still receive those that CD refer back to the Council (as a non-partner) on top of those we would expect to receive. The service currently receives around 2,500 consumer advice enquiries per annum.
- 4.4 If we are not part of Consumer Direct at the time all the contracts for service delivery are put in place then it is uncertain whether we will be able to join at a future date.

5 Timetable

- 5.1 The timetable is nationally in the process of being reviewed to achieve a faster roll-out across the UK but the best estimate seems to be as follows:

- Request for authorities to commit to CD in principal by the 19th July 2004.
- now to August 04 - selection process for which local authority will be providing the callcentre.
- August to September 04 - formal proposal and contract to be worked up with the DTI
- October 04 - CDSE signs contract with DTI
- October 04 - March 05 – callcentre infrastructure and staff put in place
- April 05 - CDSE goes live, along with the East of England and London callcentres
- By 2007 – UK roll-out complete.

6 Summary

- 6.1 The government is making a significant investment in CD. Local authority trading standards services would have preferred to receive the money direct to enhance their own advice services – and in the early days campaigned on this line. It soon became apparent that this was not going to happen. Although taking us into somewhat uncharted waters CD represents the only offer on the table for increased investment in trading standards.
- 6.2 The process so far has been inclusive – and that is for good reason. The DTI know that the project would face a much more uncertain future without the support of Trading Standards Services. In the regions in phase one of the roll-out the vast majority of LAs have supported the initiative and the opportunities it represents.

Appendices

None

Consultation Responses

Local Stakeholders: None

Officers Consulted: Jim Graham - Chief Executive; John Ashworth - Corporate Director; John Parfitt – Head of Public Protection Services; Sandra Pugh – Group Accountant

Trade Union: None