

Society of Chief Officers of Trading Standards in Scotland

Strategic Outline Case and Options Appraisal for the Future Delivery of the Service

A Report by The Chartered Institute of Public Finance and
Accountancy
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1 Executive Summary

Background and Purpose

The trading standards service is critical to public protection. In Scotland, as in the rest of the UK, the service is provided by individual local authorities. Despite its importance in safeguarding consumers, supporting businesses, and discharging over 250 statutory duties, the service has suffered from chronic underfunding, workforce decline, and inconsistent delivery. This Strategic Outline Case (SOC) sets out the urgent need for reform and evaluates the potential models for future service delivery.

The Case for Change

The case for change sets out the current reality for trading standards in Scotland and addresses the key points around:

- Severe under-resourcing which has left many local trading standards teams unable to meet statutory obligations.
- Fragmentation of the function across 32 local authorities which has led to inconsistent prioritisation and agreed service levels.
- The severe risks around workforce sustainability, with a rapidly ageing workforce demographic and declining recruitment.
- The need for a coordinated, locally delivered and intelligence-led approach to national threats such as illicit trade, and unsafe products.

This need for change is echoed in the recent 'Which? Policy Report (August 2025)' that calls for urgent reform, including better intelligence sharing, clearer national coordination, and the creation of more strategic regional approach.

Strategic Objectives

The Strategic Objectives for the SOC aim to show how implementing a new model needs to:

- Align trading standards with the Scottish Government's Fiscal Sustainability Delivery Plan.
- Maximise protecting vulnerable citizens and supporting legitimate businesses.
- Improve efficiency, public value, and national consistency.
- Support inclusive economic growth.
- Demonstrate and deliver a commitment to local government reform.
- Enable preventative, intelligence-led enforcement.
- Support workforce development and career progression.

Options Appraised

The Options Appraisal considers four delivery models which are evaluated against 15 weighted key criteria. These models are:

1. Do Nothing: retain the current local authority delivered model.
2. Centres of Excellence: develop specialist service hubs within local authorities.
3. A Centrally Commissioned Model: a national body commissions services from individual local authorities.

4. A Directly Employed National Model: a single national trading standards organisation discharges the service for Scotland.

Preferred Option: Directly Employed National Model

The evaluation concludes that Model 4, the directly employed national model, provides the best fit and proposes a hub-and-spoke delivery structure which has:

- A Central Team: this would provide strategic leadership, workforce planning, intelligence, and coordination, and retain expertise and capacity to address problems best managed at national level.
- Regional Centres: providing delivery teams embedded in local communities.

Benefits

The preferred option's benefits include:

- Strong alignment with national priorities.
- Improved workforce planning, recruitment and retention.
- Greater agility and ability to respond to national threats.
- Enhanced public value and service consistency.

Implementation

Implementation considerations include:

- Legal, financial, and governance restructuring.
- The need for strong leadership, stakeholder engagement, especially at Scottish Government level, and phased implementation.
- The recognition that there would be an estimated full transition period of up to 24 months and a further period to include review.

Financial and Management Case

The financial and management recommendations that will need further detailed consideration include:

- A modest initial invest-to-save funding commitment.
- The setting of expectations for a more effective and efficient use of resources through better coordination and reduced duplication.
- Senior staffing (including the appointment of a Chief Executive or Head) and programme management.
- The setting of performance metrics and Service Level Agreements (SLAs) to ensure accountability, transparency and commitment to local and national priorities.

Conclusion and Recommendation

The SOC concludes that Model 4, the directly employed national body, is the only option capable of delivering both the scale of reform needed and a service that is sustainable for the long term. It is recommended that this model is progressed to the next stages, the development of an Outline Business Case (OBC) and then a Full Business Case (FBC). To that end, there should be immediate steps to secure clear and direct support from the Scottish Government and engage with other relevant stakeholders, followed by programme mobilisation, planning, and the appointment of the senior leadership.

2 The Strategic Case

The Case for Change

In a time of sustained financial pressure and ongoing economic uncertainty, it remains a priority of the Scottish Government to both protect citizens from harm and support businesses to help grow the economy. A critical regulatory function that enables this across Scotland, by safeguarding and supporting consumers, businesses, and communities, is trading standards.

The remit of trading standards is a broad mix of reserved and devolved responsibilities. These include preventing doorstep crime and online scams, ensuring fair and legal trading practices, including upholding weights and measures integrity, upholding product safety standards and tackling counterfeiting, petroleum and fireworks storage, and protecting animal health and welfare. The service also acts in support of high-profile initiatives, such as tackling dangerous and illegal vaping products and preventing underage tobacco sales. During the COVID pandemic, trading standards officers were recognised as critical to ensuring that retailers put in place safe, socially distanced arrangements to keep consumers from harm.

The service's importance has been recognised for many years. The globally acclaimed Hampton Review (2005) of the UK regulatory system highlighted its importance. The Review also identified a range of organisational challenges the service faced. Several remain unresolved.

Currently, trading standards services are located in, and delivered by, individual Scottish local authorities, funded through the general revenue grant distributed by the Scottish Government. Part of the grant reflects the need to provide the service and thus fulfil statutory obligations or discharge ministerial priorities. However, the subsequent allocation of this funding is determined locally. Facing years of significant resource reductions, local authorities have prioritised spending to reflect their priorities and those of local electors. While citizens are clear that their local council collects the bins, sweeps the streets, and provides social care services, they are less likely to understand its trading standards responsibilities. Indeed, it is doubtful that votes are cast at the local ballot to secure better consumer protection, trading assurance and metrology services, vital though these are. Moreover, local councils have experienced a surge of need in areas such as social care, education and homelessness. The combined effect of these factors means that trading standards services, which matter to the effective running of the economy and the protection of citizens, are likely to be at the back of the queue in local budget prioritisation. As a result, they have experienced disproportionate cuts, with staffing levels reduced and vacancies left unfilled. These cuts have had a severe impact on its ability to meet statutory obligations.

Hampton highlighted this problem. Around the world, 'trading standards' models, whether national or regional, are typically underpinned by a clear and consistent principle: the funding provided matches the legal responsibilities assigned. This alignment ensures accountability, stability, and effectiveness. Yet, the UK local government model stands as an obvious outlier.

Here, trading standards responsibilities are handed to local councils with only 'notional' funding allocations, allocations that come with no guarantee of being used for their intended purpose and can be diverted elsewhere. This disconnect not only undermines the integrity of trading standards but also jeopardises public protection and consumer confidence. It is a structural flaw that points to the need for urgent attention and reform.

There have been various attempts since Hampton, both in Scotland and across other parts of the UK, to address this problem of national importance alongside comparative local invisibility. The creation of the Local Better Regulation Office (LBRO), which later evolved into the Better Regulation Delivery Office (BRDO) and currently the Office for Product Safety and Standards (OPSS), represented a strategic effort by the UK government to enhance coordination and consistency among local regulatory services. These successive bodies were established to address longstanding challenges in the delivery of regulation at the local level, particularly the fragmentation and variability in enforcement practices across different local authorities.

The LBRO was initially tasked with improving the effectiveness of local authority regulatory services by promoting a more risk-based, proportionate, and consistent approach to enforcement. As it transitioned into the BRDO, the focus expanded to include broader regulatory delivery reforms, supporting both regulators and businesses in navigating complex compliance landscapes. Eventually, the formation of the OPSS marked a shift toward a more centralised and specialised agency, with a strong emphasis on product safety and national oversight, while still maintaining a role in supporting local enforcement bodies.

This institutional evolution reflects a broader policy objective: to streamline regulatory frameworks, reduce burdens on compliant businesses, and ensure that public protections are upheld through better coordination, clearer guidance, and more consistent application of regulations across the country.

In England and Wales, National Trading Standards (NTS) is an effective coordinated centre of excellence commissioning model. The existence of NTS is also an implicit acknowledgment of another structural issue associated with the location of trading standards services in local government, again highlighted in Hampton, namely the regional, national and global nature of trading standards issues, and the mobility and cross-jurisdictional nature of scams and threats. In Scotland, the coordination role is delivered by The Society of Chief Officers of Trading Standards in Scotland (SCOTSS) as part of the GB-wide regional coordination network, although it is not funded by government as in England & Wales. Trading Standards Scotland (TSS), a team managed by the Convention of Scottish Local Authorities (COSLA) aims to complement local authority teams. Funded by the UK Department for Business and Trade (DBT) and His Majesty's Treasury, TSS is responsible for cross-boundary scams and national casework. It also addresses specialist functions such as tackling illegal money lending.

For all their merits however, none of these initiatives has addressed the problem of inconsistent and vulnerable resourcing at base, which accordingly prevails across almost all the UK. The exception is in Northern Ireland. There, for various historical reasons, arrangements resemble those in much of the rest of the world. The Northern Ireland Trading Standards Service operates as a unified service across the whole of the province.

