

**REPORT TO: ENVIRONMENTAL AND CONSUMER PROTECTION COMMITTEE
18 MARCH 2002**

**REPORT ON: THE FIRST YEAR OF OPERATION OF THE SCOTTISH MOTOR VEHICLE
TESTING UNIT**

REPORT BY: PRINCIPAL TRADING STANDARDS OFFICER

REPORT NO: 213-2002

1.0 PURPOSE OF REPORT

- 1.1 To submit to the Environmental & Consumer Protection Committee the annual report on the operation of the Scottish Motor Vehicle Testing Unit, operated by Dundee City Council as lead authority, for the year to 31 January 2002.

2.0 RECOMMENDATIONS

- 2.1 The document appended to this report should be noted as the annual report 2001/2002 of the Scottish Motor Vehicle Testing Unit.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The running costs of this Unit are met from contributions from partner authorities and DTI match funding. Partner authorities also provide professional officer support. Dundee City Council provide management and administrative support as well as property as a base for the project. Costs associated with this are met from existing ECPD revenue budgets.

4.0 DUNDEE 21 IMPLICATIONS

- 4.1 There are no Agenda 21 implications to this report.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 There are no Equal Opportunity Implications in this Report

6.0 BACKGROUND

- 6.1 With reference to Article IV of this Committee of 18th June 2001, Dundee City Council Trading Standards Service, in partnership with eleven other Scottish local authorities, made a successful bid in April 2000, to the Department of Trade and Industry for £75,000 of match funding to set up a Unit to improve standards of consumer protection in the used car sales and servicing sectors. The Unit became operational in February 2001. This report summarises the first year of operation of that Unit, and will be submitted to the DTI, and the other local authority partners as outlined in the Minute of Agreement.

7.0 CONSULTATIONS

- 7.1 The Chief Executive
Director of Finance
Director of Support Services

8.0 BACKGROUND PAPERS

- 8.1 No background paper, as defined by Section 50D of the Local Government (Scotland) Act 1973, were relied on to any material extent in preparing the above report.

9.0 SIGNATURE

Principal Trading Standards Officer

Date:

Dundee City Council

Environmental and Consumer Protection Department

Trading Standards Service

Report on the operation of the Scottish Motor Vehicle Testing Unit

for the year ended 31 January 2002



Report No 213–2002

Foreword

Operational since February 2001, the Scottish Motor Vehicle Testing Unit (SMVTU) is a cross-border project led by Dundee City Council on behalf of twelve Scottish local authorities, and was created to make an impact on the problems associated with the motor vehicle sales and servicing sector. Last year over 27,000 car servicing or repair complaints were made to trading standards departments across the UK, and the Office of Fair Trading estimate that consumer detriment in this sector could be as high as £4 billion.

Headline results:

- 🚚 278 garage forecourts visited and 700 motor vehicles inspected for safety defects.
- 🚚 207 prohibition notices and 70 suspension notices issued, following defects found on vehicles offered for supply on forecourts
- 🚚 54 vehicles serviced and 87 vehicles Mot'd with problems found in 47% of vehicle submissions.
- 🚚 4 cases reported to the procurator fiscal

A successful bid was made to the Department of Trade and Industry, Consumer Affairs Directorate in April 2000 for £75,000 of match funding from the government's 'Modernisation Fund for Trading Standards' to help local authority trading standards services with collaborative and cross border projects.

Together with local authority contributions, this money was used to set up the SMVTU – consisting of a vehicle transporter, a driver/administrator, a small fleet of vehicles for mystery shopping purposes, and Vehicle Inspector training for local authority staff. A partnership arrangement was also agreed with the Vehicle Inspectorate, which is an



executive agency of the Department of Transport, Local Government and the Regions (DLTR), responsible for improving road safety and environmental standards. It's main task is to ensure that vehicles are maintained to the minimum standards required by law under Road Traffic legislation.

The Vehicle Inspectorates participation is an excellent complement to our own, bringing technical expertise and wide knowledge and intelligence on the motor vehicle sector.

