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To: Growth, Economic Development and Communities Cabinet Committee – 5th September

Subject: Update on the Work of Kent Trading Standards in 2018 and Future Opportunities and Challenges

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Summary:

This report provides an update of the work of Trading Standards in the first 6 months of 2018 and its key achievements and focuses on future opportunities and challenges faced by the service.

Appendix A gives a full overview of achievements.

Recommendation(s):

The Cabinet Committee is asked to note and discuss the report.

1. Introduction

1.1 This report covers the work of Trading Standards from January to June 2018 and focuses on future opportunities and challenges faced by the service. This is an update to the report previously provided to the Committee in March 2017, which provided an overview of the work of the service and recent challenges.

2. Background

2.1 Kent County Council Trading Standards is a statutory service whose mission is to create and maintain a safe and fair-trading environment where Kent businesses can operate and grow, and Kent consumers can engage in their economic activity with confidence.

2.2 The service has a duty to enforce a wide range of criminal legislation covering the trading environment in consumer goods and services. The areas covered are diverse and include counterfeiting, fraud and unfair practices, product safety, animal health, food, feed and petroleum and explosive licensing

2.3 The service's objectives in 2018 are listed in **Appendix A**.

- 2.4** Since its report to the Committee in March 2017, the Service continues to face considerable pressures, dealing with an increasing number of criminals engaged in serious organised crime, administering more complex processes in the enforcement environment coupled with uncertainty over changes to UK legislation following Brexit and its impact on Kent businesses.
- 2.5** Trading Standards like all services face financial pressures and increased need to generate further income. This is against the backdrop of a market which is hesitant to invest in development because of Brexit uncertainty, restricting engagement with chargeable Trading Standards Business Advice Services.
- 2.6** Trading Standards continues to develop an intelligence-led, commercial approach to delivering services within the legal constraints imposed on a regulator ensuring, where possible, effective cost recovery for non-statutory services

3. Outcomes for January to June 2018

3.1 The main achievements in the first half of 2018 include:

- £600,000 worth of criminal activity investigated, in areas such as illicit tobacco, and doorstep crime, with 60 vulnerable victims supported by our Victim Safeguarding Officer, who's intervention stopped them losing a further £145,390
- 180 businesses received business advice, which includes over 40 Primary Authority Partnerships (PAPs)
- 62 high risk food, feed and farm premises visited, and 114 samples taken during our retail surveillance program (analysed by Kent Scientific Services)
- 56 separate illegal imports stopped from entering the UK at Dover and Eurotunnel, consisting of over 145,000 individual products, worth over £330,000
- During tobacco enforcement work seized 7,948 packets of cigarettes and 783 pouches of hand rolling tobacco from 18 premises with a retail value of £87,192.
- Raymond Sharpless was convicted of defrauding 18 victims across Kent, Sussex and London of almost £40,000 in total over a period of 27 months and sentenced to 5 years 1-month imprisonment, disqualification from being a director for 10 years and received Kent Trading Standards first Criminal Behaviour Order prohibiting Sharpless from seeking/undertaking work he is not skilled to do.

3.2 A full overview of achievements by objective is included at **Appendix A**.

4. Opportunities and Challenges in 2018 and Beyond

The Service's opportunities and challenges highlighted in the report on 2017 have been reviewed below in more detail.

4.1 Funding

- 4.1.1 As stated in the previous report, additional funding is provided to Trading Standards from charging for services provided (such as metrology verification and business advice), establishing and maintaining Primary Authority Partnerships, recovering costs for case work through the courts, and seeking local and national government grant funding. Many of these activities can only be carried out on a cost recovery basis, not at a profit.
- 4.1.2 The service has continued to develop and increase Primary Authority Partnerships, which are legally recognised partnerships between local authority regulators and business to provide advice and support to business on a cost recovery basis. A further eight have been agreed since January of this year bringing the total to 48.
- 4.1.3 While Public Health still provides funding to Trading Standards for Community Alcohol Partnerships and Business Wellbeing, it is reviewing all funding to partners. As a result, the funding received annually for the last 3 years for the tobacco work will not be provided this year and could affect the amount of preventative work carried out in this area.
- 4.1.4 As a result, the service is seeking other sources of finance for this area of work, approaching District Councils who have expressed an interest in commissioning tobacco work directly from Trading Standards having seen the results than previous years. Central government is also expected to provide funding later in the year for enforcement of Tobacco Regulations.
- 4.1.5 The service is still receiving funding support from the National Trading Standards Tri-Regional Investigation Team in conducting a large investigation affecting victims nationally, and providing two investigators due to the size of the investigation.
- 4.1.6 While feed sampling work was raised as a concern in the last report, the funding from the Food Standards Agency has continued for 2018/19. However, this is not guaranteed for 2019/20 because of changing requirements and Government priorities post Brexit.