There is accordingly an opportunity for Scotland to address this known issue radically and sustainably. Moreover, the need to do so is urgent. Across Scotland, trading standards teams are now at a critical point. Many are barely able, or already unable, to fulfil their statutory duties. Their ability to protect citizens and support businesses, both essential for economic growth, is compromised. Under-resourcing is no longer viable. The service is at risk of collapse, with potentially serious consequences for public health, safety, physical and financial wellbeing and consequences for administrative and political reputations at national and local level.

These themes are echoed in the recent 'Which? Policy Report (August 2025)' that suggests a deep crisis in the trading standards system, marked by fragmentation, underfunding, and a lack of clear accountability. The report highlights severe disparities in how consumer issues are addressed, and calls for urgent reform, including better intelligence sharing, clearer national coordination, and the creation of more strategic regional hubs and expert teams to ensure consistent, risk-based enforcement that can restore public trust.

<https://www.which.co.uk/policy-and-insight/article/trading-standards-in-crisis-rebuilding-an-effective-and-accountable-consumer-enforcement-system-an4VO5l57tqr>

A new model should align more closely with the Scottish Government's fiscal and policy priorities, deliver services more efficiently and cohesively, and prioritise prevention while empowering staff. It must also reflect the evolving nature of consumer protection, which is increasingly national rather than local in scope.

This Strategic Outline Case explores four options:

1. Do Nothing: retain the current local authority-led model.
2. Centres of Excellence: develop specialist service hubs within local authorities.
3. A Centrally Commissioned Model: a national body commissions services from individual local authorities.
4. A Directly Employed National Model: a single national trading standards organisation discharges the service for Scotland.

At a high level, the case concludes that Option 4, the national directly employed approach, best meets the strategic aims of public protection and economic growth. While this option represents the most significant shift in both operating model and mindset, and thus presents mobilisation and delivery challenges, it also offers the clearest path to long-term sustainability and provides an opportunity for Scotland to lead the way in modernising this vital service.

Should this option be deemed viable, early engagement with stakeholders and detailed planning will be essential.

Purpose of this Strategic Outline Case

The purpose of this Strategic Outline Case is to provide a clear and evidence-based assessment of the current state of trading standards services in Scotland, highlighting the significant challenges the service faces in fulfilling its statutory obligations under the existing delivery model. It sets out the case for change and introduces a proposed future operating model that aims to deliver a more sustainable, efficient, and nationally coherent service.

This document serves as the first stage in the formal business case development process. If the preferred option is deemed viable, this Strategic Outline Case will act as a foundation for the development of a more detailed Outline Business Case (OBC) and, subsequently, a Full Business Case (FBC). These future stages will explore the preferred option in greater depth, including financial modelling, risk analysis, implementation planning, and stakeholder engagement.

Specifically, this report aims to:

- **Clarify the scope and strategic objectives** of the proposed reform.
- **Identify and appraise a range of delivery options**, including the preferred model.
- **Provide a high-level assessment** of the benefits, risks, and resource implications.
- **Establish a shared understanding** among stakeholders of the challenges and opportunities ahead.
- **Support informed decision-making** on whether and how to proceed to the next stage.

By articulating the strategic rationale for reform and outlining a credible path forward, this report enables stakeholders, including local authorities, the Scottish Government, and other partners, to engage with the process in a structured and transparent way. It also ensures that any future investment in the service is grounded in a clear understanding of the current context, the desired outcomes, and the steps required to achieve them.

Trading Standards Organisational Overview

Trading standards services are rooted in statute. Some of these statutory responsibilities are centuries old. The organisation principle which sees them discharging ministerial responsibilities while located in local councils is a longstanding administrative habit of the British state.

The modern service has evolved gradually, with significant diversification beginning in the 1970s and the steady addition of new responsibilities over the following decades. Today, local authority trading standards services in Scotland are responsible for over 250 separate sets of legislation, covering a wide range of areas, from weights and measures to animal health.

Trading Standards Officers (TSOs) are empowered with significant authority to investigate and enforce consumer protection laws. Their powers are wide and include entering

premises, inspecting goods and documents, seizing evidence, and reporting businesses that breach criminal legislation to the Crown Office Procurator Fiscal Service. They can also issue warnings, impose fixed penalties, and seek further remedies in specific cases, for example Banning Orders in relation to underage tobacco sales legislation, and fiscal sanctions through HMRC for the supply of illegal tobacco.

While enforcement remains a core function, the service has shifted in recent years from a predominantly inspection-led model towards one driven by intelligence and community-reported complaints. This approach allows TSOs to focus on current and emerging concerns, such as protecting vulnerable individuals from rogue traders, scams, and doorstep crime. It also supports broader public health and social objectives, including tackling underage sales of tobacco or other age-restricted products.

In Scotland, trading standards services are delivered by each of the 32 local authorities. Despite the service's broad regulatory remit, there is significant variation in how it is structured and resourced. Team sizes range from less than 2 FTE officers to under 20 FTE, influenced not only by local business density and population, but also by local funding priorities. Since 2002, the number of trading standards staff has declined by more than 50%, even as the number of regulated businesses has increased by more than 50% over the same period.

In 2002 Audit Scotland's Accounts Commission carried out a Performance Audit of Scotland's trading standards services and found that the level and quality of service varies depending on where you live and that councils with larger trading standards services tend to provide a better quality and range of service than their smaller counterparts. They encouraged councils to join up their trading standards services, but those recommendations have not been delivered. See the full report here. [Made to Measure - An overview of Trading Standards services in Scotland | Audit Scotland](#)

Just as concerning, the current age demographic would indicate that the service has little prospect of recovery without significant change, at the moment almost 60% of qualified officers are over the age of 50, from the [SCOTSS 2025 Workforce Report](#).

The Strategic Context and the Need for a National Trading Standards Strategy

The argument often cited in defence of the status quo is that having trading standards within the administrative structures of individual local authorities gives the service a local responsiveness. Setting aside both the fact that a national service with local offices can likewise be locally responsive and the national and cross-jurisdictional nature of many challenges faced by the service, the council organisation produces an inconsistently funded, fragmented and ultimately under-resourced service, with no overarching national business strategy to guide priorities, allocate resources, or measure impact across the country.

This decentralised approach has led to significant variation in service levels, workforce capacity, and enforcement activity, often driven more by local budget pressures than by consumer or business need. In the absence of a unified strategic framework, Scotland lacks a properly funded coordination mechanism to address cross-boundary threats, respond to national or international risks, or systematically support economic and consumer policy

objectives. Whilst the Society of Chief Officers of Trading Standards in Scotland (SCOTSS) has the role of coordination as part of the GB wide network, liaises with local council colleagues across the UK, and engages with government and others around the operation of the consumer protection landscape, it is not a sustainable or resourced model. The following section sets out key stakeholders in the landscape which need to be included in considering design principles for a future service.

Summary of Key Stakeholders

SCOTSS (Society of Chief Officers of Trading Standards in Scotland)

- The heads of service group for Scotland, formed in 1996 at local government reorganisation and is constituted as a charitable organisation.
- Acts as the national coordinator for local authority trading standards services in Scotland as part of the GB 'regional' coordination network of eleven regions.
- Plays a key role in collaboration, coordination, and dialogue with government although not a statutory enforcement body.

Trading Standards Scotland (TSS)

- Set up in 2014 by BEIS, TSS is the national team responsible for tackling cross border consumer crime and illegal moneylending, issues that extend beyond the capabilities of local authority services in Scotland.
- Funded by the Department for Business and Trade and HMT, and is based within COSLA, which is not a statutory enforcement body.
- Operates differently from its counterpart in England & Wales (National Trading Standards), which has a national coordinating role and takes a commissioning approach.

National Trading Standards (NTS)

- Set up in 2014 at the same time as Trading Standards Scotland, NTS is the national team that covers England and Wales, but taking a different approach, one that commissions enforcement work from local authority trading standards and encourages centres of excellence. NTS does not engage in enforcement work itself.
- Funded directly by the Department for Business and Trade and HMT.
- Although covering the same core issues as TSS in Scotland, the NTS initiative has grown to cover many additional areas across England and Wales such as tackling supplies of illegal tobacco and vapes, work at ports to target unsafe imports of consumer products, and it also operates a national scams team and e-crime unit. NTS also fund the regional coordination network in England and Wales.

Consumer Scotland

- The statutory, independent body established under the Consumer Scotland Act 2020 to represent and advocate for consumer interests in Scotland.
- Operates as a non-ministerial office, independent of the Scottish Government, and accountable only to the Scottish Parliament. It is focused on systemic issues rather than providing direct consumer advice.
- Consumer Scotland is not an enforcement body and works largely in the regulated Energy and Utilities markets.

COSLA (Convention of Scottish Local Authorities)

- The national voice of local government in Scotland, representing all 32 councils.
- Advocates for local authorities, influences national policy, and supports councils in delivering public services effectively.