The main project aims were to:

- 🚚 Achieve a level of consumer protection within the motor vehicle sector which reflected the high level of consumer detriment, complaints and disputes
- 🚚 To achieve a reputation for expertise and impartiality in the provision of an effective vehicle inspection service to local authorities
- 🚚 To raise the national profile of trading standards services and how they co-operate with each other and external agencies

A minute of agreement has been drawn up between the partners, and an important part is the arrangement whereby officers from one authority can be made available to work in another authority where necessary.

This emphasises the collaborative 'cross-border' aspect to the project, and means that authorities can conduct much more ambitious operations than if they were using only their own resources. In addition the Vehicle Inspectorate provide a Vehicle Examiner for each week of the Unit's operation, building links between the different organisations

Operational activities

The operational activities of the Unit can be broken down into three categories:

- ✓ Forecourt safety checks
- ✓ Mot and vehicle servicing
- ✓ Other vehicle checks

In most cases, a combination of these activities will be undertaken at the same time for operational efficiency.

Forecourt Safety Checks

In this activity trained officers from each authority work with a Vehicle Examiner to check the safety of vehicles offered for supply on garage forecourts. Using their experience, a sample of vehicles available for sale on the forecourt are checked, using the Vehicle Inspectorate



'Categorisation of Defects' manual, to assess roadworthiness. This ensures that a consistent approach is taken in different local authority areas.

The results of this work is summarised in table 2, but briefly around 35-40% of vehicles actually inspected by the team have been found to have some sort of safety defect. In fact on over 200 occasions, Vehicle Examiners have taken enforcement action by

prohibiting vehicles under the Road Traffic Act, in other words a ban on their use on a public road until repairs have been made. Some of the defects found have been excessive corrosion, worn or inoperable seatbelts, illegal tyres, and braking system faults.

Where faults are sufficiently serious, or where a prohibition notice is not appropriate, Trading Standards staff have issued Suspension Notices under the Consumer Protection Act 1987 to prevent the supply of unsafe goods.

Standard forms are used to ensure that the garage owner makes the appropriate repairs and notifies the local authority or Vehicle Inspector, before the vehicle is used on the road.

In addition to notices issued on the spot, 118 oral or written warnings have been sent to traders regarding either defects on vehicles or problems with vehicle servicing (see below).

Although enforcement action is taken where faults are serious, officers are also able to give general advice to the traders on the best way to comply with legislation, and a business friendly approach is taken wherever possible. In fact in all authorities where the Unit operates, genuine traders have been very supportive of the initiative, and there are indications of a general improvement in standards over the year.

MoTs and motor vehicle servicing

The main area of operation apart from forecourt inspection is the checking of standards of vehicle servicing and MoT testing. A small fleet of up to six vehicles is maintained and used for mystery shopping exercises into garages and fast fit centres. All sizes of operator are checked, from the small one-man business to national chains and franchised dealerships. Pool

vehicles are regularly bought and sold, and de-serviced, to maintain a fleet, which cannot easily be spotted by a trader as recently serviced or MoT'd.

This has proven to be very cost effective, with 23 different vehicles being used throughout the year and a loss per vehicle of under £50 or around 2-2.5% of their value.

Table 2 outlines the work carried out in this area and problems have been found relating to either MoT or servicing work in over 45% of cases.



Problems found include paperwork errors, incorrect pricing, work not carried out to a satisfactory standard, work not completed, unnecessary work done, and incorrect MoT failure.

In many cases an MoT is carried out at the same time as a service to increase the effectiveness of the Unit.

In this, the first year of operation of this Unit, most authorities have taken an advisory stance in dealing with some of the problems found when vehicles have

been submitted for a service or MoT. This is in accord with the principles of the Enforcement Concordat and is aimed to be as 'business friendly' as possible to traders to help them comply with legal requirements, and minimum safety standards. Nevertheless, in two cases the problems found were such that reports have been submitted to the relevant procurators fiscal to consider prosecution under either the Trade Descriptions Act, Consumer Protection Act, or General Product Safety Regulations. In addition a number of MoT testing stations have had their authorisation revoked by the Vehicle Inspectorate.

