

5 September 2019**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES****UPDATE ON KEY TRADING STANDARDS AND COMMUNITIES MATTERS****Purpose of the Report**

1. To update the Committee on key Trading Standards and Communities matters, including progress to raise additional income in the Service.
2. Ratify the update given regarding the progress of raising additional income in the Service.
3. To seek approval for decisions on 2 Local Improvement Scheme 2019/20 Capital applications.
4. To approve the opening of a new capital funding round for 2020/21 in November 2019.

Information**TRADING STANDARDS**

5. **Nominated Neighbour** – In May, Officers from the County Council, Nottinghamshire Police and Rushcliffe Borough Council came together to visit residents in a supported living complex in West Bridgford.
6. The Nominated Neighbour Scheme was implemented in 27 properties, with the Scheme Manager taking the role as the Nominated Neighbour. The scheme helps protect more vulnerable residents from unwanted doorstep callers. Residents were also given advice on wider crime prevention and scams avoidance.
7. **Doorstep Crime** - In 2017, a recently widowed Bassetlaw man in his 80's became the victim of doorstep criminals. The resident was deceived into withdrawing £24,500 from his bank to pay over. An Officer assisted the resident at the time and put measures in place to ensure he did not become victim again.
8. A complaint was made to the Financial Ombudsman Service regarding the bank processes which allowed the victim to withdraw £25,000 in two months which was very unusual and should have raised suspicions.
9. Once the bank did realise what might be happening, they called the Police and Trading Standards and stopped any further loss. After a lengthy case, in the Ombudsman recently decided that the bank should refund the victim £24,500. This will have a huge impact on the resident's quality of life, following what was a very distressing incident.

10. **Illicit Tobacco** – Officers continue to apprehend those individuals who sell and distribute illicit tobacco products.
11. A long-standing investigation regarding a Mansfield shop recently employed a directed surveillance operation. Evidence obtained supported the suspicion of a criminal conspiracy involving four persons and resulted in the interception of a delivery of illicit products into the County.
12. Working with Police and HM Revenue and Customs, £9,030 of illicit product was seized, plus a vehicle which will be the subject of a forfeiture order. Three persons have been interviewed with regards to criminal conspiracy. The fourth has left the area and has been flagged as wanted on national Police systems.
13. A complaint was recently received of illegal tobacco sales in Worksop. Our officers supported by the Police located a male conveying tobacco from a car to the shop. He was arrested, and £1,400 in cash seized, which has been authorised by Magistrates to be retained. £3,540 worth of counterfeit tobacco product was also seized. The male has been interviewed.
14. Following a prolonged period of disrupting the sales from a shop in Stapleford, which culminated in several prosecutions, the shop now remains closed and the individuals have ceased offending in Nottinghamshire. Officers continue to monitor the situation.
15. **Illicit Tobacco – Repeat Offending** – In response to a previous Committee question, some individuals can be victims themselves, having been targeted by organised crime groups exploiting the fact that they have no right to work in the UK due to their immigration status. These individuals are making little to no personal financial gain from the criminal activity. Some individuals are modern day slavery victims.
16. The main offenders are often difficult to trace due to the tactics they employ. Trading Standards do work closely with the Police, HMRC and other local authorities to share intelligence, and develop new tactics to identify and apprehend those ultimately responsible, as illustrated in the Mansfield and Stapleford shops cases above.
17. The Service also targets the owners of premises being used for illegal activity, for example by working with District Councils on closure orders, or by reminding owners of Money Laundering provisions.
18. **E-cigarettes** – officers have previously worked with e-cigarette manufacturers ensuring that they were fully aware of legislative requirements and have previously been part of an Office of Product Safety & Standards (OPSS) project, visiting numerous e-cigarette sellers to check compliance.
19. All complaints and intelligence reports received are reviewed and acted upon on a case by case basis. Trading Standards also works with any on-line selling companies to ensure that unsafe products are removed from the marketplace.
20. **Animal Health** – In June, representatives of the Thailand Department of Livestock Development (DLD), were invited by DEFRA, to visit the UK to examine the production chain of rendered animal by-products, with a view to opening trade routes in associated products.