Police Scotland

- Police Scotland was established on 1 April 2013 by amalgamating the eight regional forces and is responsible for policing across the whole of Scotland.
- Investigates criminal activities such as consumer fraud and online scams where appropriate, which directly harm consumers.
- May assist trading standards and other agencies during joint operations, especially where serious organised crime is involved.
- Through its Specialist Crime Division, Police Scotland provides intelligence and investigative support on organised crime and public protection, which can include consumer-related offences.
- Local policing divisions work with communities to raise awareness of consumer risks and promote safety, especially for vulnerable groups.

Policy Alignment

Alignment with the Scottish Government's Fiscal Sustainability Delivery Plan

Looking ahead, there is a clear and compelling opportunity to align the future of trading standards services with the Scottish Government's Fiscal Sustainability Delivery Plan. This plan emphasises the need for:

- **Smarter public service delivery**
- **Improved efficiency and value for money**
- **Preventative approaches to reduce long-term costs**
- **Better use of data and digital tools**
- **Cross-sector collaboration and innovation**

Trading standards services are uniquely positioned to contribute to these goals. The service plays a critical role in protecting consumers, supporting fair markets, and safeguarding public health and safety, all of which have direct implications for economic resilience and public confidence.

If the operating model is reformed, then trading standards services can become a strategic enabler of fiscal sustainability, not just a regulatory function. A more coordinated, intelligence-led, and outcomes-focused service would help reduce harm, prevent fraud, and support compliant businesses, thereby reducing the burden on other public services such as health, policing, and the justice system.

Future Strategy: Reform, Intelligence, and Public Value

The future strategy for trading standards in Scotland should rest on three pillars: operating model reform; an intelligence-led preventative approach; and delivering public value.

1. Operating Model Reform

A reformed operating model would support:

- **Consistent service standards** across all areas.
- **Efficient resource deployment**, including the ability to meet surge capacity where needed.
- **Centralised workforce planning**, recruitment, and training.
- **Clearer accountability and performance management.**

This structural reform is essential to unlock long-term sustainability and ensure the service is fit for the future.

2. Intelligence-Led Preventative Approach

A modern trading standards service must be proactive, not reactive. By investing in data analytics, intelligence sharing, and risk profiling, the service can:

- **Anticipate and prevent harm** before it occurs, particularly in areas such as product safety, illicit trade, and digital scams.
- **Target resources** where they will have the greatest impact, improving efficiency and outcomes.
- **Support national and international enforcement efforts**, including collaboration with Police Scotland, HMRC, and other regulatory bodies.

This shift toward prevention aligns with the Scottish Government's emphasis on early intervention and long-term cost avoidance.

3. Delivering Public Value

Ultimately, the goal of reform is to maximise public value by delivering better outcomes for consumers, businesses, and communities. This includes:

- **Protecting vulnerable consumers** from exploitation and unsafe products.
- **Supporting legitimate businesses** by ensuring a level playing field.

- **Enhancing public trust** in markets and regulatory institutions.
- **Contributing to inclusive economic growth** by reducing the cost of harm and enabling fair competition.

To achieve this, the future strategy must include clear performance measures, transparent reporting, and a commitment to its customers for continuous improvement.

Alignment to other Policies and Strategies

The work of trading standards is deeply interwoven with several of the Scottish Government's strategic business objectives, particularly those outlined in the Public Service Reform Strategy and the Fiscal Sustainability Delivery Plan. These frameworks emphasise smarter, more efficient public service delivery, preventative approaches to reduce long-term costs, and better use of data and digital tools. Trading standards services are uniquely positioned to contribute to these goals through its regulatory, enforcement, and advisory functions.

1. Contribution to Public Health and Prevention

Trading standards services play a critical preventative role in safeguarding public health. Its enforcement activities directly support the Population Health Framework, particularly in areas such as:

- **Tobacco and vape control:** Preventing underage sales, ensuring compliance with packaging and advertising regulations, and protecting the health of young people.
- **Community safety:** Preventing injury and removing unsafe products from the market. Petroleum and fireworks controls.
- **Environmental:** Single use vapes controls, Net Zero and circular economy issues.
- **Animal health and welfare:** Enforcing legislation that prevents the spread of disease, ensures ethical treatment of animals, and the integrity of the food chain.

By proactively addressing these issues, trading standards services help reduce the burden on health services, prevent harm before it occurs, and contribute to a healthier population.

A coherent, nationally coordinated service would enhance Scotland's ability to manage public health risks, respond to emergencies, and maintain high standards of consumer protection at a local and national level.

2. Enabling Economic Growth and Business Confidence

Trading standards services play a vital role in supporting economic development by:

- **Ensuring fair competition** and a level playing field for businesses.
- **Providing regulatory certainty**, which reduces compliance costs and encourages investment.
- **Helping businesses** understand and comply with their legal requirements including around weights and measures and product safety.

- **Tackling illicit trade** and counterfeit goods, including illegal tobacco supplies, which undermines legitimate business and is detrimental to economic wellbeing.

By enforcing legislation and supporting business, the service helps create a stable and predictable business environment, which is essential for increasing growth and fostering innovation. This support is vital in helping new SMEs and micro businesses to trade and grow. This aligns with the Scottish Government's goals of inclusive economic growth and business resilience.

3. The Need for Structural Reform

Despite its strategic importance, the current fragmented delivery model limits the service's ability to deliver on these priorities. Challenges include:

- **Radically reducing and inconsistent funding and service levels**, driven by local budget pressures and priorities.
- **Lack of national coordination**, which hampers the ability to respond to cross-boundary threats. The only mechanism for this presently is the Society of Chief Officers of Trading Standards in Scotland (SCOTSS) role within the GB regional coordination network, but it has no ability to direct local resources.
- **Workforce instability**, with declining recruitment and a severely ageing professional base.

Wider Policy Alignment

Any proposed future model also needs to be consistent with the principles of the **Fairer Scotland** Action Plan, which seeks to reduce inequality, empower communities, and promote social justice. It should address regional disparities in enforcement capacity, ensuring that all communities, regardless of geography, benefit from consistent and effective consumer protection. It should support the Fairer Scotland goal of improving outcomes for vulnerable and disadvantaged groups by enhancing the visibility, accessibility, and responsiveness of trading standards services.

From 1 April 2025, all relevant public authorities in Scotland are legally required to comply with the **Consumer Duty**, as set out in the Consumer Scotland Act 2020. Any future model needs to be developed in recognition of this statutory obligation. Specifically, to assess the impact of each strategic option on consumers, including individuals, small businesses, and future consumers. It should also seek to reduce harm by addressing current gaps in enforcement, intelligence sharing, and coordination.

A future model should also recognise the broader definition of "consumer" under the Act, which includes small businesses and users of public services. This reinforces the need for a trading standards model that is transparent, accountable, and responsive to the needs of all service users.

To realise the potential of the service as a strategic enabler of public value, a major reform of the operating model is therefore essential. A more robust, nationally coherent structure is needed which would:

- Secure and protect **allocated funding**.
- Enable **strategic workforce planning** and career development.
- Improve **efficiency and productivity** through economies of scale.
- Ensure **consistent service delivery** and better alignment with national priorities.

By transitioning to a **Directly Employed National Model**, Scotland can unlock the full potential of trading standards as a modern, intelligence-led, and preventative service, one that not only protects citizens, but also strengthens the economy and supports long-term fiscal sustainability and policy objectives.

Defects in the Existing Arrangements

As already laid out above, trading standards services in Scotland are currently delivered by individual local authorities but funded through central government grants. This split has long raised concerns about the service's sustainability, yet repeated calls to strengthen consumer protection have gone unheeded. Much of this is caused by the contradiction between national funding and local delivery, which undermines strategic coherence.

Despite its vital role, trading standards represents a tiny fraction—less than 0.2%—of local authority budgets and often lacks visibility among senior decision-makers. As a result, it has suffered disproportionately from budget cuts and staff reductions over the past decade.

The service now faces a critical loss of expertise, with limited training opportunities and persistent recruitment challenges. The significant growth of Modern Apprenticeships in England, supported by CTSI and The Department of Health and Social Care has not been replicated in Scotland, with MAs being available only now through support from SCOTSS, with only around a dozen MAs in post across Scotland. Vacancy levels are also low, with vacant posts being deleted for savings in many cases, as soon as a postholder leaves.

The workforce age demographic is also alarming, nearly 60% are over age 50, 12% are over 60, while less than 5% are under 30 - creating a looming skills gap and potential for imminent service failure.

Moreover, the nature of trading standards work has evolved. Global supply chains, online platforms and complex consumer markets mean many issues are no longer local. However, the current structure limits the ability to tackle systemic problems effectively, as responses remain fragmented and reactive.

A national, intelligence-led approach with better performance data is needed to address systemic problems and support strategic priorities, ultimately strengthening both consumer protection and business support.

Comparable service examples

When considering how trading standards might be delivered more effectively, it is useful to reflect on the powers the service holds and consider these types of comparison. Trading standards enforces consumer protection laws by inspecting businesses, seizing evidence,

and taking legal action. Officers can also issue fines, warnings, and court orders to restrict unlawful business practices.

