

Agenda 2: Minutes of the Council meeting on 7th April, 2017

British Hallmarking Council, 13th October 2017

BRITISH HALLMARKING COUNCIL

**Minutes of a meeting of the Council held at the London Assay Office,
Goldsmiths' Hall, Gutter Lane, London, EC2V 6BN, on Friday 7 April 2017 at
11a.m.**

PRESENT

Mr Christopher Jewitt (Outgoing Chairman)

Mr Noel Hunter (Incoming Chairman)

Mr Simon Batiste

Mr Malcolm Craig

Ms Louise Durose

Mr Robert Grice

Ms Kate Hartigan

Mr Peter Hayes

Mr Doug Henry

Mr Andrew Hinds

Ms Harriet Kelsall

Mr Michael King

Mr Tom Murray

Sir David Reddaway

Mr David Sanders

IN ATTENDANCE:

Mr Ashley Carson (Assay Master- Sheffield Assay Office (SAO))

Dr Robert Organ (Deputy Warden - London Assay Office (LAO))

Mr Richard Frewin, BEIS

Ms Sarah Smith, BEIS

Mr Scott Walter (Assay Master- Edinburgh Assay Office (EAO))

Ms Marion Wilson (Birmingham Assay Office (BAO))

Ms Geraldine Swanton (Outgoing Secretary)

Ms Katrina Ritters (Incoming Secretary)

1 APOLOGIES

Apologies were received from John Pearce, Neil Carson, Bryn Aldridge, Carol Brady, Helen Forder and John Stirling

2 DECLARATION OF INTERESTS AND UPDATED REGISTER OF INTERESTS

Katrina Ritters reported that she had received 11 responses to her request to members to update their Declaration of Interest forms, with 8 responses outstanding. The Chairman asked those who had not yet responded to do as soon as possible.

There were no declarations of interest declared in respect of this meeting.

3 PROCEDURE FOR MEETING (CHANGE OF CHAIRMAN)

The Chairman said that he would chair the meeting up to item 11 when he would formally hand over to the incoming Chairman.

4 MINUTES OF THE COUNCIL MEETING ON 10 OCTOBER 2017 AT SHEFFIELD ASSAY OFFICE

The minutes were agreed as a true and accurate record with the exception of a request by David Reddaway to change the wording on page 5 from 'acknowledged' to 'accepted'. This was agreed.

5 MATTERS ARISING

Members were updated on a number of enforcement activities they either knew of or had been directly involved in since the last meeting. These involved activities in Scotland, Northern Ireland and with e-Bay.

6 ANNUAL REPORT AND ACCOUNTS 2016

In introducing the accounts, the Chairman said that costs had risen since last year, with an additional £7,000 consumed with responses to enquiries from the public, particularly around overseas hallmarking. Costs were higher than in previous years but still less than £100,000.

The Chairman's report and accounts were agreed.

7 CHAIRMAN'S HONORARIUM

The meeting agreed that this should be increased to £18,000. Under BEIS rules the Chairman had to be part of the BEIS payroll and this would continue under the new Chairmanship.

8 LETTER FROM THE COUNCIL REGARDING BREXIT

This was noted.

9 BUSINESS IMPACT TARGET AND GROWTH DUTIES

A discussion took place on the above with most members expressing the view that the duties being placed both on the Council and the Assay Offices were onerous, impenetrable and non-productive.

Sarah Smith responded on behalf of BEIS to say that the Council was a creature of statute and a recognized enforcement agency, as were the AOs and therefore the rules and duties were still to be applied. The deadline for the BIT return was 28th April 2017.

Members responded by saying that we would not be public bodies had we not been reclassified by the NAO and that in the case of Sheffield, the enforcement powers had not been used in 17 years. In the case of the Council, our role was to regulate the AOs not the jewellery trade directly. It was therefore impossible to calculate the impact of our work on the wider market.

It was suggested that if two clauses in the 1973 Act could be amended so as to exclude regulatory activity from AO duties, this would solve the problem.

Noel Hunter said that he was meeting with the BEIS Permanent Secretary and would raise the matter with him.

Sarah Smith said that she would come back to us with a clarification of the duties of both the BHC and the AOs. She would be happy to work with us on what was a proportionate response. BEIS would be running workshops in the autumn but would also be happy to work with us on a one-to-one basis or at a future meeting.

ACTION:

9.1 Noel Hunter to raise the question of an appropriate level of compliance with BEIS directives at his meeting with the BEIS Permanent Secretary

10 – OFFSHORE MARKS CONSULTATION

A draft consultation paper was circulated prior to the meeting. Members seemed broadly happy with its contents.