21. Included in their itinerary was a visit to a Nottinghamshire plant. An Officer supported DEFRA during their visit to the plant. As part of their response DLD said that they were confident of the risk controls in place, giving added assurance to the product.
22. A Northamptonshire farmer has been prosecuted for repeated disease control breaches, including illegal sheep movements to Newark Livestock Market. Our staff assisted Northamptonshire Trading Standards in gathering the evidence. Livestock keepers are responsible for ensuring that they move their livestock according to the requirements - failure to do so puts all livestock at risk from serious diseases such as foot and mouth.
23. **Income update:** The Service is currently on target to meet its income target for 2019-20, with £250k secured as at end of July, slightly ahead of profile. The Service is confident it will exceed the annual target of £729k for 2019-20.
24. Officers continue to work with Rushcliffe Borough Council to provide businesses with a single point of access to Primary Authority regulatory advice and support. The Service intends to extend this offer by linking with other regulatory services such as Fire & Rescue.
25. To cater for businesses affected by Welsh regulatory responsibilities, officers are in discussion with several Welsh authorities to establish a seamless single point of contact for businesses through the Primary Authority Partnership (PAP) scheme.
26. Trading Standards has been working with one of its Co-ordinated PAP's involved in flame retardancy of textiles, to help devise an auditable industry standard for their members'. We have embarked on a series of trial audits of some business within the association to test out the effectiveness of the standard.
27. The aim is to have a finalised standard that all members of the association can work to and be measured against, giving confidence to their clients that they are dealing with a company that is working to the high standards required.
28. The Service has recently made proposals for partnerships with two separate associations that represent manufacturers and fitters within the kitchen and bathroom industry. It is hoped that by the time that this Committee meeting, that these associations will be formally recognised as Co-ordinated PAPs on the official Office of Product Safety & Standards (OPSS) PAP register.
29. **Food Standards Agency Regulating Our Future Program:** officers recently met representatives from the Food Standards Agency (FSA) who came to see how the Service used an intelligence-led approach, using the Management of Risk in Law Enforcement (MoRiLE) based scoring system, to help assist it in deploying limited resource based on prioritised risk.
30. The FSA are looking at whether they could use such a system to produce national priorities which are ultimately disseminated to shape the work of Trading Standards and Environmental Health Services. This work forms part of the Regulating our Future (RoF) program which is the FSA national strategic review programme to modernise the way food businesses are regulated.

31. Other developments within the RoF program, is an online registration system for Food Business Operator (FBO) premises and reviewing the various recognised premise risk-based assessments that authorities use to devise inspection programs. The aim of the new business risking system is to create a single more appropriate system that everyone can use.
32. The new system will create a uniformity of approach based more on the actual risk of the business activity as opposed to simple premise type. It will consider local knowledge and confidence in the management systems that are in place at a business. It will also be aimed at being flexible to changes in technologies and markets that may affect the level of risk in a particular food product or market sector.
33. **Takeaway Foods - Allergens** - recent well publicised tragic cases have highlighted the vital importance of takeaway food suppliers providing accurate information to customers about allergens within the meals provided.
34. Trading Standards and Environmental Health Services work together to enforce these key requirements to protect residents who have severe allergies to ingredients such as peanuts, mustard and egg. To assess the level of compliance, officers conducted a survey at 21 selected takeaway premises.
35. Posing as customers, officers requested certain meals declaring that they needed to avoid a specific allergen due to a severe allergy. 8 out of the 21 businesses refused the order, as they advised that the meal requested either contained or could contain traces of the specific allergen.
36. 13 businesses provided the requested meals, which were subsequently sampled and submitted for analysis to test for presence of the allergen. Issues were identified with some of the 13 premises who sold a meal. Enforcement activity is ongoing with the businesses involved to secure future compliance.
37. **Proceeds of Crime incentivisation** – through successful asset recoveries, the Authority currently has a balance of £142k of recovered criminal assets.
38. As the Committee will be aware, when a crime has been committed and a financial investigation is undertaken, a figure will be calculated representing the amount of money that the criminal can be shown to have 'benefitted' from his or her crime. The financial investigation then identifies how much of this benefit figure remains available.
39. The Court will usually make a confiscation order for the recovery of that available (remaining) amount. This figure is usually significantly lower than the benefit figure.
40. The Court can also order how any recovered funds are used. Generally, where victims are identified in a case, the Court will order that the funds recovered are first used to compensate victims for their losses. Where there are no identified victims, or where the recovered amount exceeds the losses of victims, the remaining balance is paid to the Home Office.
41. The Home Office keeps 50% of the amount recovered after victims have been compensated, but then splits the remaining 50% between the Prosecutor, the Financial Investigation agency, and Her Majesty's Courts Service. Because the County Council both prosecutes and undertakes the financial investigation, it receives 37.5%.