Scottish Environment Protection Agency (SEPA)

SEPA serves as Scotland's principal environmental regulator and is at the forefront of national and global efforts to address climate change and biodiversity loss. Operating as a non-departmental public body, SEPA is entrusted with a statutory purpose: to protect and enhance the environment in ways that also promote public health, wellbeing, and sustainable economic growth, in collaboration with Police Scotland and other partners.

It plays a leading role in addressing climate change and environmental challenges by:

- Regulating industries to ensure compliance with environmental laws.
- Supporting climate adaptation and promoting a net zero, circular economy.
- Managing flood risks across Scotland as the strategic authority.
- Monitoring and reporting on environmental conditions to inform policy.
- Engaging the public during environmental incidents and promoting transparency.

SEPA employs approximately 1,300 staff across Scotland in diverse roles, including scientists, regulators, and administrative professionals. Its work is guided by statutory responsibilities and aligned with Scottish Government outcomes, as detailed in its Corporate and Annual Operating Plans.

Drinking Water Quality Regulator for Scotland (DWQR)

DWQR is responsible for ensuring that public drinking water supplies are safe and meet strict quality standards. DWQR fulfils this role by overseeing Scottish Water's operations through regular inspections, monitoring, and enforcement.

As a regulatory authority, DWQR has statutory powers to obtain information, enter premises, and enforce compliance with the Public Water Supplies (Scotland) Regulations. These powers enable DWQR to take action where standards are not met, similar to other regulatory bodies such as trading standards.

DWQR operates as a single national organisation, acting independently while reporting to Scottish Ministers. Its work is supported by a dedicated team within the Scottish Government's Drinking Water Quality Division, comprising technical experts and administrative staff. DWQR also collaborates with other relevant authorities to ensure a coordinated approach to water quality and public health.

It would be inconceivable for such critical nationwide public protection functions to be delivered in a fragmented, piecemeal way - yet that is the current model for trading standards.

Other Operating Model Considerations

Spending Objectives

By looking to implement a new operating model there are a number of key spending objectives that can be met. It will firstly better meet the statutory and regulatory requirements of trading standards. Secondly it will improve the delivery of the service, enhancing the ability to ensure that suitably qualified officers, with a national approach to recruitment and retention, can be deployed to meet local and national priorities. Thirdly, it will improve the quality of the service, allowing for a greater focus on being intelligence led and preventative.

Business Needs

For the future trading standards function in Scotland to be truly effective, sustainable, and aligned with national priorities, a comprehensive set of criteria must be met. These criteria span legal compliance, strategic alignment, operational capacity, and public value delivery. Each plays a vital role in ensuring that the service not only survives but thrives in a modern, complex regulatory environment.

1. Fulfilment of Statutory Obligations

At its core, trading standards must be equipped to meet its extensive statutory responsibilities—over 250 legal duties spanning consumer protection, metrology, product safety, fair trading, animal health, and more. This requires:

- **Adequate staffing levels** with suitably qualified officers.
- **Access to specialist expertise** in areas such as metrology, product safety, e-commerce, and illicit trade.
- **Robust enforcement powers** supported by legal and procedural frameworks. Meeting these obligations is essential to uphold the rule of law, protect public safety, and maintain the credibility of the regulatory system.

2. Protection of the Public and Support for Businesses

A successful trading standards service must strike a balance between enforcement and support. It should:

- **Protect consumers**, especially vulnerable individuals, from unsafe products, scams, and unfair practices.
- **Support legitimate businesses** by providing clear guidance, reducing regulatory burdens, and ensuring a level playing field.
- **Promote compliance** through education and partnership, not just penalties. This dual role enhances public trust and contributes to a fair, competitive economy.

3. Responsiveness to National Priorities

The service must be agile and strategically aligned with Scotland's evolving national priorities, including:

- Tackling **increasing threats** such as online fraud, counterfeit goods, cross-border crime and animal health outbreaks.
- Supporting **public health initiatives**, including underage sales prevention and product safety.
- Contributing to **climate and sustainability goals**, for example by enforcing environmental product standards. This requires a national intelligence capability, real-time data sharing, and the ability to deploy resources flexibly across regions.

4. Alignment with the Scottish Government's Strategic Agenda

Trading standards must actively support the delivery of key government strategies, including:

- The **Public Service Reform Strategy**, by modernising service delivery and embracing innovation.
- The **Fiscal Sustainability Delivery Plan**, by demonstrating value for money and reducing long-term costs through prevention.
- The **Population Health Framework**, by addressing social determinants of health through regulatory interventions. This alignment ensures that trading standards is not operating in isolation but is integrated into the broader public service ecosystem.
- The **Tobacco Action Plan** by helping to restrict and control tobacco usage.

5. Workforce Sustainability and Development

A future-ready service must invest in its people. This includes:

- **National workforce planning** to address recruitment gaps and succession risks.
- **Structured career pathways**, from apprenticeships to senior leadership.
- **Continuous professional development**, including digital skills and specialist training. A motivated, skilled, and diverse workforce is essential to deliver high-quality services and adapt to future challenges.

6. Operational Efficiency and Innovation

To maximise impact within constrained budgets, the service must:

- Embrace **digital tools** for intelligence gathering, case management, and public engagement.
- **Streamline processes** to reduce duplication and improve responsiveness.
- Foster a culture of **continuous improvement**, using data to drive decisions and measure outcomes. Efficiency is not just about cost-cutting, it's about delivering better results through smarter ways of working.

7. National Consistency with Local Responsiveness

While national coordination is essential, the service must also remain responsive to local needs. This means:

- Maintaining a **local presence** to understand community issues and build trust.

- Establishing **Service Level Agreements (SLAs)** with local authorities to ensure tailored delivery.
- Balancing **central oversight** with **local flexibility**, ensuring that no citizen or community is left behind. This hybrid approach ensures equity, accountability, and relevance across Scotland.

Benefits Criteria

The main benefits of the change to a national model will be:

- The Scottish Government would be able to see a service that is able to better meet its statutory commitments and contributes to the Government's strategic priorities of public sector reform, public health improvements and business growth, which will have a direct impact on the whole of the Scottish population.
- Local authorities should see an improvement to the service that is being provided as there will be a greater ability to flex resources and capacity to meet specific problem areas, whilst retaining a local presence and knowledge.
- The trading standards profession should see an improvement to recruitment and retention, as a single nationwide workforce strategy will be developed, that will range from apprenticeships through to succession planning. This should also positively impact on morale.
- Businesses and consumers will get better access to the Trading Standards support they need.

All of these benefits will be quantified and a baseline and a target set, should the preferred option be taken forward.

Strategic Risks Associated with the Preferred Option

One of the most significant strategic risks associated with the proposed transformation of trading standards in Scotland is the potential resistance from local authority stakeholders. This includes frontline officers, senior managers, elected members, and representative bodies such as COSLA and trade unions. Their concerns are likely to be multifaceted and rooted in both practical and political considerations.

1. Nature and Sources of Resistance

Resistance may arise from several perceived or real threats:

- **Loss of Local Autonomy:** Local authorities may view the centralisation of trading standards as a dilution of their control over local service delivery. This could be particularly sensitive in areas where trading standards is closely integrated with other local services or where local political priorities differ from national ones.

- **Funding Levels:** There will need to be a clear and robust assurance that the budget transferred to support the new delivery model is both adequate in scale and appropriate in structure to meet the demands of the proposed responsibilities. This means not only ensuring that the total funding envelope reflects the true cost of delivering services under the new model, but also that the allocation mechanism accounts for regional variations, service complexity, and transitional costs.
- **Uncertainty About Future Service Levels:** There may be fears that a national model could lead to reduced service provision in certain areas, especially rural or less densely populated regions, where economies of scale are harder to achieve.
- **Impact on Staff Roles and Conditions:** Staff may be concerned about changes to their terms and conditions, job security, career progression, and workplace culture. The transition from local authority employment to a national body could be seen as disruptive or destabilising.
- **Political Sensitivities:** Elected members may be wary of supporting a reform that could be perceived as undermining local democracy or diminishing the role of councils in public protection.

2. Mitigation Through Comprehensive Engagement

To address these concerns, a comprehensive, inclusive, and sustained engagement strategy is essential. This strategy should be built on the principles of transparency, co-design, and mutual respect. Key components include:

- **Early Engagement:** Begin dialogue with stakeholders at the earliest possible stage to shape the reform collaboratively rather than imposing it unilaterally.
- **Tailored Communication:** Develop targeted messaging for different stakeholder groups - officers, elected members, unions, and the public, explaining the rationale for change, expected benefits, and safeguards.
- **Co-Design Workshops:** Involve local authorities and staff in designing the new model, including governance structures, service standards, and workforce strategies. This fosters ownership and reduces resistance.
- **Assurances on Service Quality and Accessibility:** Provide clear, evidence-based commitments that the new model will maintain, or improve, local service levels, responsiveness, and community engagement.
- **Staff Transition Support:** Offer robust HR support, including TUPE protections, career development pathways, and opportunities for staff to shape their roles in the new organisation.

