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To: Growth, Economic Development and Communities Cabinet Committee – 7 March 2018

Subject: Update on the Work of Kent Trading Standards in 2017 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 2017 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 in 2017, and focuses on future opportunities and challenges faced by the services over the coming years.

2. Background

2.1 Kent County Council Trading Standards Service 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 enforces over 400 Acts of Parliament and Regulations covering the trading environment in consumer goods and services, of which 250 impose a specific statutory duty as the Weights and Measures Authority for Kent. The subject area covered is diverse, including counterfeiting; fraud and unfair practices; product safety; animal health, feed, food; petroleum and explosive licensing

2.3 The service's objectives are to:

- Investigate persistent and/or serious criminal activities, in particular those involving fraud, counterfeiting, scams, doorstep crime and persistent consumer detriment
- Safeguard vulnerable adults from financial abuse
- Support businesses by offering professional business advice and guidance, including Primary Authority Partnerships
- Inspect high risk businesses such as farms, food and feed producers, importers, wholesalers and retailers.
- Provide animal health and disease outbreak advice, guidance and intervention where necessary
- Carry out regular market surveillance, such as at Kent ports, markets and boot fairs, to prevent unsafe or illegal products entering the market
- Reduce illegal sale of tobacco and alcohol to children and young people as well as reduce access to illegal tobacco.

2.4 In the past few years, Trading Standards Services across the country have seen an increase in statutory responsibilities placed on them by Government far beyond their original Weights and Measures Department origins.

2.5 The profession is now dealing with more serious organised crime, seeing an increase in the complexity of legislation covering sectors such as food, feed and safety standards, while also having additional burdens placed on it in new subject areas such as energy performance of buildings and carrier bags.

2.6 At the same time, the budgets for Trading Standards have reduced. As such, KCC's Trading Standards Service has had to become increasingly innovative in the approach it has taken to deliver its statutory duties, becoming more efficient on the one hand, whilst recovering costs where possible, on the other.

2.7 In addition, the service has become fully intelligence-led, meaning that work is directed by the Public Protection Intelligence Team, who provide intelligence profiles on individuals, businesses and practices for effective targeting of resources where they are needed most, in line with the service's priorities.

3. Outcomes for 2017

3.1 The main achievements in 2017 included:

- £1.8m criminality investigated since April 2017, in areas such as illicit tobacco, and doorstep crime, with 86 vulnerable victims supported by our Victim Safeguarding Officer, who's intervention stopped them losing a further £59,500
- £10m of counterfeit goods seized.
- 233 businesses received business advice, which includes over 40 Primary Authority Partnerships (PAPs)
- 260 high risk food, feed and farm premises visited, and 350 samples taken during our retail surveillance program (analysed by Kent Scientific Services)
- 27 separate imports dealt with at Dover and Eurotunnel, consisting of over 61,000 individual products, worth over £500,000 between April and December 2017

- 20 investigations carried out into illegal landings, where importers attempt to smuggle “pets” into the UK risking the spread of rabies.
- 33 premises visited, seizing 129,198 cigarettes (retail value £49,000) and 23.4 Kg of hand rolling tobacco (retail value £9,360), along with 6.5 Kg of illegal chewing tobacco, during the two week-long Public Health funded tobacco roadshows in Ashford and Gravesend.

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

4. Opportunities and Challenges 2018 and Beyond

4.1 Looking forward, the service faces several opportunities and challenges, which are explored in more detail in this section.

4.2 Funding

4.2.1 In recent years, the service has successfully developed several income streams which effectively enable the service to recover costs from a range of services that it provides. This includes charging for business advice and training, Primary Authority Partnerships (need to explain what this is), environmental surveys, and selling financial investigation services to other Local Authorities.

4.2.2 However, the service is constrained in the extent to which it can charge for services. Legislation dictates that charging for many services can only be carried out on a cost recovery basis, not at a profit.

4.2.3 The service is looking at a variety of ways of building on those income streams from which it can legitimately recover costs, whilst looking to attract Government funding for other aspects of the service’s work where it can make a robust business case. For instance, the service is engaging with Government to attract more funding from National Trading Standards for investigations that have a Regional or National impact.