4.2 Partnership and cross-KCC working

- 4.2.1 The Service continues to work in ever greater collaboration within KCC and with external partners.
- 4.2.2 Within KCC, the Trading Standards project to review consistency of KCC's approach to criminal investigation functions continues and will now feed into KCC's corporate involvement in tackling Organised Crime Groups in Kent.
- 4.2.3 The service continues to work closely with the Kent Police Serious Economic Crime Unit in both assisting and carrying out joint investigations. A recent success was the conviction of David Vincent Snr (21 months) and Jnr (18

months) along with John Baker (18 months) for fraud involving a Dartford resident. (See **Appendix A**).

4.2.4 The Community Alcohol Partnership (CAP) project continues to grow, coordinated by the project officer in Trading Standards, bringing together partners such as schools and colleges, local and national retailers, Police, wardens, district and borough councils, and community groups. This has been extremely successful as a way of tackling alcohol related issues by involving the whole community with the flexibility to adapt strategies specific to each area. The first six months of 2018 saw the launch of CAPs in Herne Bay and Tonbridge.

4.2.5 Trading Standards have also secured funding for an educational film on doorstep crime & financial abuse which will be used nationally. Financial support has been provided by partners including Kent Fire & Rescue, National Trading Standards Scams Team the Kent Community Safety Partnership, and four Trading Standards services across the SouthEast

4.3 Developing Further the Offer and Customer Base for Business Support Services

4.3.1 The Service has continued its involvement in the Business Advice and Support Partnership (BAASP), a partnership of East Sussex, Kent and Hampshire County Councils and Slough Borough Council Trading Standards Services. These four Trading Standards services are working together to provide paid-for business support services across their combined Authority areas and beyond.

4.3.2 The partnership has been recognised by the Office of Product Safety and Standards (OPSS), who have targets to expand the number of businesses in Primary Authority Agreements, and through this Kent holds the status of a Strategic Provider of PAPs

4.4 Preparations for Brexit

4.4.1 As highlighted in the previous report, Kent Trading Standards continues to engage with Government officials and partners on the impact of Brexit as the service is responsible for the safety of consumer goods entering the UK through Kent Ports. This includes attending an officer-level steering group with senior civil servants from relevant Government departments, KCC and Dover District representatives, as well as attending other Government-led meetings.

4.4.2 The service is maintaining its dialogue with National Trading Standards, following a visit by the project governors in 2017, who are aware of the potential impact of Brexit and increase in workload (see below).

4.4.3 Trading standards are also in regular contact with other affected services within KCC, such as the Kent Resilience Team, and has been inputting to the Cabinet Brexit Sub-Committee and attending the Brexit Coordination Group.