A discussion took place on the list of consultees. It was agreed that the Association of Contemporary Jewellers should be added. Some further discussion took place but with no definite conclusion, however members were invited to let the Secretary have details on who should be added. The meeting felt that individual businesses should be excluded from the list of formal consultees and this should be restricted to trade associations only.

The question of how responses might be weighted was raised. Sarah Smith said that Regulatory Delivery could assist with the process.

Concerns were raised about the time it was taking to issue the consultation. Was there a timetable? Noel Hunter reassured the Council that he would ensure the matter was expedited as soon as possible. *(However following the meeting a general election was called and the matter is in abeyance due to purdah until the 9th June).*

Members expressed the view that a limited time should be given for responses to the consultation and a period of one month was suggested. However, Sarah Smith cautioned that Government good practice guidelines were to allow for a period of 12 weeks. Members also made the point that consultees may need time to consult within their own organisations before they replied.

The document was agreed, subject to amendments to the list of consultees.

10.1 ACTION:

Members to let the Secretary have details of those organisations they felt should be included in the list of formal consultees.

The list of formal consultees to be amended so as to exclude individuals and businesses.
The consultation to be expedited as soon as possible.

11. OUTGOING CHAIRMAN'S CLOSING REMARKS AND CHANGE OF CHAIRMAN

The outgoing Chairman thanked members for their support and that it had been an honour and a privilege to have served the Council. He would particularly miss his interactions with the Assay Masters, officers and members of the Council. He reserved particular thanks for the Secretary, Geraldine Swanton without whose support he 'could not have done the job.'

He would not however miss the 15,000 emails and responses to government; the 150 separate pieces of work, such as the Triennial Review, and the endless requests for information, the highlight of which was being asked how many pieces of meat, by weight and value the Council had bought from British farmers.

He wished Noel and Katrina well.

12 NEW CHAIRMAN'S OPENING REMARKS AND CHANGE OF CHAIRMAN

Noel Hunter thanked the outgoing Chairman for his good wishes and also for his prodigious and tireless work on the Council's behalf.

He had spoken to most of those around the table and it was his intention to speak to people from the trade; to consumer organisations and consumers and to those in Government.

He saw priorities for the Council in the coming months/years as being:

- Consumer protection – maintaining the visibility and importance of hallmarking in the eyes of consumers.
- Managing operational integrity
- Advising government – whilst maintaining the Council's independence
- Advising and protecting industry
- Enforcement - in this regard he had been encouraged by the work of Robert and Scott on problems consumers had been encountering through internet sales

Noel then went on to outline how he would like the Council to operate in future.

He would like to ensure that the decisions the Council made were fair; made against an agreed process; handled expeditiously and with courtesy, and with 'no surprises' – ie no items to be discussed without prior warning and supporting papers.

He would like to see as much business handled through committees as possible.

In terms of how these priorities would be delivered, Noel then introduced a business plan that had previously been circulated.

The Council would carry out a governance review with an interim report to go to the October meeting.

On operational integrity, he envisaged the Council developing a closer relationship with the Queen's Assay Master and would ask the Applications Committee to review BHC oversight of offsite operations and consistency of hallmarking generally, with an initial report due for the October meeting.

On education and enforcement he would like to set up a new committee, chaired by Robert Grice to look at ways of leveraging more support from trading standards generally and to continue with the Touchstone award.

On technical consistency he was proposing a review, involving the Queen's Assay Master, of how technical decisions are made, logged, communicated and monitored.

The consultation on offshore hallmarking should be expedited as soon as possible.

On Brexit the Joint Assay Office Committee was developing a strategy for our response to Brexit and the Council should be in a position to respond to Brexit developments as appropriate.

Sarah Smith said it was good to see a plan, particularly around governance and administration and she would be happy to contribute; there was a shared agenda around working with trading standards and hallmarking was also included in their primary authority work.

Mick King said he thought the plan was sound and realistic and he fully supported it.

Scott Walter suggested that the Assay Offices might invite the Chairman to their next Technical Committee meeting to seek his views on their current methodology.

12.1 ACTION:

1. Applications Committee to review BHC oversight of offsite operations and the consistency of hallmarking generally – Initial report due for October 2017 meeting.
2. A new Education and Enforcement committee to be set up, chaired by Robert Grice to look at ways of leveraging more support from trading standards generally and to continue with the Touchstone award. – Initial report due for October 2017 meeting.
3. A review on technical consistency to be initiated involving the Queen's Assay Master, of how technical decisions are made, logged, communicated and monitored. – Initial report due for October 2017 meeting.
4. The consultation on offshore hallmarking to be expedited as soon as possible.
5. The Joint Assay Office Committee to develop a strategy for Brexit to enable the Council to be in a position to respond to Brexit developments as appropriate. – Initial report due for October 2017 meeting.

13 ADMINISTRATIVE CHANGES

The Chairman reported that the objectives for 2016 had been achieved.