Other vehicle checks

Apart from the two major operating areas outlined above, the Unit has been used by many authorities on other tasks. Several authorities, notably Argyll and Orkney Councils, undertook checks on hire vehicles and safety problems were found in many cases, especially with vans. One case has been submitted to the procurator fiscal in connection with the safety of hire vehicles.

Other activities included mystery shopping at fast fit centres for brake and tyre checks, and Aberdeenshire checked the service received when calling out a roadside breakdown service.

Aberdeen City used the Unit to check on a private seller who had advertised dozens of cars from his house over a period of time. A check on one of the vehicles advertised revealed it to be so unsafe that a report to the procurator fiscal resulted in a guilty verdict. The individual will also require to apply for a second-hand dealers licence before he sells any more vehicles

Fife Council have used the Unit to support the operation of their 'Approved Garage' scheme, which is a good trader scheme set up to encourage motor traders in Fife to adopt recommended best practice and procedures in their business, and their dealings with consumers.



Other activities

Another of the key objectives for the project was to achieve a high level of publicity, both for the Unit, and for the consumer issues associated with the car sales and servicing sector, many of which arise from a general ignorance of vehicle mechanics.

This has been very successful, with local press interest in each of the authority areas and nationally. The Unit also appeared on BBC Reporting Scotland, and interest has been shown by other specialist television programmes, such as Granada's 'Garages from Hell', and BBC's 'Frontline Scotland'.

There can be very few traders in this business sector within the partner authorities who are not aware of the Unit, and this in itself can help maintain standards.

The Unit was also on display at the Trading Standards Institute conference in Cardiff in June 2001, and was successful in winning the 'Best Local Authority Exhibitor' award, underlining the relevance of its work.

Future operations

Financial support for the Unit from the Department of Trade & Industry was initially for one year, however as a mark of its success a further £35,000 has been awarded. With the continued support of the original authorities this will ensure its operation until March 2003 at least. It is also hoped to expand the operation of the Unit into many of the other Scottish local authorities, not partners in the scheme, as time and resources permit, and also develop further best practice guidance for consumers and traders.

Contact

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Table 1 – partner organisations

Councils involved in the SMVTU partnership

| <u>Authority</u> | <u>Contact</u> |
|---------------------------|---------------------------------|
| Aberdeen City Council | William Fraser 01224 523721 |
| Aberdeenshire Council | Paul Bygrave 01467 628122 |
| Angus Council | David Shaw 01241 435625 |
| Argyll & Bute Council | Catherine Connelly 01546 604116 |
| Dundee City Council | as above |
| Fife Council | Gordon Thomson 01592 416397 |
| Glasgow City Council | Jim Stewart 0141 287 6668 |
| Highland Council | Gordon Robb 01463 228700 |
| Moray Council | Peter Adamson 01343 554610 |
| Orkney Council | Ian Watt 01856 873535 |
| South Ayrshire Council | David Thomson 10292 616055 |
| South Lanarkshire Council | Helen O'Neill 01698 452498 |

Other agencies

Vehicle Inspectorate, DLTR

Table 2 – Operational outputs.

| | Forecourts inspected | Vehicles Checked | Suspension notices issued | Prohibition notices issued | Vehicles Serviced | Vehicles MoT'd | Service or MoT problems | Other vehicle checks |
|----------------------------------|----------------------|------------------|---------------------------|----------------------------|-------------------|----------------|-------------------------|----------------------|
| Aberdeen City Council | 35 | 53 | 7 | 5 | 4 | 14 | 10 | 4 |
| Aberdeenshire Council | 31 | 66 | 10 | 18 | 1 | 5 | 2 | 1 |
| Angus Council | 16 | 60 | 8 | 16 | 2 | 3 | 2 | 1 |
| Argyll & Bute Council | 10 | 29 | 1 | 2 | 1 | 3 | 2 | 5 |
| Dundee City Council | 30 | 82 | 4 | 12 | 7 | 10 | 4 | 2 |
| Fife Council | 43 | 98 | 8 | 36 | 9 | 4 | 6 | |
| Glasgow City Council | 18 | 102 | | 57 | 5 | 9 | 4 | |
| Highland Council | 12 | 28 | 4 | 8 | 8 | 8 | 5 | |
| Moray Council | 29 | 50 | 7 | 10 | 4 | 5 | 4 | 3 |
| Orkney Council | 14 | 28 | | 4 | 1 | 3 | 2 | 5 |
| South Ayrshire Council | 19 | 46 | 2 | 14 | 6 | 14 | 3 | |
| South Lanarkshire Council | 21 | 58 | 19 | 25 | 6 | 9 | 8 | 3 |
| Totals | 278 | 700 | 70 | 207 | 54 | 87 | 52 | 25 |