- 4.4.4 The service has also been visited by the National Audit Office to discuss the impact of Brexit highlighted in Kent Trading Standard's response to the Government consultation on the new Customs proposal. The information provided at the visit contributed to their recent report "Exiting the EU: Consumer Protection, Competition and State Aid."
- 4.4.5 For the Trading Standards service in Kent, the impact of Brexit is specifically linked to the UK leaving the single market with the free movement of goods, which could increase the yearly traffic that is subject to inspection through Dover and Eurotunnel alone from 100,000 to potentially up to 2,000,000 vehicles – depending on the final arrangements agreed by Government with the EU. This increased traffic will not only place a significant strain on the resources of the service, but also place significant risk of delays, which places pressure on ensuring goods move quickly through the ports
- 4.4.6 The service has already seen an increase in imports that are notified from Border Force or the National Trading Standards Liaison at Suffolk (a 100% increase in the last 6 months) and is expecting a further increase in workload should Ramsgate reopen this year and the Dover Container Port area next year.
- 4.4.7 This will have a significant impact on the service and potentially divert resources needed to deliver a wide range of other statutory duties.
- 4.4.8 In response to these challenges, the Service has proposed to employ additional capacity to specifically handle the ports work, based at or near the Port of Dover. Funding for the set up of this additional capacity has been secured through National Trading Standards (NTS). This will provide a number of benefits:
- Dedicated staff provide increased efficiencies in dealing with this specific area of work, and familiarity in dealing with Border Force and Import Agent contacts and systems.
 - The location means that they can respond quickly to both the time critical notifications for Dover and Eurotunnel, as well as potentially Port of Ramsgate, and to ensure that there is minimal delay in inspecting goods at the Ports.
 - Having a dedicated team safeguards other parts of the service affected by the demands at the border, allowing skilled staff to be available to deliver on other business as usual service areas, including paid for services.
 - The capacity will also provide resilience in the face of new border arrangements with the flexibility to adapt to changing demands over the months following Brexit and for the future.
- 4.4.9 The service is also developing guidance for businesses given the lack of certainty on post-Brexit border arrangements for the future. The service is currently producing information for importers on product safety border documentation. This will minimise risks such as delays and rejections for businesses at the point of import into the UK and will improve the efficiency of consignment processing by the service.

4.4.10 It is expected that this demand for guidance and advice from business will only increase further both in the lead up to and following Brexit.

4.5 Developing the preventative work of the service

4.5.1 As stated in the previous report to the Committee, Trading Standards plays a key role in preventing a range of health and wellbeing issues across Kent's communities.

4.5.2 With partners in Swale District, the service will look to launch the next Community Alcohol Partnerships (CAP) in Sheerness in the second half of 2018, and potentially Tunbridge Wells in 2019

4.5.3 Two Districts (Ashford and Canterbury) have expressed an interest in working with Trading Standards to provide tobacco preventative work, which will attract additional funding from the districts.

4.5.4 Kent Trading Standards has been leading nationally on vaping products by chairing a new National Focus Group (supported by Department of Health) and producing a report on recent work on e-liquids that included samples and testing, as well as the compliance of the vaping devices. This will add to the data held by the Department of Health and help them provide information to the public.

4.6 Preventing Animal Disease

4.6.1 The Animal and Plant Health Agency (APHA) project with the Dogs Trust continues, with the charity paying for quarantine fees and vaccination of puppies that have been abandoned, prior to rehousing them. The service is monitoring this closely as the risk, raised in the last report, is that if this project ceases costs would pass back to Trading Standards and enforcement work undertaken would substantially reduce, increasing the disease risks.

4.6.2 Over the last 6 months, the weather has had a direct impact on farming which consequently impacts on the service. The cold winter significantly increased both the incidents of fallen stock and the number of animals affected at each call. This raised concerns around prompt and appropriate disposal of carcasses to minimise disease risk. There are concerns that the wet spring and hot summer may result in feed and bedding shortages that will affect the farm industry this winter.

4.6.3 There has been a notable increase in animal rights activity at one of the abattoirs inspected by the service and at several incidents of fallen stock. This has created additional resource issues as officers have to work in pairs to ensure their health and safety.

5. Conclusions

5.1 Kent Trading Standards is a dynamic service of 26 frontline FTEs which faces increasing demands for its services.

- 5.2** The service has faced challenges in securing income during the first six months, but is proactive in approaching local and national government, and National Trading Standards to secure funding where available. In addition, the unique creation of the BAASP partnership allows the delivery of more chargeable business advice services and Primary Authority Partnerships without the cost of employing additional staff.
- 5.3** While there is uncertainty over the shape of Brexit, the service continues to work with Government to mitigate potential risks. In addition, the proposal to create a ports team will ensure that Trading Standards can effectively respond to the additional demands on the service.

6. Recommendation(s)

Recommendation(s):

The Cabinet Committee is asked to note and discuss the report.

