

June 2016

Agenda Item: 7

REPORT OF THE SERVICE DIRECTOR SOUTH NOTTINGHAMSHIRE AND PUBLIC PROTECTION.

UPDATE ON KEY TRADING STANDARDS MATTERS

Purpose of the Report

1. To update the Committee on key Trading Standards matters.

Information and Advice

2. **Food Standards Agency's (FSA) Strategic Review to Regulating Food Businesses –**
The FSA launched a strategic review of the way that food businesses are regulated, at its Board Meeting in January. The review, billed as a radical one, represents a very significant moment in UK food regulation, and could have significant implications on the work of the service going forward.
3. The review launch was followed up with a number of events throughout the country. The aim of the events were to put the five guiding principles that support the review to the Local Authority regulators and to seek their views on how it should be taken forward. The five key principles are:
 - *Business Transparency:* This is essential in building and maintaining confidence in the industry
 - *Proportionate Enforcement:* There is enormous variation in food businesses, in their size, the type of food they produce, the processes they use, and their attitude to food safety and authenticity. They therefore need differing levels of support, and different levels of scrutiny, and as such the FSA are considering how to segment businesses. To do this there is a need for good quality, up to date information about them.
 - *Clearer Picture Better Decisions:* There is a wealth of information concerning food businesses that could be used to build a better picture of business behaviour. The aim is to use this information which will come from improvements in registration of businesses, industries own data and other sources such as consumers. The FSA will be looking to fill in any gaps and not repeat the work of others.
 - *Aligning Incentives:* Business that do the right thing and are compliant should be rewarded through less regulatory burden from the regulators i.e. a risk based approach through earned recognition.

- *Fairer Funding*: Businesses should be willing to meet the cost of regulation with those that are less compliant paying more.
4. The FSA has now collated all the feedback from those events and have put together a blueprint of an overarching future model. This was put to the FSA Board on the 18 May. This model will form the basis of the next stage of engagement, along with testing and piloting the approach.
 5. The overarching model has four phases to it:
 - *Set-up*: To enable the businesses to understand the expected standards and to ensure that all the information held about a business is up to date.
 - *Segmentation*: To devise a risk based categorisation of businesses based on the size of business, their systems, and the type of product they are selling/producing.
 - *Assurance*: This will be different for different businesses, but will be a system by which the businesses evidence compliance with the standards the FSA has set. Some of this will be by 3rd party audit, and some through regulatory visits.
 - *Intervention*: Where a business is not meeting the required standards or level of performance there will need to be some intervention to modify their behaviour. The FSA will be reviewing the sanctions that are available to ensure that they are suitable to tackle non-compliances effectively and swiftly.
 6. The overarching model has been subdivided into two models, one for big businesses, and one for small and medium Enterprises (SME's). The models use the phases above in a format tailored to the type of business. For example, for SME's, there is more of an emphasis on the set-up phase i.e. concentrating advice during the pre-trading part of the cycle.
 7. As the review is at a very early stage in its development, the detailed impact on the way that Trading Standards would deliver its obligations as a food regulatory body is unknown. The FSA are promoting this review as one that will deliver a radical change in how food businesses are regulated in order to ensure the production and sale of "food we can trust". We will keep the Committee abreast of developments.
 8. **Illicit Tobacco** - The Standardised Packaging of Tobacco Products Regulations 2015 came into force on 20th May 2016, affecting both cigarettes and hand rolling tobacco products. At the present time, it is difficult to predict with certainty how this will affect the supply of illicit tobacco, due to the 1 year transitional period that allows businesses to dispose of non-conforming stock.
 9. Experience suggests that perpetrators selling illicit tobacco products respond to such changes, and once illicit tobacco is sold in standardised packaging, this will make identifying illicit products more challenging. There will eventually be a security method of identifying illicit products, which is still under development (waiting for manufacturers to

provide). One potential fear is that there may be a flood in the market of illicit tobacco if illicit suppliers identify a need to get rid of their stock in a hurry.

10. The new Regulations will also have an impact on the offences which Trading Standards can pursue; the pictorial warning has been standardised, and it is expected the counterfeiters will have this design replicated quickly and accurately, thus reducing the frequency of this offence. However the team are working closely with Public Health and other partners to ensure that the team is able to identify and adapt as the marketplace changes.