Table 3 Finance

| | <u>2000/01</u> | <u>2001/02</u> | <u>TOTAL</u> |
|--|-------------------|------------------|--------------------------|
| Staff Costs | | | |
| Gross Pay APTC | 2,619.50 | 13,669.04 | 16,288.54 |
| Supn APTC | 282.90 | 829.94 | 1,112.84 |
| NI APTC | 170.00 | 1,025.97 | 1,195.97 |
| Conference Expenses | 0.00 | 98.29 | 98.29 |
| Training Courses External | 8,508.64 | 2,050.80 | 10,559.44 |
| Total Staff Costs | 11,581.04 | 17,674.04 | 29,255.08 |
| Supplies & Services | | | |
| Equipment Hire & Maintenance | 0.00 | 10.00 | 10.00 |
| Materials | 0.00 | 18.69 | 18.69 |
| Start Up Costs | 2,216.85 | 3,017.23 | 5,234.08 |
| Misc Supplies & Services | 0.00 | 81.00 | 81.00 |
| Other Outlays | 0.00 | 4.26 | 4.26 |
| Total Supplies & Services | 2,216.85 | 3,131.18 | 5,348.03 |
| Transport Costs | | | |
| Fuel | 73.19 | 1,577.33 | 1,650.52 |
| Transport Risk Mgt Premium | 0.00 | 5,568.22 | 5,568.22 |
| Road Tax | 490.40 | 892.40 | 1,382.80 |
| Transport Other Running Costs | 466.04 | 59.85 | 525.89 |
| Transport Repairs & Maintenance | 1,494.32 | 549.92 | 2,044.24 |
| Motor Vehicle Purchases | 8,250.00 | 7,965.92 | 16,215.92 |
| Travel & Subsistence APTC | 794.03 | 5,001.78 | 5,795.81 |
| Car Allowances APTC | 19.19 | 25.05 | 44.24 |
| Total Transport Costs | 11,587.17 | 21,640.47 | 33,227.64 |
| In Kind | | | |
| Trading Standards Officer (37) | 4,732.83 | 24,565.00 | 29,297.83 |
| Property & Administration | 1,175.00 | 5,883.55 | 7,058.55 |
| Vehicle Testing Costs | 0.00 | 9,093.62 | 9,093.62 |
| Total In Kind | 5,907.83 | 39,542.17 | 45,450.00 |
| Total Gross Expenditure | 31,292.89 | 81,987.86 | 113,280.75 |
| CAPITAL | | | |
| A M Philip Ltd | 23,190.00 | 0.00 | 23,190.00 |
| Action Computers | 1,993.00 | 0.00 | 1,993.00 |
| Total Capital (Funded by DTI Grant) | 25,183.00 | 0.00 | 25,183.00 |
| TOTAL EXPENDITURE INCL CAPITAL | 56,475.89 | 81,987.86 | 138,463.75 |
| Income | | | |
| Department of Trade & Industry | -35,000.00 | -40,000.00 | -75,000.00 |
| Local Authorities | -15,568.06 | -13,981.94 | -29,550.00 |
| Offset IN KIND | -6,342.50 | -39,107.50 | -45,450.00 |
| Total Income | -56,910.56 | -93089.44 | -150,000.00 |
| Balance c/f for Feb-March 2002 | | | <u>-11,536.25</u> |