3. Financial Transparency and Resource Reallocation

A critical enabler of trust and buy-in will be the transparent negotiation and reallocation of financial resources. This includes:

- **Mapping Current Expenditure:** Conducting a detailed audit of current trading standards funding across all local authorities to establish a true baseline.

- **Fair Funding Transfer:** Ensuring that the portion of the revenue grant currently intended to support trading standards is accurately and equitably redirected to the new national body.
- **Financial Governance Framework:** Establishing clear mechanisms for financial accountability, including oversight by a national board with local authority representation.
- **Invest-to-Save Narrative:** Framing the reform as a long-term investment that will deliver efficiencies, reduce duplication, and improve outcomes, thereby justifying the initial transition costs.

4. Role of the Scottish Government

The visible and sustained support of the Scottish Government is essential to the success of the reform. This includes:

- **Political Endorsement:** Ministers must publicly champion the reform, articulating how it aligns with national priorities such as public service reform, economic growth, and public health.
- **Policy Integration:** Embed the trading standards reform within broader government strategies to reinforce its legitimacy and strategic coherence.
- **Ongoing Oversight and Support:** Provide continued policy, financial, and operational support throughout the transition and beyond, ensuring the new model is adequately resourced and strategically guided.

5. Ensuring Business Continuity

While any major structural reform carries risks to continuity, these can be minimised through careful planning and phased implementation:

- **Retention of Existing Staff:** The transition planning should prioritise retaining the current workforce, preserving institutional knowledge and ensuring service continuity.
- **Phased Rollout:** Implement the new model in stages, allowing time to test systems, refine processes, and address issues before full-scale deployment.
- **Interim Governance Structures:** Establishing transitional governance arrangements to oversee the change process, manage risks, and ensure accountability.
- **Monitoring and Feedback Loops:** Introducing real-time monitoring and feedback mechanisms to identify and resolve emerging issues quickly, maintaining public confidence and operational stability.

Constraints and Dependencies

One of the key interdependencies to consider in implementing this change is the potential for broader local government reform within Scottish local authorities. Such reform, if pursued, is likely to be complex, wide-ranging, and implemented over an extended period—potentially spanning several years. In contrast, the proposed implementation of a new operating model for trading standards could be achieved within a much shorter timeframe, estimated at six to 24 months, but allowing up to 36 months to fully embed and review. This timescale is based on best practice experience within the local government sector of transferring functions and

the creation of new bodies. It is important for pace to be maintained to ensure accurate baselines and delivery commitments to be achieved.

Despite the differing timelines to other potential reform, the proposed model for trading standards is arguably more sustainable and resilient for this, even in the context of wider local government reform. This is primarily because it is designed to operate independently of existing local authority boundaries, thereby eliminating many of the jurisdictional disputes and inefficiencies that can arise from fragmented service delivery.

By decoupling trading standards from local boundary constraints, the new model offers a more streamlined and unified approach. This not only enhances operational efficiency, but also positions the service to adapt more readily to any structural changes in local government. In effect, it future-proofs the delivery of trading standards by creating a national model that is both scalable and flexible, regardless of how local governance evolves.

Furthermore, implementing this change ahead of broader reform could serve as a proof of concept for collaborative service delivery across local authority lines. It may also help build momentum and confidence in the feasibility of wider transformation efforts.

3 The Economic Case

Critical Success Factors (CSFs) – Options and Weighting Criteria

Critical Success Factors have been determined through a combination of an understanding of Scottish Government priorities, trading standards officer co-design and local government change priorities.

The following criteria have been used to assess the options. These have been ranked in order of importance:

1. Strategic Fit with Scottish Government Business Objectives
2. Efficiency in Economies of Scale
3. Ability to Respond to National Priorities and Emergencies
4. Use of Intelligence to Drive Prevention
5. Quality of Service
6. Operating Cost
7. Recruitment and Retention
8. Career Development and Succession Planning
9. Agility in Meeting Local Demands
10. Local Control and Influence
11. Degree of Change and Resistance
12. Ease of Implementation
13. Cost of Implementation
14. Ability to Influence (the Market)
15. Income Generation Opportunities

Options have been evaluated against the strategic and local delivery priorities in all of these elements to consider whether the option:

- 'strongly contributes to these criteria'.
- 'makes some contribution to these criteria'.
- 'makes limited contribution to these criteria'. Or
- 'makes no contribution to these criteria'.

In addition, to score each option in accordance with the ranking above, the criteria have been weighted against strategic priorities as either:

- 'high importance' (numbers 1 – 5).
- 'of some importance' (numbers 6 – 9). Or
- 'of less importance' (numbers 10 – 15).

This has allowed each option to be assessed and viewed against both an unweighted and weighted criteria.

Against each criteria an assessment description has been provided to test each option against. These are as follows:

CRITERIA	CRITERIA ASSESSMENT DESCRIPTION
Strategic Fit with Scottish Government Business Objectives	How well does this option relate to the current Scottish Government Business Objectives and the Fiscal Sustainability Delivery Plan?
Efficiency in Economies of Scale	How well will this option provide a value for money solution, through efficient and economic scaling up of delivery?
Ability to Respond to National Priorities and Emergencies	How well will this option allow Trading Standards to respond to emerging national priorities and emergencies?
Use of Intelligence to Drive Prevention	How will this option allow for the analysis and identification of nationwide trends and emerging threats?
Quality of Service	How well will this option maintain and improve the quality of the service that is provided?
Operating Cost	How much will this option contribute to supporting a reduction in operating costs?
Recruitment and Retention	How will this option support a nationwide supply of new pipeline of Trading Standards resource and provide opportunities to retain existing resources?
Career Development and Succession Planning	How will this option provide career development pathways and allow for succession planning to ensure no 'cliff edge' in terms of retirement?
Agility in Meeting Local Demands	How well will this option provide the opportunity to meet local demands for specialist staff in a timely manner?
Local Control and Influence	How much will this option allow for local control over the use of resources and activities?
Degree of Change and Resistance	How much change will be required to deliver this option and how likely is it to meet resistance?
Ease of Implementation	How easy is the change likely to be to deliver this option?
Cost of Implementation	How much is it likely to cost to deliver this option?
Ability to Influence (the Market)	How much will this option allow for the development of national priorities and shape the market?
Income Generation Opportunities	How much will this option provide an opportunity to generate income?

Short Listed Options

This Outline Business Case has considered four options. These range from maintaining the current delivery model through to an employment model bringing together all trading standards resources across Scotland into a single function. Care has been taken to avoid 'rigging' the scores, by ensuring that the criteria applied have a range elements, some of which (e.g. degree of change and control and influence) are more beneficial to some options than others.

The options considered are:

1. Do nothing/remain as is.
2. Local Government Centres of Excellence model.
3. Centrally Commissioned model for all activities.
4. Full Directly Employed National model.

Model Descriptions, Features and Evaluation

Option 1. Do nothing/remain as is

Much of this description is contained earlier in this SOC. However, in summary:

Overview of the Current Model: Trading standards services in Scotland are currently funded through grants distributed to individual local authorities. While the funding is intended to support statutory trading standards functions, local authorities have full discretion over how it is used. This often results in the funding being diverted to other local priorities, meaning there is no assurance that the intended investment reaches the service.

The Key Challenges to this are

:

- **Inconsistent Service Delivery:** The level of service varies significantly across the country. These differences are not just due to population or local business needs, but also reflect how each authority prioritises trading standards relative to other services like social care or education.
- **Limited Capacity for Reform:** Most local teams have already faced substantial budget cuts and now operate at or below minimum viable levels. This leaves little room for innovation, strategic planning, or preventative work.
- **Lack of National Coordination:** The fragmented structure makes it difficult to respond effectively to national threats such as illicit trade or online scams. It also limits the service's ability to contribute to broader government goals like economic development and consumer protection. Current coordination by SCOTSS is unfunded and unsustainable as described above.

- **Workforce Sustainability Risks:** Recruitment and succession planning are inconsistent and often neglected. With many experienced officers nearing retirement and few new entrants, the long-term viability of the profession is under serious threat.

The Main Benefits of the Current Model: Retaining the current system avoids immediate disruption and cost, and preserves local autonomy. However, this comes at the expense of long-term sustainability, consistency, and the ability to deliver a modern, nationally coherent trading standards service.

Option 1. Evaluation of do nothing/as is

Below is a summary of the key criteria and how this option meets each. It shows a weighted and unweighted version to account for priorities, and it then shows the total scores (weighted and unweighted) as a percentage of the highest possible score.