The Draft Business Plan and Budget 2017 was agreed.

The budget for 2017 was agreed.

The appointment of Katrina Ritters as Secretary was agreed.

The appointment of Carol Brady as BAO representative was agreed.

14 APPLICATION FOR APPROVAL OF OFF-SHORE MARK BY SAO

This item was not discussed, pending the outcome of the planned consultation on off-shore hallmarking.

15 COMMITTEE REPORTS

15.1 Applications Committee

An application made by the Birmingham Assay Office was currently under consideration by the Committee. It was agreed that this could be dealt with offline and a proposal circulated for approval.

15.2 Technical Committee

Minutes of the committee's meeting had previously been circulated.

Since the Hallmarking Act, technical hallmarking processes had moved on and there was now a question as to whether the newer methods might be acceptable in legal terms. This is something the committee was discussing with BEIS and they may be coming back to the Council's next meeting for further guidance.

15.3 Joint Assay Office Committee

Minutes of the Committee's meeting had previously been circulated and were noted, with the exception of noting that Christopher Jewitt had been in the chair; Doug Henry also attended and Simon Batiste had sent apologies.

15.4 Touchstone Award

Robert Grice reported on this year's Touchstone award and also on his role in the proposed Education and Enforcement committee. He intended to limit the committee's objectives to two, one of which would be Touchstone. The other to be agreed at the committee's first meeting.

Sarah Smith mentioned the question of annual hallmarking returns and said that as part of the NAO's consumer landscape review a cross government working group would be looking at the future relationship with trading standards across all policy areas. Hallmarking would be considered in the round alongside this.

One issue was the question of the amount of data being asked of local government by central government and how to make this more 'joined up'. The work was being led by the Consumer and Competition Directorate, but their work was still in its early stages.

Several members stressed the importance of the data in raising the profile of hallmarking legislation amongst the trading standards service.

16 REPORT FROM THE IAAO

Scott Walter reported that the UK was a significant player in the Convention, accounting for 40% of all Common Control Marks applied. It was important therefor that the UK continued to play a significant part in shaping the future of the Convention.

He pointed to the fact that the Czech Republic continued to block Italy from joining the Convention.

The International Association of Assay Offices (IAAO) discussed the outcome of the European Court of Justice case between the Czech Republic and France versus the Dutch Assay Office over the recognition of offshore hallmarks.

Simon Batiste said that the convention mark could become even more important in future following Brexit as it may become the method by which UK hallmarks would be accepted overseas.

The Chairman asked if the Council could have a written report for future meetings and this was agreed.

17 ACTIVITY AND ENFORCEMENT REPORTS FROM THE ASSAY OFFICES

Reports from the four Assay Offices, previously circulated were discussed.

In Sheffield, hallmarking activity had been slow this year. The sub-office in Milan was closed in December 2016. A new computer system was being installed with a view to streamlining operations. Hull trading standards had won the 2016 Touchstone Award.

Assaying work was slightly up in Edinburgh over the past year, however there was little confidence that this would be sustained. Edinburgh Assay Office had been working with Northern Ireland trading standards on a case involving precious metals.

Birmingham Assay Office was currently involved in a live investigation involving 22ct gold bangles. However, assaying work was 'very slow'. The office was planning to run a special session for trading standards officers at the 2017 CTSI Conference in Harrogate.

In London the volume of assaying work was also down and they had had to make redundancies in order to remain competitive.

18 DOCUMENTS FOR INFORMATION

These were previously circulated and were noted.

19 ANY OTHER BUSINESS

The meeting thanked the outgoing Chairman for his help and support over the last six years. He had been a 'great friend' to the Assay Offices.

Andrew Hinds said he had had a request from the Institute of Registered Valuers about whether the wording on valuation forms might be standardised. Currently there was confusion about items described as gold or silver but without a hallmark were accompanied by high insurance valuations. Some form of words was needed to convey the meaning that these valuations on un-hallmarked items were for 'guidance only'.

Peter Hayes said that Ashley Carson had recently celebrated 40 years working for a single employer and looked forward next year to celebrating 25 years as an Assay Master.

The meeting offered its thanks to the London Assay Office for their hospitality and for hosting the meeting.

20 ACTION LIST

2.1 ACTION: Those members who had not already done so, to return their DOI forms to the Secretary as soon as possible.

9.1 Noel Hunter to raise the question of an appropriate level of compliance with BEIS directives at his meeting with the BEIS Permanent Secretary

10.1 ACTION:

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NEXT MEETING

There was some discussion at the meeting as to whether our next meeting could be at the Royal Mint. However, subsequent correspondence suggested this would not be possible on our selected date. The next meeting will therefore be:

Friday 13th October 2017 at Birmingham Assay Office at 11.00am.