11. Officers continue to work closely with Public Health, the Police and other Local Authorities. It is recognised that illicit tobacco supplies are used by Organised Criminal Gangs. The Service is currently working with partners in looking at the 'bigger picture' of the criminal aspect of illicit tobacco and developing tactics to tackle this. The intelligence officer continues to work with our officers and PC Richard Cornell by linking the intelligence and where best to place resources for tackling shops both in Nottinghamshire and regionally.

12. **Safeguarding the Vulnerable** – the Service continues to intervene to protect our more vulnerable residents:

- A meeting has been held with the Royal Bank of Scotland (RBS) to find out how we can work together to protect vulnerable adults. The meeting was very useful for both Trading Standards and the RBS. Officers now have a named contact to ring with any concerns about a vulnerable person who has an RBS account. A similar arrangement has been set up with Nat West Bank, and also Nottingham Building Society. These details have been shared with the County Council's Client Finance team and some social worker teams.
- Barclays Bank have invited Nottinghamshire Trading Standards to give a presentation around their work on scams and doorstep crime at a regional meeting of branch managers on 22nd June. Following the presentation, information will then be shared with Trading Standards colleagues in the East Midlands region and also with social care colleagues.
- Officers continue to raise awareness of the benefits of multi-agency scams prevention work by giving presentations at a number of partner agency meetings including the county council's START teams, the new Connect services and the Nottinghamshire Safeguarding Adults Board Partnership meeting. Joint working continues with the County Council's Client Finance team to protect the finances of vulnerable scam victims. Discussions are being held with Nottinghamshire Fire and Rescue with regards to supporting their Safe and Well Checks.
- Trading Standards currently has a Police Community Support Officer (PCSO) seconded to the Service for 6 months to assist with scams prevention work. The secondment is funded from Community Safety initiatives funding. A visit by the PCSO to a Hucknall address recently resulted in 25kg of scam mail being removed from the vulnerable residents' kitchen. Some of the post was quite old, dating back to 2003, while other post was found to be more recent. The husband and wife, both in their 70s, had recently had to deal with the death of their son. Many of the letters received were from psychics and clairvoyants, which were preying on their vulnerability.

Officers are considering referring the couple to Connect and for bereavement counselling.

13. **Animal Health – Newark Livestock Market** – Trading Standards Officers are executing a 6 week plan of action at the market to trace livestock to ensure that animal disease controls are working properly at a regional and national level. Officers will liaise closely with the Animal & Plant Health Agency (APHA) during the exercise, who have control over the market licence, and have asked for support.
14. Intelligence suggests that some animal keepers may not be observing the required 7 day standstill period. This exercise is designed to ensure that all appropriate legislation is fully complied with.
15. **Illegal Landings** - update training has been provided to all Trading Standards staff to ensure that the service is able to respond appropriately to any reports of illegally imported animals, as part of our disease contingency responses. It has been recognised that the incidence of illegal imports of animals (primarily cats and dogs) in the East Midlands is on the rise.
16. The Service will also be testing its animal disease contingency plans later this year, when it will invite key regional partners to take part in an animal disease contingency planning exercise.
17. **Explosives** – Trading Standards Officers are working with Bassetlaw District Council Environment Health regarding a car business in the area which requires an explosives licence in order to store a large number of airbag detonators. The work comes as a result of a UK national product recall. Trading Standards Officers are liaising with all relevant parties to ensure the detonators are stored safely, and to subsequently licence the premises.
18. **Regional “Scambusters” Team** - Operation Strut – On 26th April, as part of an ongoing investigation into the activities of a Leicester City based second hand car business, a day of enforcement coordinated by the team resulted in the arrest of 4 individuals.
19. The investigation commenced following a significant number of complaints that customers had purchased defective and in some cases dangerous vehicles from the dealer. During sales customers were also offered or sold worthless warranties. Often when customers tried to return the vehicles to the seller they have been met with a denial that the fault exists or refusals to rectify the fault. On occasions threats have been made to returning purchasers.
20. The execution of entry warrants at 5 Leicester addresses involved officers from East Midlands Trading Standards Services, the Police East Midlands Special Operations Unit (EMSOU), Northamptonshire, Leicestershire, Lincolnshire, and Nottinghamshire Police Forces, the National Crime Agency and the Driver and Vehicle Standards Agency (DVSA).
21. The investigation into these fraudulent activities continues, which may result in further arrests.