4.2.4 However, grant funding is also subject to Governments’ own expenditure cuts and cannot be guaranteed, notably feed sampling work, funded by the Food Standards Agency, may be further reduced which would impact on delivery of feed sampling.

4.3 Increasing partnership and cross-KCC working

4.3.1 The Service is working in greater collaboration both within KCC and with external partners.

4.3.2 The Service is currently engaged in a project to look at ways that all County Council criminal investigation functions can be conducted in a more collaborative, intelligence led, and outcome focussed manner.

4.3.3 Trading Standards is also playing an active role in developing its involvement with the Partnership which includes Kent Police, HMRC, Community Safety and others, set up to tackle Organised Crime Groups in Kent.

4.3.4 The Service will be working with Charities over the next year to increase the support for vulnerable adult victims of financial abuse.

4.4 Developing further the offer and customer base for business support services

4.4.1 The Business Advice and Support Partnership (BAASP) is a partnership of trading standards services in the county councils of East Sussex, West Sussex, Kent and Hampshire as well as Slough Borough Council Trading Standards Services.

4.4.2 These five trading standards services are working together to provide paid for business support services across their combined Authority areas and beyond where business chose to buy these services. By collaborating, the Partnership can present the largest geographical coverage for a Local Authority business advice service in the regulatory sector.

4.4.3 The Partnership will benefit from economies of scale and improved resilience. Specialist advice will be provided through the increased capacity that the combined services can provide which is better able to meet complex challenges, and the needs of a diverse range of businesses, without the training costs for each individual Local Authority. This will provide potential to increase income through paid for services, as each service will be able to offer services that they could not support on their own.

4.5 Working with Government and local partners to help shape and communicate arrangements for post-Brexit borders and trading standards

4.5.1 As Trading Standards is required to inspect consumer products for market surveillance at the Ports, the changes to Kent's borders and the way in which the national Government regulates imports and exports more generally will have a major impact on the work of the team.

4.5.2 As such, the Trading Standards team is engaging with the Government in a number of forums, including an officer-level steering group with civil servants on the impact of Brexit on Kent's borders, and with National Trading Standards on the impact such changes could have on the resourcing and operation of these services.

4.5.3 In addition, the Service will be working with businesses through its business support services to provide guidance with respect to any new arrangements which will emerge post-Brexit.

4.6 Developing further the preventative work of the service

4.6.1 Recognising the key role that Trading Standards plays in preventing a range of health and wellbeing issues across Kent's communities, the service will be building on its existing relationships with multi-agency partners.

4.6.2 With partners in Canterbury District, the service will look to launch the next Community Alcohol Partnerships (CAP) in Herne Bay in May/June 2018, and potentially Tonbridge later in the year.

- 4.6.3 Trading Standards, with Public Health, will continue to deliver tobacco education plays in schools, focus on smoking risk health awareness linked to pregnancy, and engage with more of the public at tobacco roadshows
- 4.6.4 Kent will also be leading nationally on vaping products with the creation of a new National Focus Group (supported by Department of Health) looking at liquid and device compliance.