7. Appendices

- 7.1 Appendix A** - Overview of The Outcomes Achieved by Kent Trading Standards January – June 2018

8. Background documents

- 8.1** Report from March 2017 GEDCCC - “Update on the Work of Kent Trading Standards in 2017 and Future Opportunities and Challenges” : <https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=SD5471&ID=5471&RPID=24483231>

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APPENDIX. A

Overview of The Outcomes Achieved by Kent Trading Standards, January – June 2018

Kent Trading Standards Service priorities and their outcomes for the first 6 months of 2018 are set out below -

1. Investigate persistent and/or serious criminal activities, in particular those involving fraud, counterfeiting, scams, doorstep crime and persistent consumer detriment

- 15 complex investigations amounting to £600,000 worth of criminal activity investigated between January and June 2018, with ongoing investigations into letting agents, counterfeiting, illicit tobacco, and doorstep crime.
- Received externally funded support from the National Trading Standards Tri-Regional Investigation Team for a large-scale National investigation, increasing the investigators to two due to the size of the investigation.
- 5 current operations – illicit tobacco, home improvements, food fraud, and doorstep crime, one of which is a joint investigation with Kent police.
- David Vincent Snr and David Vincent Jnr along with John Baker were convicted of fraud following a joint investigation by Trading Standards and Kent Police. They defrauded a Dartford householder of £6,000 by persuading him he needed urgent building work. Vincent Snr was jailed for 21 months, Vincent Jnr and Baker were sentenced to 18 months.
- Seized 10,368 illegal packets of cigarettes and 50kg of hand rolling tobacco (1000 packets) during an investigation into a significant illicit tobacco organised crime group
- £13,000 Proceeds of Crime Incentivisation was received by the service.

2. Safeguard vulnerable adults from financial abuse

- Victim Safeguarding Officer has carried out 60 interventions with vulnerable adults. 36 were referred from the Public Protection Intelligence Team. These had been subject to crime totalling £481,390, saving the victims £145,390.36.
- Victim Safeguarding Officer Elaine Mount received a Chairman's Commendation for all her work safeguarding victims.
- Partnership working led to funding by partners for an educational film on doorstep crime & financial abuse. Funding was secured from Kent Fire & Rescue, National Trading Standards Scams Team, Other Trading Standards Authorities and a grant from the Kent Community Safety Partnership

3. Support businesses by offering professional business advice and guidance, including Primary Authority Partnerships

- 8 new Primary Authority Partnerships added to our portfolio (including Powakaddy International Limited and Nim's Fruit Limited) approved by the Secretary of State with 3 more awaiting approval.
- 180 businesses received advice including chargeable tailored advice.
- Launch of the Business Advice and Support Partnership (BAASP) bringing together four local authorities (East Sussex, Hampshire, Kent and Slough) to provide a high quality, good value business support service to local businesses and beyond.

- Recognition of Kent, as a member of BAASP, as a Strategic Provider of Primary Authority by the Office of Product Safety and Standards to expand the number of businesses in the scheme.

4. Inspect high risk businesses such as farms, food and feed producers, importers, wholesalers and retailers.

- 62 high risk farms and feed premises visited, of which 20 were non-compliant and action taken ranging from advice to enforcement.
- 114 samples taken during our retail surveillance program in identified areas and analysed through Kent Scientific Services.
- 26 high risk food premises visited to carry out inspections and sampling, dealing with issues in 5 of them.
- Oversaw the withdrawal from the market of food product with undeclared allergens and an inadequate ingredient list.
- Visits to ready to eat fruit and vegetable growers for a Food Standards Agency funded programme on food hygiene at primary production. This exercise was to look at controls on risk factors such as pesticides, fertiliser, compost and water for irrigation.

5. Provide animal health and disease outbreak advice, guidance and intervention where necessary

- 5 investigations carried out into illegal landings, where importers attempt to smuggle “pets” into the UK risking the spread of rabies.
- Continued work to identify livestock owners and landowners for the disposal of fallen stock to prevent the risk of disease spread and nuisance to residents.
- To maintain Kent as a low risk area for tuberculosis, monitoring documentation and procedures where large numbers of animal from outside Kent gather e.g. the weekly livestock market in Ashford and other events such as the Kent County Show.