CRITERIA	Weighting (3 = important, 2 = of some importance, 1 = limited importance)	OPTION 1. No Change/As Is	
		Unweighted	Weighted
Strategic Fit with Scottish Government Business Objectives	3	0	0
Efficiency in Economies of Scale	3	0	0
Ability to Respond to National Priorities and Emergencies	3	0	0
Use of Intelligence to Drive Prevention	3	0	0
Quality of Service	3	0	0
Operating Cost	2	2	4
Recruitment and Retention	2	0	0
Career Development and Succession Planning	2	0	0
Agility in Meeting Local Demands	2	0	0
Local Control and Influence	1	3	3
Degree of Change and Resistance	1	3	3
Ease of Implementation	1	3	3
Cost of Implementation	1	3	3
Ability to Influence (the Market)	1	0	0
Income Generation Opportunities	1	0	0
		14	16
Unweighted and weighted percentage score against totals		31%	18%

Option 2. Local Government Centres of Excellence Model

This option proposes minimal structural change while offering a practical and scalable pathway to enhance the effectiveness of trading standards services across Scotland. It builds on existing collaborative practices supported by the Society of Chief Trading Standards Officers in Scotland (SCOTSS) by formalising the current informal networks of expert officers - particularly in specialist areas such as metrology, animal health, product safety, and intellectual property - into designated Centres of Excellence.

These Centres of Excellence would be hosted by one or more local authorities, each taking the lead in a specific area of expertise. Their core function would be to provide subject matter leadership and operational support to other local trading standards teams. This support could take the form of:

- Specialist training and professional development for officers across Scotland.
- Operational advice and case support for complex or high-risk investigations.
- Research and intelligence gathering to inform enforcement strategies.
- Development and dissemination of best practices, toolkits, and standard operating procedures.
- Strategic planning support, including guidance on emerging risks and national priorities.

The current informal networks are successful but limited by resources. By consolidating expertise in this more formal way, the model would help address the current fragmentation of knowledge and capacity across the service. It would also promote greater consistency in enforcement standards and decision-making, while enabling a more agile and informed response to both local and national challenges.

Importantly, this model retains local autonomy. Individual authorities would continue to control day-to-day service delivery and prioritisation, ensuring that local needs and political accountability are preserved. The level of structural change required to implement this model is minimal, which makes it more politically palatable and less likely to encounter resistance from local stakeholders.

In addition, the Centres of Excellence model could offer modest but meaningful improvements in workforce development. By creating visible career pathways and opportunities for officers to specialise, it may help improve recruitment, retention, and succession planning, areas that are currently under significant strain.

However, the success of this model would be highly dependent on the availability of skilled staff. Many trading standards teams are already stretched, and operating with significant vacancies, and the capacity to lead or contribute to a Centre of Excellence may be limited in the short term. Without targeted investment or workforce planning, the model risks being under-resourced from the outset. It would also not be equipped to tackle national and international threats.

Another key challenge is the reliance on voluntary collaboration. The model assumes a high degree of goodwill and mutual support among participating authorities. It requires a shared

commitment to resource the Centres adequately and to share expertise equitably. In practice, this could lead to perceptions of imbalance, where some authorities contribute more than they receive, or where others are seen as overly reliant on shared resources.

These dynamics could undermine trust and long-term sustainability, particularly in the absence of enforceable agreements or central coordination.

Finally, while this model introduces some efficiencies and improvements, it does not address the underlying issue of inconsistent funding. Local authorities would still be free to divert trading standards budgets to other services in response to local financial pressures. As such, the model may improve collaboration and knowledge-sharing, but it is unlikely to resolve the structural underfunding and fragmentation that currently limit the service's effectiveness.

Option 2. Evaluation of centres of excellence proposal

Below is a summary of the key criteria and how this option meets each. It shows a weighted and unweighted version to account for priorities, and it then shows the total scores (weighted and unweighted) as a percentage of the highest possible score.

CRITERIA	Weighting (3 = important, 2 = of some importance, 1 = limited importance)	OPTION 2. Commissioned Centres of Excellence	
		Unweighted	Weighted
Strategic Fit with Scottish Government Business Objectives	3	1	3
Efficiency in Economies of Scale	3	1	3
Ability to Respond to National Priorities and Emergencies	3	1	3
Use of Intelligence to Drive Prevention	3	0	0
Quality of Service	3	1	3
Operating Cost	2	0	0
Recruitment and Retention	2	0	0
Career Development and Succession Planning	2	1	2
Agility in Meeting Local Demands	2	2	4
Local Control and Influence	1	3	3
Degree of Change and Resistance	1	3	3
Ease of Implementation	1	2	2
Cost of Implementation	1	3	3
Ability to Influence (the Market)	1	1	1
Income Generation Opportunities	1	0	0
		19	30
Unweighted and weighted percentage score against totals		42%	34%

Option 3. Centrally Commissioned Model

This model proposes a commissioning-based approach to the delivery of trading standards services, whereby all operational resources would remain under the control of individual local authorities, but a single, independent national body – for example Consumer Scotland, the statutory consumer advocacy organisation, Police Scotland, the national police authority, or a newly created body - would assume responsibility for commissioning services in line with national priorities.

Under this arrangement, the commissioning body would set annual service standards, performance expectations, and strategic objectives, which would be formalised through Service Level Agreements (SLAs) with each local authority. These SLAs would define the scope of work, expected outcomes, and performance metrics, effectively ring-fencing local trading standards resources to deliver against nationally agreed commitments.

This model offers several potential benefits:

- **Alignment with national policies and priorities:** By centralising the commissioning function, the model ensures that trading standards activity is strategically focused on areas of greatest national importance—such as consumer protection, fair trading, and tackling illicit markets.
- **Improved accountability and transparency:** The use of SLAs introduces a clear performance framework, enabling more consistent monitoring, evaluation, and reporting of outcomes across Scotland.
- **Stabilisation of resources:** Ring-fencing funding and defining service expectations could help prevent further erosion of trading standards capacity, which has been a persistent issue under the current discretionary funding model.
- **Potential for modest career development:** Over time, the model could support more structured professional development, particularly if national priorities include investment in specialist skills or training.

However, whilst the use of SLAs within Scottish local government are a familiar concept, both for the internal and external provision of services, it has been recognised, including in recent reports by Audit Scotland, that under the current financial and delivery pressures, the SLA model also presents several difficulties, limitations and risks. These are:

- **Reduced local flexibility:** Local authorities may perceive this model as a loss of autonomy, particularly if national priorities do not align with local concerns. The ability to respond to specific community needs or emerging local issues could be constrained by the terms of the SLA and the ability to meet them.
- **Transactional relationships:** The commissioning model is likely to be output-focused, with an emphasis on meeting predefined targets. This may limit opportunities for long-term workforce development, innovation, or collaborative problem-solving.
- **Persistent workforce challenges:** Recruitment, retention, and succession planning would remain the responsibility of individual local authorities. Without a coordinated national workforce strategy, existing staffing challenges, including vacancies, an ageing workforce, and limited entry routes are unlikely to be resolved.

- **Lack of cross-boundary flexibility:** Each local authority would continue to deliver services within its own geographical area, with no built-in mechanism or incentive to share resources or expertise across boundaries. This could lead to inefficiencies and missed opportunities for collaboration.
- **Implementation and oversight burden:** While the structural change required to implement this model is relatively modest, it would require sustained effort from both the commissioning body and local authorities to manage SLAs, monitor performance, and resolve disputes. This could introduce new administrative burdens and potential friction points.
- **Risk of resistance:** Local authorities may resist the model due to concerns about losing control over service delivery, especially if they feel national priorities are imposed without adequate consultation or flexibility.

In summary, this model offers a pragmatic route to improving national consistency and strategic focus in trading standards delivery, without requiring full structural reform. However, its success would depend on strong governance, mutual trust, and a shared commitment, in terms of finance and resources, to balance national direction with local responsiveness.

Option 3. Evaluation of centrally commissioned model

Below is a summary of the key criteria and how this option meets each. It shows a weighted and unweighted version to account for priorities, and it then shows the total scores (weighted and unweighted) as a percentage of the highest possible score.

CRITERIA	Weighting (3 = important, 2 = of some importance, 1 = limited importance)	OPTION 3. Whole Service Commissioned	
		Unweighted	Weighted
Strategic Fit with Scottish Government Business Objectives	3	1	3
Efficiency in Economies of Scale	3	2	6
Ability to Respond to National Priorities and Emergencies	3	2	6
Use of Intelligence to Drive Prevention	3	3	9
Quality of Service	3	2	6
Operating Cost	2	0	0
Recruitment and Retention	2	0	0
Career Development and Succession Planning	2	0	0
Agility in Meeting Local Demands	2	2	4
Local Control and Influence	1	2	2
Degree of Change and Resistance	1	2	2
Ease of Implementation	1	1	1
Cost of Implementation	1	2	2
Ability to Influence (the Market)	1	2	2
Income Generation Opportunities	1	0	0
		21	43
Unweighted and weighted percentage score against totals		47%	49%

Option 4. Directly Employed National Model

This option proposes the creation of a single, unified National trading standards function, representing the most transformative and ambitious model for service reform. Under this approach, all trading standards staff, budgets, and operational responsibilities in both local and national teams would transfer from the existing arrangements to a newly established national organisation.