4.7 Increasing Demands on the Service

- 4.7.1 The service is tackling increasingly more serious criminal activity resulting in longer investigations which in turn requires more resources. There is an opportunity to obtain national funding, which the Service will apply for when eligible. However, more cases will inevitably end up in the Crown Courts with associated costs including a longer court process, more hearings, expert costs, instructing counsel, more witnesses, all of which needs to be met from the budget. If successful, the Service can apply for costs from the defendant, but the court has to consider the defendants means, and meeting Court fines and compensation will be awarded before costs are paid to the service.
- 4.7.2 In October 2018, there is an 8-week fraud trial scheduled which will call 40 witnesses. This will be funded from the existing budget, which will create pressure on the service. Any costs awarded will not necessarily be received in the financial year, and will not be awarded if the defendant is imprisoned (defendant will have no means if immediately imprisoned).
- 4.7.3 With illegal landings, the service working alongside the Port of Dover Police and the Animal and Plant Health Agency (APHA) is responsible for enforcing the restrictions on the movement of animals (mainly pets) through the ports and Eurotunnel to prevent the spread of rabies. We are however, the sole agency responsible for dealing with suspect imported pets that have moved inland. With all quarantined animals the owner is responsible for paying all the costs, but Trading Standards has to pay these upfront to ensure the animals are kennelled, they will then recover these from the owner. There is a current project with the Dogs Trust where they pay for the quarantine fees and the vaccination of the puppies, where the owner has abandoned them, which the Dogs Trust will rehome, rather than having them destroyed. Hundreds of puppies have been dealt with under this project in the last two years. If the APHA does not formalise this project, and it stops, the costs identified would pass back to Trading Standards and the enforcement work undertaken would substantially reduce, increasing disease risks.
- 4.7.4 As highlighted above the work at the Ports could be impacted by Brexit, with, potentially, a significant increase in the number of vehicles subject to inspection at Dover and Eurotunnel. This could increase Trading Standard's inspections, from 2 a month to around 2 a day (based on current figures), requiring more enforcement staff at the Ports, with increased costs of storage and legal processing, all of which will have to be paid by Trading Standards in the absence of any other funding.

5. Conclusions

- 5.1 Kent Trading Standards is a relatively small service but has a relatively significant impact at multiple levels, whether that is on individual businesses seeking help, on communities through CAPs, the region with projects such as the BAASP, or nationally as with at the service's input to national legislation and agendas such as Brexit.
- 5.2 Whilst the Trading Standards agenda is facing significant challenges in terms of increasing responsibility with no new resource and increasing income targets, the service remains proactive in sourcing income through business advice, Primary Authority work and grant funding, providing a service that is value for money.
- 5.3 It is in this context that the service is continuing to work to deliver its vision 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.

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 In 2017

8. Contact details

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APPENDIX. A

Overview of The Outcomes Achieved by Kent Trading Standards In 2017

Our Service priorities and their outcome are set out below.

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

- 17,500 assorted counterfeit goods were stopped at Dover in a shipment, worth over £7,000,000, and is currently under investigation
- 10,000 counterfeits worth £140,000, were seized from two targeted boot fair operations
- £1.8m criminality investigated since April, with ongoing investigations into letting agents, illicit tobacco, and doorstep crime.
- £25,000 received following confiscation proceedings by our Accredited Financial Investigators
- Established a working relationship with Kent Police Serious and Economic Crime Unit, with regular fortnightly meetings on investigations in fraud related matters. We are currently assisting them with doorstep crime investigations
- Received externally funded support from the National Trading Standards Tri-Regional Investigation Team in a large scale National investigation, providing us with an investigator, forensics, pre-charge Barristers advice and an expert for what??
- Part of the multi-agency group (including partners from Kent Police, HMRC, DWP, Border Force, and the Environment Agency) set up to tackle Organised Crime Groups in Kent.

Safeguard vulnerable adults from financial abuse

- 86 vulnerable victims who had been the subject of crime to the detriment of £1.3 million, have been supported by our Victim Safeguarding Officer, who's intervention stopped them losing a further £59,500
- Vulnerable victims safeguarded by installing call blockers and intruder deterrents, arranging for them to attend local clubs (combating social isolation), repairing bad workmanship, and referring to Social Services where necessary
- Provided educational presentations to wardens, care agencies and other groups.
- £9,800 bank loan deleted following intervention as it should have never been approved for a vulnerable adult

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

- 40 Primary Authority Partnerships (PAPs) in operation (including Brakes Bros; Consumer Codes for New Homes; Keel Toys; Plamil Foods; Shepherd Neame; British Constructional Steelwork Association (BCSA); Wahl) with 6 more awaiting approval from the Secretary of State
- Through PAP involvement with BCSA, Trading Standards Officer, Nathan Martin was invited by DCLG to Brussels to speak to 50 attendees at the European Advisory Committee on construction products.
- 233 businesses received business advice including chargeable tailored advice
- Established a one stop shop for food businesses in Kent wanting food advice through Primary Authority by partnering with Dartford and Sevenoaks Environmental Health Partnership.