22. Operations Summit and Spinnaker – members will recall that these two investigations have been before the Crown Court. Both cases were due to be sentenced during May but due to the non-availability of some parties these hearings have not taken place
23. A new date for the sentencing of Gareth Bryan and Martin Jacks (Op Summit) who were responsible for a large roof coating/ building work fraud that targeted the elderly and vulnerable with victims spread across the East Midlands and wider has now been set for 16th June 2016.
24. The sentencing of the 10 individuals involved in the fraudulent publishing investigation Operation Spinnaker has been now set for the 27th and 28th October 2016.
25. **Legal Action Update** - Eight defendants pleaded guilty in the Nottingham Crown Court to a number of different charges under the Fraud Act 2006, the Companies Act 2006 and the Legal Service Act 2007. The eight were found to be mis-selling trust documents to older and vulnerable adults, alleging that the documents would ring fence their properties against having to pay for care home fees.
26. Sentencing of the eight was on the 13th and 15th of May 2015. The three main defendants were given prison sentences, one to four and a half years, and two to four years. The so called legal consultant and four salespeople were given suspended prison sentences, they were ordered to complete unpaid work all of 200 hours and one individual was given a curfew order for six months. A Proceeds of Crime hearing has been listed for the 6th and 7th October 2016.
27. At a Hearing of Ashfield District Council's Licensing Sub-committee on the 12th August 2015, a decision was made to revoke the alcohol licence for Biedronka, 8-10 Outram Street, Sutton in Ashfield. The review was brought by Nottinghamshire County Council Trading Standards Service. It followed a seizure of counterfeit tobacco, and a previous licence review relating to illicit tobacco, where conditions were imposed on the licence that no illicit, counterfeit or illegal goods should be present or stored at the premises. The company were appealing the decision, but have now withdrawn their application.
28. Paul and Peter Dye appeared in the Nottingham Crown court on the 25th August 2015. They pleaded guilty to the sale of illicit tobacco in shops at Stapleford and Netherfield on two separate occasions. Peter Dye was sentenced to 12 months in prison, and Paul Dye to 2 years in prison. On 22nd December 2015, a Confiscation Order was granted in relation to Mr Paul Dye. It was declared that Paul Dye had benefited from his criminality amounting to £42,942.75 and he was ordered to pay £11,000.10 within 28 days or face a default prison sentence of 8 months. Peter Dye's Proceeds of Crime case will be heard on the 21st July 2016
29. Murwan Muhamed of the Famous Shop, Eastwood pleaded not guilty to charges at the Nottingham Magistrates Court on the 5th November 2015, and is now due for trial on the 8th June 2016 at the Nottingham Magistrates Court. He is charged with the possession of illicit and dangerous cigarettes. The delay with this case is with the legal aid funding. This is currently the third person to have been prosecuted for these types of offences operating from this same shop.

30. This is the first time Mr Muhammed has been dealt with by Nottinghamshire Trading Standards Service, previous defendants are Baba Mirza, fined £240 with £333 costs, Azad Abdulla, fined £1030 with £333 costs, and Mr Amir Ahmadi who has been prosecuted by the service on two occasions, on the first occasion he was fined £360 with £333 costs and on the second occasion he was given 120 hours unpaid work with £350 costs and he was required to undertake a rehabilitation activity. On the 16th June 2016, a further defendant Mr Rekant Osman, found in possession of dangerous cigarettes at this premise, is also now due to appear in the Nottingham Magistrates Court.
31. On the 5th December 2015 Afsana Ahmed of Sutton Mini Market, Sutton in Ashfield was in the Nottingham Crown Court, following charges of supply of illicit and dangerous cigarettes. He pleaded guilty to the charges, he was sentenced to 10.5 months in prison. A POCA hearing is listed for the 17th June 2016. There have currently been two other defendants prosecuted for similar offences from the same shop, these being Omid Khoshaab, he was caught twice in the shop and was given £100 fine and £120 costs, Mr Bilind Ahmed who again was caught twice was given £240 fine and £100 costs. Mr Osmany also of the Sutton Mini market, pleaded not guilty to charges at the Mansfield Magistrates Court on the 23 February 2016 he is due for trial on the 3rd June 2016. He is charged with the possession of illicit and dangerous cigarettes.
32. Mr Hosmand Zada and Mr Edris Zadeh from Biedronka at Sutton in Ashfield appeared in the Mansfield Magistrates court initially on the 21st August 2015. They were charged with sale and possession of illicit cigarettes and tobacco. Mr Zada pleaded guilty on the 8th September 2015 and was given 60 hours unpaid work. Mr Zadeh was sent to the Crown Court and appeared on the 25th January 2016, he pleaded guilty to the charges and was sentenced to 9 months in prison, a POCA hearing is listed for the 15th June 2016. Mr Hosmand Zada was further prosecuted for similar offences on the 23rd February 2016, he received a custodial sentence of 8 weeks suspended for 12 months and had to complete a further 60 hours unpaid work and costs of £600. We have previously prosecuted Adam Barzani from the same shop he was fined £900 with £460 costs.
33. Luqman Ahmed and Nicheer Taha of Kubus Mini Market, Worksop, appeared in the Mansfield Magistrates court on the 1st October 2015 charged with the possession of counterfeit cigarettes. They were found with over 1000 packets of illicit cigarettes. Three brands of which have found to be unsafe in that they will not self-extinguish if left unattended. Their case was sent to the Crown Court and a plea and case management hearing was heard on the 5th December 2015. Mr Taha has pleaded not guilty to the charges and Mr Ahmed has pleaded to some offences but is due to go to trial in August of 2016 for the remaining charges. Mr Luqman Ahmed has been prosecuted by Trading Standards in the past along with his brother Sam Ahmed, Luqman Ahmed was fined £100 and £60 costs and Sam Ahmed £200 fine with £260 costs.
34. On the 13th April 2016, Mr Alizadeh and Mr Saidi of Outram General Stores Sutton in Ashfield appeared in the Mansfield Magistrates court, they were charged with the possession of dangerous and counterfeit cigarettes. Mr Alizadeh pleaded guilty to the charges and was given 80 hours unpaid work with £470 costs. Mr Saidi pleaded not guilty and is listed for trial on the 27th June 2016. In the previous 12 months Trading Standards have prosecuted five other defendants connected with this shop. Mr Rassul who has been dealt with twice had a combined sentence of 180 hours unpaid work and £300 costs, Mr Kumal £165 fine and £50 costs, Mr Hussaini who has been caught twice was given 150