Structure and Operating Model

While the majority of staff would continue to be based in their current local authority locations to maintain local presence and responsiveness, the service would operate under a hub-and-spoke model:

- **Central Hub:** A national headquarters would provide strategic leadership, financial oversight, performance management, and workforce planning. It would also coordinate national campaigns, intelligence gathering, and policy alignment with the Scottish Government.
- **Regional Spokes:** Local delivery teams would remain embedded in communities, ensuring continuity of service and responsiveness to local needs. These teams would be supported by the central hub and empowered to escalate complex or cross-boundary issues.

This structure would allow the service to act collectively and cohesively, while still maintaining a strong local footprint.

Strategic Benefits

- **Alignment with National Priorities**
The national body would report directly to the Scottish and UK Governments where appropriate, ensuring that trading standards activity is aligned with national policy objectives, including consumer protection, health, fair markets, and economic development.
- **Efficiency and Public Value**
Centralised coordination would reduce duplication, streamline processes, and enable smarter deployment of resources. This would drive greater value for money and improve outcomes for both consumers and businesses.
- **Workforce Sustainability**
A national workforce strategy would address long-standing challenges in recruitment, retention, and succession planning. The organisation could offer structured career pathways, national training programmes, and targeted recruitment campaigns to attract new talent and retain experienced officers.
- **Agility and Responsiveness**
The national model would allow for rapid deployment of resources to areas experiencing surges in demand or emerging threats. This flexibility would be particularly valuable in responding to national emergencies, complex investigations, or regional disparities in capacity.

- **Data and Intelligence**

A centralised analytics function would enhance the service's ability to identify trends, target preventative interventions, and evaluate impact. This would support evidence-based decision-making and continuous improvement.

- **Improved Local Outcomes**

Although centrally managed, the service would maintain Service Level Agreements (SLAs) with each local authority, ensuring that local priorities are respected and that service levels are maintained—or improved—based on local needs.

Implementation Considerations

This model represents a significant transformation and would require:

- Extensive stakeholder engagement with local authorities, staff, unions, and the Scottish Government to build consensus and manage change.
- Robust programme governance, including a dedicated implementation team to oversee planning, risk management, and delivery.
- Legal and structural setup, including the establishment of the new organisation, transfer of staff under TUPE regulations, and agreement on governance protocols.
- Budgetary realignment, with local authority trading standards budgets consolidated into a single national funding stream.
- Cultural change, as staff transition from local authority employment to a national service model, requiring strong leadership and communication.

Risks and Challenges

- **Perceived loss of Local Autonomy:** Some local authorities may resist the model due to concerns about losing control over service delivery and prioritisation.
- **Complex Transition:** The scale of change, legal, operational, and cultural, will require careful planning and sustained effort over time.
- **Initial Investment:** While the model is expected to deliver long-term efficiencies, it will require an “invest-to-save” commitment to fund the transition, including legal costs, systems integration, and change management.

This model offers the most comprehensive solution to the systemic challenges facing trading standards in Scotland. It provides a platform for long-term sustainability, national consistency, and strategic alignment, while preserving local service delivery through a modern, flexible structure. However, its success will depend on strong leadership, collaborative governance, and a clear political commitment to managing the transition effectively.

Option 4. Evaluation of National Employed model

Below is a summary of the key criteria and how this option meets each. It shows a weighted and unweighted version to account for priorities, and it then shows the total scores (weighted and unweighted) as a percentage of the highest possible score.

CRITERIA	Weighting (3 = important, 2 = of some importance, 1 = limited importance)	OPTION 4. Directly Employed Model	
		Unweighted	Weighted
Strategic Fit with Scottish Government Business Objectives	3	3	9
Efficiency in Economies of Scale	3	2	6
Ability to Respond to National Priorities and Emergencies	3	3	9
Use of Intelligence to Drive Prevention	3	2	6
Quality of Service	3	2	6
Operating Cost	2	1	2
Recruitment and Retention	2	3	6
Career Development and Succession Planning	2	3	6
Agility in Meeting Local Demands	2	3	6
Local Control and Influence	1	2	2
Degree of Change and Resistance	1	1	1
Ease of Implementation	1	1	1
Cost of Implementation	1	2	2
Ability to Influence (the Market)	1	2	2
Income Generation Opportunities	1	1	1
		31	65
		69%	75%

Summary of Options Evaluation

Evaluation Summary

The tables below summarise both the relative benefits and challenges of each option and also the unweighted and weighted scores for each, expressed as a percentage of the total available score.

Summary of Benefits and Challenges

Option	Key Benefits	Key Challenges	Local Control	Workforce	Complexity
1. Do Nothing	No change; no cost; full local control	Service decline; inconsistent delivery; worsening workforce issues	Fully retained	No improvement; continued decline	None
2. Centres of Excellence	Knowledge sharing; minimal change; some development	Relies on goodwill; uneven contributions	Retained with shared support	Some development; no recruitment solution	Low
3. Commissioned Model	Aligns with national goals; ring-fenced resources	Local resistance; transactional; limited flexibility	Reduced	No direct improvement	Moderate
4. National Model	Strategic alignment; agility; workforce planning	Complex to implement; legal and cultural change	Shared	Strong recruitment and retention potential	High

Summary of scores

Option	Unweighted Score	Weighted Score	Summary
1. Do Nothing	31%	18%	This is not viable and fails to address systemic issues.
2. Centres of Excellence	42%	34%	This only delivers modest improvements and lacks structural reform.
3. Commissioned Model	47%	49%	This aligns with national priorities, but local fragmentation remains.
4. Directly Employed National Model	69%	75%	This provides the best strategic fit; enables transformation and sustainability.

Detail of Assessments

- **Option 1: Do Nothing / as is**
This option scores **31% unweighted** and just **18% weighted**. It performs well only in areas such as low cost, minimal change, and maintaining local influence. However, it fails to support Scottish Government strategic priorities and does not address the critical challenges facing the service. It is not considered a viable option.
- **Option 2: Centres of Excellence**
This model scores **42% unweighted** and **34% weighted**. While it is relatively easy to implement and maintains local control, it offers only modest improvements. It introduces some agility and coordination around national priorities but lacks the ability to improve workforce planning, recruitment, or strategic alignment. Its contribution to long-term reform is limited.
- **Option 3: Commissioned Service**
Scoring **47% unweighted** and **49% weighted**, this option begins to align with national priorities by focusing on nationwide issues. However, its transactional, output-based nature and the need for ongoing monitoring may make it difficult to sustain. It is also likely to face resistance from local authorities due to reduced financial flexibility. Additionally, the commissioning process would introduce new resource demands.
- **Option 4: Directly Employed National Model**
This option achieves the highest scores: **69% unweighted** and **75% weighted**. It offers the strongest alignment with Scottish Government priorities and provides a platform for long-term sustainability through coherent workforce planning, recruitment, and retention. It enables national agility, allowing resources to be deployed where most needed, and enhances the service's ability to respond to public health and economic emergencies. While it would be the most challenging to implement, requiring a shift in mindset and governance, it offers the greatest potential for transformational change and improved performance.

Conclusion

Option 4 clearly outperforms all other models across the evaluation criteria. While Options 2 and 3 offer incremental improvements, they fall short of delivering the strategic reform required. Option 1 is not a viable path forward. It is therefore recommended that **Option 4: Directly Employed National Model** be pursued as the preferred model for the future delivery of trading standards in Scotland.

Recommendation

Following a comprehensive evaluation of the four delivery models for trading standards in Scotland, it is recommended that the Directly Employed National Model (Option 4) be taken forward for further development and stakeholder engagement.

This recommendation is based on the following key considerations:

Strategic Alignment and Impact

- Option 4 scores highest in terms of alignment with Scottish Government priorities, ability to respond to national challenges, and delivering consistent, high-quality services across the country.
- It offers the greatest potential for using intelligence-led approaches to prevention and public protection.

Workforce Sustainability

- This model provides the strongest foundation for addressing critical workforce challenges, including recruitment, retention, and succession planning.
- It enables the creation of a national workforce strategy, offering clearer career pathways and professional development opportunities.

Operational Efficiency and Agility

- A national structure allows for better coordination, resource deployment, and economies of scale.
- It introduces the flexibility to respond to local needs while maintaining national standards and oversight.

Implementation Considerations

- Option 4 requires the most significant change, including legal, financial, and governance restructuring.
- A phased implementation plan, supported by a dedicated programme team and early stakeholder engagement, will be essential to manage risks and ensure a smooth transition.

Alternative Options

- While Options 2 and 3 offer incremental improvements, they do not address the systemic issues facing the service, particularly around workforce sustainability and national coordination.
- Option 1 (Do Nothing) is not viable due to the continued decline in service capacity and increasing risk to public protection.