- Worked towards the creation of the Business Advice and Support Partnership (BAASP) bringing together five Local Authorities (East Sussex, Hampshire, Slough, West Sussex and Kent) with the aim to provide a high quality, good value business support service to local businesses and beyond.

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

- 190 high risk farms and feed premises visited, of which 60 were non-compliant.
- 350 samples taken during our retail surveillance program in identified areas, and analysed through Kent Scientific Services.
- 70 high risk food premises visited to carry out inspections and sampling, dealing with issues in over 25 of them.

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

- 20 investigations carried out into illegal landings, where importers attempt to smuggle “pets” into the UK risking the spread of rabies.
- £200 fine and £2,689.66 costs for quarantine imposed on a person found guilty of illegally landing 4 Pug puppies hidden in the rear foot well that were not microchipped, vaccinated against rabies and did not have pet passports.
- Worked with Kent Resilience Team and others in KCC to develop an e-learning package on notifiable diseases and a series of video shorts for public messages in event of a disease outbreak
- Prepared for Avian Flu, ensuring poultry keepers were aware of the protection zone and the requirement to keep flocks inside
- Dealt with issues of animal by-products in food waste being fed to pigs. Unauthorised food waste poses a serious disease risk, and the result was that 3 farms were shut down (one in Norfolk) for 2-3 weeks until all feed was removed.

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

- 27 separate imports dealt with at Dover and Eurotunnel, consisting of over 61,000 individual products, worth over £500,000 dealt with between April and December 2017
- Visit from National Trading Standards to see the unique and efficient way we carry out import control work at Dover. Thanks for the work of the team was sent to Paul Carter, Barbara Cooper and Katie Stewart.
- Responded to the Government Paper on Import Controls after Brexit, meeting with HMRC and BEIS in relation to the impact and unique position of Kent. We are now working with Government Departments on the future impact and resilience of market surveillance and consumer protection
- Involved with the developing the new targeting system for inbound freight at Dover, working with UKBF and National Trading Standards
- 77 high risk explosive licensed premises storing fireworks visited in the 3-week firework season, 44 of which were non-compliant
- £12,000 fine and cost of £2605 awarded against Hardy & Hardy Ltd who pleaded guilty to storing fireworks without a licence and having no appropriate measures to prevent or limit the extent of fire or explosion.

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

- Our project officer, part funded by Public Health, established 2 new Community Alcohol Partnerships (CAPs) in Ramsgate and Broadstairs
- CAP National Award for Outstanding Contribution to Community Alcohol Partnerships was given to the project officer, Neil Butcher, for his work in Thanet.
- Prosecuted Capital Express for a “devious” alcohol sale to a 15-year-old resulting in £1,500 fine £2,400 cost, followed by a licence revocation for the premises
- 100,000 hand rolling tobacco pouches and associated materials used for counterfeiting valued at £2,000,000 seized, working with UK Border Force at Dover
- 33 premises visited, seizing 129,198 cigarettes (retail value £49,000) and 23.4 Kg of hand rolling tobacco (retail value £9,360), along with 6.5 Kg of illegal chewing tobacco, during the two week-long, Public Health funded tobacco roadshows in Ashford and Gravesend.
- Delivered a tobacco project for Public Health on raising awareness of illegal tobacco to primary and secondary schools using a theatre production company, running tobacco roadshows with tobacco detection dogs, and, in Smoke Free Zones, using a street stencil at Schools, Hospitals and places of work.
- 20 samples of vape liquids tested as part of a Department of Health project to analyse their safety.

Trading Standards Legal Team

- Having our own internal Legal Officers has saved us significant costs (at least £80,000 based on 2015-16 figures) and has made us more effective
- 120 witnesses for just 3 cases dealt with by our Case Support Officer who oversees witness care, which is vital with the increasingly complex cases
- £67,000 in costs awarded after we applied for contempt of court, following a convicted criminal's attempt to avoid paying costs.
- 100 non-compliant Hover Boards worth £20,000 forfeited after papers were served on the manufacturers in Hong Kong, following discussions with the Home Office International Criminality Unit and the Royal Court of Justice
- We are members of the courts user group, and have established a live link with the courts to allow us uniquely, to make RIPA and Warrant application remotely without travelling to court, saving time and money.