6. Carry out regular market surveillance, such as at Kent ports, markets and boot fairs, to prevent unsafe or illegal products entering the market

- Over 145,000 imports (worth over £330,000) stopped entering the UK market at Dover and Eurotunnel in 56 separate incidents (the first 6 months of 2018 saw a 100% increase in the number of imports compared to 2017/18)
- 36 visits to licensed petroleum storage premises (mainly petrol forecourts)

7. Reduce illegal sale of tobacco and alcohol to children and young people as well as reduce access to illegal tobacco.

- New Community Alcohol Partnerships (CAPs) were established in Herne Bay and Tonbridge.
- The other CAP areas in Kent have been supported with workshops in schools; diversionary activities provided by other partners; working with retailers; training to independent retailers; and using the street stencil outside shops stating that it is illegal to buy alcohol for under 18s.
- Neil Butcher, CAP project officer, was awarded the Chartered Trading Standards Institute Hero Award in recognition of his ongoing work to establish CAPs in Kent
- As part of the Public Health funded tobacco project work (Jan – Mar 2018), the service:

- Raised awareness of illegal tobacco to primary and secondary schools using a theatre production company
 - Ran tobacco roadshows with tobacco detection dogs
 - In Smoke Free Zones, used a street stencil outside schools, hospitals and places of work.
 - Attended the Police open days, making use of promotional material detailing issues around smoking and illegal tobacco, handing out 1,000 **“Play Hard, Breath Easy Stay Smokefree”** stickers to children, and engaging with over 1000 people on illegal tobacco
 - During tobacco enforcement week, 18 premises were visited and 7,948 packets of cigarettes (158,960 sticks) and 783 pouches of hand rolling tobacco (39.5kg) were seized with a retail value of £87,192. . Kent Police also referred 2,420 packets of cigarettes and 10.5kg of hand rolling tobacco to the service to investigate.
- 34 Samples of vape liquids were tested as part of a Department of Health project to analyse their safety, with a focus on the variance of the nicotine form the stated content, the samples have shown that some products have a vastly different level of nicotine than what is stated.

Outcomes for the Trading Standards Legal Team

- **Raymond Sharpless had** defrauded 18 victims across Kent, Sussex and London to the value of almost £40,000 over a period of 27 months sometimes under his own name but also as Mark Price, operating at least 10 different business names and three separate websites. He failed to attend Canterbury Crown Court for sentencing and a warrant for his arrest was issued. He had originally pleaded guilty to 15 counts of fraud by false representation and 2 counts of fraudulent trading in September 2017 but failed to attend his probation appointment and sentencing in November 2017. After three months of enquiries and following usual routes of locating him, Trading Standards released a wanted press notice which was published at 6pm on Thursday and by 11.30 the following morning, he had been arrested and was on his way to Canterbury Crown Court. He served a custodial sentence for failing to surrender and was then remanded for sentencing. In July he was sentenced to 5 years 1-month imprisonment, disqualification from being a director for 10 years and received Kent Trading Standards first Criminal Behaviour Order prohibiting Sharpless from seeking/undertaking work he is not skilled to do.
- **Darren Seal/DJ Forecourts Ltd** – In early 2016 a shopkeeper took over a former petrol station being used as a car wash business in Westcliff Road, Ramsgate to make it a functioning petrol station. The shopkeeper had not owned or run a petrol station before so to bring the 6-tank site back into use as a petrol station he needed expertise and engaged the specialist services of DJ Forecourts Ltd, a company claiming their staff were up to date with all current safety procedures and practices with regular ongoing training. The company website also referenced mandatory industry guidance with which work would comply encouraging confidence in the company’s professional knowledge. Unfortunately, significant failings were identified with both the work process and the workmanship. Expert opinion agreed that the work was of poor quality and

that there was significant risk for it to cause a fire and/or explosion and environmental contamination. The company director, Darren Seal, pleaded guilty to failing to eliminate or reduce risks from the dangerous substances associated with the workplace. The company was liquidated with debts. Seal was sentenced for Health and Safety and DSEAR offences to 200 hours of unpaid work, agreed to pay £12,000 costs and was disqualified from being a director or company officer for seven years.