4 Outline Financial Case

Resourcing and Implementation Costs

This SOC does not seek to understand the current funding arrangements for each of the 32 local authority trading standards functions. As described above, this information is difficult to assess as in many areas grant allocated has been re-directed to other local higher priority areas, and therefore does not reflect a true picture of trading standards resource. Should the

preferred option be accepted a baselining of budgeted and true costs would be part of the Outline Business Case.

The financial outlay required to initiate and deliver this project is expected to be modest, particularly when compared to the long-term benefits and efficiencies it aims to achieve. While the transformation involves structural and operational change, the approach is designed to leverage existing resources and infrastructure wherever possible, thereby minimising upfront costs.

Phase 1: Engagement, Consultation, and Data Gathering

The initial phase will focus on **comprehensive engagement with local authorities**, including elected members, senior officers, and relevant stakeholders. This will involve:

- Facilitated workshops and bilateral meetings to **understand local priorities** and concerns.
- Formal consultation processes to ensure **transparency and inclusivity**.
- Collection and analysis of **financial data**, including current Trading Standards budgets, staffing levels, and service delivery costs.
- Assessment of **performance management information**, including service outputs, enforcement activity, and consumer/business impact metrics.

This phase is critical to building consensus, identifying risks, and shaping the design of the new entity. It is anticipated that this work can be completed within a modest budget envelope, covering support to develop and deliver the plan, stakeholder engagement activities, and analytical work, as well as an element of legal support and may be considered as part of an invest to save commitment, but would need further consideration at the next stage.

Phase 2: Change Programme and Legal Entity Setup

Following the consultation phase, funding will be required to support the implementation of the change programme, including:

- Establishing a dedicated programme management office (PMO) to oversee delivery.
- Legal and administrative costs associated with creating the new entity, including incorporation, governance design, and regulatory compliance.
- Development of transitional policies and procedures, including HR protocols, financial systems, and performance frameworks.
- Communications and change management activities to support staff and stakeholder transition.

This phase will also include the transfer of staff from local authorities to the new organisation. Staff would initially move over on their existing terms and conditions, ensuring continuity and minimising disruption. Over time, a process of harmonisation could be undertaken to align pay scales, job descriptions, and career pathways, subject to consultation and negotiation.

Performance and Public Value Commitments

Upon establishment of the new entity, there should be a clear and binding commitment to deliver short-term and long-term performance improvements. This includes:

- **Short-term measures:** Service continuity, response times, enforcement activity, and stakeholder satisfaction
- **Long-term measures:** Workforce sustainability, consumer and business outcomes, national consistency, and contribution to economic development

These performance indicators should be embedded within a robust monitoring and evaluation framework, enabling the organisation to demonstrate public value, operational efficiency, and strategic impact. Regular reporting to the Scottish Government and local authorities will ensure transparency and accountability.

Invest-to-Save Rationale

Although the initial investment is likely to be modest, the project should be framed as an invest-to-save initiative. By consolidating resources, improving workforce planning, and aligning service delivery with national priorities, the new model is expected to deliver:

- **Operational effectiveness** through reduced duplication and better resource deployment
- **Improved outcomes** for consumers and businesses
- **Long-term cost avoidance**, particularly in areas such as enforcement, litigation, and public health protection
- **Enhanced resilience** in the face of emerging threats and economic pressures

5 Outline Management Case

Ongoing Engagement, Governance, and Leadership for a New National trading standards Function

Sustained Engagement and Communication

The success of a new national trading standards operating model will depend heavily on ongoing, transparent, and inclusive engagement with all key stakeholders throughout the design, transition, and implementation phases. This includes:

- **All trading standards staff:** Regular communication will be essential to maintain morale, manage expectations, and ensure staff feel informed, valued, and involved in shaping the future of the service.
- **Local authority representatives:** Engagement must be continuous and meaningful, involving elected members, chief executives, and senior officers. Their support will be critical in facilitating the transfer of responsibilities and ensuring alignment with local priorities.

- **Scottish Government:** Ongoing political and financial support from the Scottish Government will be vital. This includes not only initial endorsement but also sustained involvement in governance, funding, and strategic direction.
- **Other key stakeholders:** Organisations such as Consumer Scotland, Police Scotland, HMRC, Department of Business and Trade, OPSS, and other regulatory and enforcement bodies should be engaged early to explore synergies, joint working opportunities, and shared intelligence frameworks. Their input can help shape a more integrated and effective enforcement landscape.

A comprehensive stakeholder engagement strategy should be developed and resourced, including formal consultation processes, regular updates, feedback mechanisms, and co-design workshops.

Governance Development and Stakeholder Consultation

A robust and transparent governance framework will be essential to ensure accountability, strategic alignment, and operational effectiveness. This framework should be co-designed with input from:

- Local authorities.
- Scottish Government representatives.
- Professional bodies (e.g., Society of Chief Officers of Trading Standards in Scotland).
- Consumer and business advocacy groups.
- Legal and regulatory experts.

Key governance components should include:

- A national oversight board with representation from key stakeholders.
- Clear lines of accountability to the Scottish Government.
- Defined roles and responsibilities for strategic, operational, and financial decision-making.
- Mechanisms for dispute resolution, performance review, and continuous improvement.

Governance protocols must be formalised in advance of the new entity becoming operational, with legal advice sought to ensure compliance with public sector standards and employment law.

Early Appointment of Leadership

A critical enabler of success will be the early appointment of a Head (or Chief Executive) of the new trading standards function. Ideally, this individual should be in post prior to the formal establishment of the organisation to:

- Shape the vision, mission, and values of the new entity.
- Lead the development of the organisational structure, including senior leadership roles, regional management, and specialist functions.

- Oversee the creation of key operational processes, including HR, finance, IT, and performance management.
- Act as the public face of the new organisation, building trust and credibility with staff, local authorities, and external partners.
- Drive the development of a strategic delivery plan, setting out short-, medium-, and long-term priorities.

This early leadership appointment will provide continuity, strategic clarity, and momentum during the critical transition period.

Performance Standards and Service Agreements

The leadership team will be responsible for defining and articulating clear performance standards for the new organisation. These should include:

- National service delivery benchmarks, aligned with Scottish Government priorities.
- Outcome-based performance indicators, focused on consumer protection, business support, and enforcement effectiveness.
- Service Level Agreements (SLAs) with individual local authorities, ensuring that local needs are met and that service levels are maintained or enhanced.

These standards should be developed in consultation with stakeholders and embedded within a performance management framework that supports transparency, accountability, and continuous improvement.

Regular reporting, independent evaluation, and public performance dashboards could be used to demonstrate impact and build public confidence in the new model.

6 Conclusion and Next Steps

This Strategic Outline Case has demonstrated that the current model for delivering a trading standards services in Scotland is no longer sustainable. The service is under severe strain, with declining capacity, inconsistent delivery, and growing risks to public protection and economic growth.

Among the four options considered, the **Directly Employed National Model** stands out as the most effective and future-proof solution. It offers the strongest alignment with Scottish Government priorities, the greatest potential for workforce development, and the highest capacity to respond to national and local needs. While it presents the most significant implementation challenge, it also delivers the most substantial and lasting benefits.

To move forward, the following steps are recommended:

1. **Detailed Planning:** Develop an Outline Business Case and Full Business Case, including financial modelling, legal frameworks, and governance structures

2. **Stakeholder Engagement:** Begin structured discussions with local authorities, Trading Standards staff, and key partners to build consensus and address concerns.
3. **Leadership Appointment:** Identify and appoint a Head of the new national function to lead the transition and shape the organisation's vision and structure.
4. **Programme Management:** Establish a dedicated change team to oversee implementation, manage risks, and ensure continuity of service during the transition.
5. **Performance Framework:** Define clear service standards and performance metrics to ensure accountability, transparency, and continuous improvement.

By taking decisive action now, Scotland can create a modern, resilient, and efficient trading standards service - one that protects its citizens, supports its businesses, and delivers real public value.

7 Potential Phased Implementation Timetable

Should this option be taken forward the following high level phased implementation timetable is suggested:

Phase and Activity	Q1 26/27	Q2 26/27	Q3 26/27	Q4 26/27	Q1 27/28	Q2 27/28	Q3 27/28	Q4 27/28	Year 28/29
Phase 1: Planning and Engagement									
• Appoint Programme Board									
• Stakeholder Mapping									
• Develop Full Business Case									
• Legal & Financial Scoping									
Key deliverable: Governance Established									
Phase 2: Design and Preparation									
• Define Org Structure									
• Workforce Strategy									
• Draft SLAs									
• Performance Frameworks									
• HR Preparations									
Key deliverable: Service Model Designed									
Phase 3: Transition and Implementation									
• Transfer Staff & Budgets									
• Launch Hub & Spokes									
• Implement Systems									
• Staff Training									
• Monitor Performance									
Key deliverable: National Service Operational									
Phase 4: Stabilisation and Optimisation									
• Evaluate Performance									
• Refine Processes									
• Expand Capabilities									
• Explore Innovation									
Key deliverable: Post-Implementation Review									