hours unpaid work and £800 costs, Mr Kheder 60 hours unpaid work and £200 costs and Mr Mohamed £360 fine and £220 costs.

35. On the 22nd April 2016 Mr Hassan, Mr Salah and Mr Kadir were arrested for the supply and possession of counterfeit and dangerous cigarettes. The supply is connected to the retail store Andrews News and Booze at Sutton in Ashfield. All three were sent to the Crown Court and appeared on the 23rd May. Mr Khadir pleaded guilty to the charges, whilst Hassan and Salah pleaded not guilty. A further hearing is listed for the 6th June and a trial date has been set for the 26th September 2016. Mr Salah had been previously dealt with by Trading Standards, selling dangerous cigarettes in the same shop he was given a 4 month suspended prison sentence with 130 hours unpaid work. Another defendant previously dealt with was Ms Rudminate and she was given a conditional discharge and costs of £190.
36. James Grozier of National Trade Windows is due for trial in the Northern Derbyshire Magistrates court on the 12th July 2016. Mr Grozier has been charged with Fraud offences and offences under the Consumer Protection from Unfair Trading Regulations. He has been taking deposits for work, namely replacement double glazed windows and then not completing the work or refunding the deposits. Mr Grozier has been prosecuted by this Service on two previous occasions for the same type of offences, he has been given a total of 392 hours unpaid work and ordered to pay compensation of £6935.
37. Sherzad Mohammad of Annesley Road Stores, Hucknall appeared in the Nottingham Magistrate's court on the 10th May 16 charged with the supply and possession of counterfeit and dangerous cigarettes. His case has been sent to the Crown court and he will appear on the 7th June 16. Annesley Road Stores is a new premise but Mr Mohammad is also charged with his involvement in Hucknall Mini Market. There have been a number of seizures and resulting prosecutions for Hucknall Mini Market including Aziz Hussain who was given 70 hours unpaid work and costs of £150, Soren Khder who was given £150 fine and £800 costs and Dana Mira who was given 100 hours unpaid work and £750 costs.

Other Options Considered

38. None

Reason/s for Recommendation/s

39. This is an information report

Statutory and Policy Implications

40. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

41. This report contains no additional financial implications, with activity reported or that proposed being contained within existing service budget.

RECOMMENDATION/S

1) It is recommended that the Community Safety Committee notes the updates from the previous meeting and the various developments in the areas of work contained in the report.

Paul McKay, Service Director, South Nottinghamshire & Public Protection.

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Constitutional Comments

As this report is for noting only, Constitutional Comments are not required

Financial Comments (AGW – 31/05/2016)

As noted in paragraph 41, there are no financial implications from this report.

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'