42. Once a benefit figure has been calculated and an order made for a lower amount, Investigators will revisit the order over time to assess the level of available assets the criminal has. Where new assets can be identified, they can also be subsequently be recovered until the full value of criminal benefit is met.
43. The £142k currently held therefore only represents a very small proportion of the criminal property identified and recovered by Trading Standards investigations. Financial investigations and asset recoveries remain a very potent weapon in ensuring crime does not pay, by compensating victims and putting the criminal's funds into the criminal justice system.
44. Incentivisation funds received by the Council are restricted use and can only be used for crime and disorder reduction. The existing balance of £142k will therefore be used to contribute towards the salaries, professional accreditation, and ongoing training of our 3 Accredited Financial Investigators.
45. **Regional Investigations Team (RIT) - Operation Comfort - Crown Court Trial.** On 25th March, the trial commenced into an organised group responsible for targeting small businesses. The group promised businesses the recovery of overpayments and VAT from UK energy suppliers, but these recoveries never occurred. The fraud is estimated to have netted the group in the region of £2.6m.
46. 11 defendants were brought before the Court. Following a challenging 15-week trial, 4 defendants were found guilty of charges of Conspiracy to Commit Fraud, and Fraudulent Trading. One defendant was severed from the trial, to face trial later in the year.
47. A Proceeds of Crime investigation has been running alongside the substantive criminal investigation, and restraint orders on key assets are in place in relation to relevant defendants.
48. Having attended throughout the trial, the key defendant failed to appear to hear the jury's verdict. His whereabouts remain unknown. An arrest warrant has been issued.
49. Sentencing will take place at the Nottingham Crown Court on 30th August.
50. **Legal Update - Doorstep Crime** – James Eaton pleaded guilty at Nottingham Crown Court on the 21 Jan 19 to 7 counts of fraud for false representations and poor-quality work carried out at vulnerable victims' properties. He was sentenced on the 30 May 2019 to 2 years and 4 months in prison. A proceeds of crime investigation has now commenced.
51. A further defendant has been charged with fraud offences for making false representations to customers about building work. He appeared in Crown Court in November 2018 and pleaded not guilty to 8 counts. His trial is listed for the 7th December 2019.
52. **Animal Health** – A man has been charged with the illegal landing of a puppy. He was due to appear in the magistrate's court on the 18th January 2019, failed to attend, and an arrest has been issued. He is charged with offences under the Rabies Act and fraud.
53. A Lincolnshire farmer has been charged with theft of sheep, animal by product breaches, and failure to maintain records of animal movements. He has pleaded not guilty and his trial has been put back until March 2020

COMMUNITIES

54. **Local Improvement Scheme – Capital 2019/20.** Two further applications received have now been evaluated. Committee are asked to approve the following decisions:

- a. **Scrooby Parish Council** – approve the award of £1,000 to create and install a Pilgrim Fathers interpretation panel in the Old Vicarage, Chapel Lane.
- a. **Nottinghamshire Wildlife Trust** – not approve the funding requested as it does not sufficiently meet Council priorities, and alternative funding sources are available.

55. **Capital Fund - 2020/21** Committee are further asked to approve the opening of a new capital funding round for 2020/21 in November 2019. The scheme is currently being reviewed following learning from previous rounds.

Other Options Considered

56. **Local Improvement Scheme – Capital Fund 2019/20** - All applications received have undergone the Council's assessment and moderation process.

Reason/s for Recommendation/s

57. **Local Improvement Scheme – Capital Fund 2019/20** - The applications recommended meet the published criteria and priorities for the Local Improvement Scheme Capital fund 2019-20 and therefore contribute to the strategic priorities of the County Council and have the support of a relevant County Councillor.

Statutory and Policy Implications

58. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

59. **Local Improvement Scheme – Capital Fund 2019/20** The Fund has been administered in line with the General Data Protection Regulation (GDPR). The Nottinghamshire County Council Local Improvement Scheme Privacy Notice (as published on the Council's website), explains how the Council uses information about grant applicants and how we protect their privacy. As part of the application form, applicants were asked to confirm that they have read and accept the Local Improvement Scheme Privacy Notice.

Financial Implications

60. **Additional Income** – The Service is on track to exceed the target set for 2019-20, with £250k secured for the period to the end of July, ahead of profile.

61. **Proceeds of Crime incentivisation** – a balance of £142k of recovered criminal assets is currently held in a restricted use reserve that can be used by the County Council.

62. **Local Improvement Scheme – Capital Fund 2019/20** – the two applications under consideration can be met from the balance on this year's Capital Fund. The 2019-20 LIS programme which totals £1.332m is already approved within the Communities and Place capital programme.

RECOMMENDATION/S

That the committee:

- 1) Ratifies the updates given regarding Trading Standards and Communities matters;
- 2) Ratifies the update given regarding the progress of raising additional income in the Service; and
- 3) Approves the two decisions regarding Local Improvement Scheme 2019/20 Capital Applications as set out in the body of the report.
- 4) Approves the opening of a new capital funding round for 2020/21 in November 2019

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact: Mark Walker, Group Manager Trading Standards & Communities, Tel: 0115 977 2173

Constitutional Comments (KK 29/07/2019)

63. The proposals in this report are within the remit of the Communities & Place Committee.

Financial Comments (SES 01/08/2019)

64. The financial implications are set out in paragraphs 64 -66 of the report. The net budget for the Trading Standards service in 2019/20 is £932,000. A further £142,000 following the Proceeds of Crime Act for the use of NCC is held in a reserve.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All