



BRITISH HALLMARKING COUNCIL

2013 CORPORATE STATEMENT

1. Founding Legislation

The British Hallmarking Council ("BHC") is established by the Hallmarking Act 1973 ("the Act"). The constitution of the BHC is set out in Schedule 4 of the Act. The sponsoring body of the BHC is the National Measurement Office ("NMO") which is an executive agency for the Department of Business Innovation and Skills ("BIS").

2. Classification

For policy/administrative purposes, the BHC is classified as an executive Non-Departmental Public Body.

For national accounts purposes, the BHC is classified to the central government sector.

3. Aims

- To promote a policy relating to the maintenance of high levels of protection currently enjoyed by consumers of precious metal items and the trade relating to them
- To practise proportionate, risk-based regulation in order to help the Assay Offices in their work and to help the UK jewellery and other relevant precious-metal trade to grow
- To monitor and, where necessary, propose changes in legislation in order to ensure that these policies are achieved so far as is possible, and to advise the Secretary of State accordingly
- To ensure the adequacy of hallmarking facilities in the UK
- To monitor the working of UK Assay Offices and their established sub-offices (including any sub-offices offshore)
- To apply (and every three years review) the system concerning applications for and monitoring of sub-Offices
- To continue to foster relationships with and between the Assay Offices, the trade, the consumer and Government concerning the market in precious metal articles

4. Review of Specific Objectives for 2012

The specific objectives of the BHC in 2012 were:

- a. to liaise with the NMO with a view to identifying powers to be transferred to the BHC in accordance with the Public Bodies Act 2011 or the Hallmarking Act or both and to work towards effecting such a transfer

- b. to assist the NMO in the progress of the amendment to the Act to permit overseas hallmarking by the four UK Assay Offices
- c. to draft a skills profile for new members of the BHC
- d. to continue to support the Assay Offices and Trading Standards Departments in monitoring compliance with, and enforcement of, the Act and in raising awareness.

The following progress was made in relation to each of these objectives:

- a) The work involved in progressing the Legislative Reform Order, together with the replacement of the four, Secretary-of-State-appointed members of the BHC, whose terms of office expired at the end of 2012, dominated the time available. It was therefore decided with the agreement of NMO, to leave this particular objective in abeyance until 2013 as part of the triennial review of the BHC, when the new members were in place. The BHC however resolved to create a Technical Committee, a sub-committee of the BHC whose terms of reference would be to consider and advise the BHC on technical matters relating to hallmarking, as set out in Schedules 1 and 2 of the Act. If the Secretary of State were to modify the functions of the BHC to confer power on it to amend the technical schedules of the Act to keep abreast of the changes in the relevant technology, the Technical Committee would provide the requisite advice to effect the changes in question.
- b) The draft LRO and in particular the accompanying Economic Impact Assessment had to be revised during the course of the year and before it was laid before Parliament in the autumn. The BHC assisted the NMO in all respects during this process, which resulted in the LRO coming into force early in 2013 as is stated elsewhere in this report.
- c) The skills profile for new members was deliberated on and examined during the process of drafting the advertisements, interviewing candidates and selecting from the candidates those individuals whose appointments the selection panel would refer to the Secretary of State for approval. There had been a view that someone with a background in economics would strengthen Council, however no such candidates came forward. The panel were, nonetheless, pleased that it was successful in recommending two candidates with strong Trading Standards backgrounds and two from the trade who utilise the of services of the Assay Offices.
- d) The BHC continued to support the assay offices and Trading Standards Departments in enforcing the law by encouraging the Assay Offices themselves to work closely with Trading Standards officers and through its support for the Touchstone Award. Although funded by the Assay Offices, it is in no small measure due to the efforts of those independent members of the BHC with Trading Standards experience that the award was judged to be a success in raising the profile of hallmarking generally within the Trading Standards Community.

5. Specific objectives for 2013

- a) To liaise with the NMO with a view to identifying powers to be transferred to the BHC in accordance with the Public Bodies Act 2011 or the Hallmarking Act or both and to work towards effecting such a transfer. (Carried forward from 2012)
- b) To continue to support the Assay Offices and Trading Standards Departments in monitoring compliance with, and enforcement of, the Act and in raising awareness.
- c) To assist the BIS and the NMO with the triennial review of the BHC and in so doing to ensure that it continues to embrace the concept of light-touch regulation to protect consumers as well as allowing businesses to grow.

- d) To provide guidance on offshore hallmarking to the Assay Offices now that this is possible following the LRO. In this context to look at the question of liberalising the rules regarding sponsors marks.
- e) To work towards devising a process for considering EEA hallmarks with a view to publishing in the long term a list of approved national marks, as well as ensuring that the list of countries covered by the International Hallmarking Convention and published on the BHC web site is up to date.

6. Review of hallmarking

The review of the BHC as part of the Government's review of public bodies in 2010 endorsed the value of hallmarking to UK business and in protecting consumers. It is the firm view of the BHC that this position remains as true today as it did in 2010 a view that was also confirmed by the public response to the Red-Tape Challenge conducted on hallmarking. However, 2013 sees the triennial review of the BHC which will be conducted by the BIS and with which the BHC and the NMO will provide assistance.

7. Rules and guidelines concerning Duties and Powers

The duties and powers of the BHC are set out in the Act.

Broadly, it is the function of the BHC to try to ensure that the UK hallmarking system is adequate, and to monitor the activities of the Assay Offices. Also, it seeks to ensure that the law is enforced by the Local Authority Trading Standards Departments, and to advise NMO, acting on behalf of the Secretary of State, about issues arising from time to time, especially those which appear to make a change in the law desirable.

Particular powers given to the BHC are to fix the maximum amounts which the Assay Offices can charge, to authorise an Assay Office to open and run a sub-Office at a separate location, and to issue directions and regulations concerning practical aspects of hallmarking by the Assay Offices.

There are no specific rules and guidelines laid down concerning the performance of the duties or the exercise of the powers, save for those set out in the BHC's:

Sub-Office Policy and Procedure

Component Marking Practice and Procedure

Code of conduct and practice for BHC members

Publication Scheme (for the purposes of the Freedom of Information Act)

The BHC is also a Designated Regulator for the purposes of the Regulatory Enforcement and Sanctions Act.

In particular, the review of the BHC by the Government endorsed the value of hallmarking to UK business and in protecting consumers. The Public Bodies Act received Royal Assent on 14 December 2011 and came into force on 14 February 2012. The specific objective of addressing potential transfer of powers to the BHC made possible by this legislation will be considered in 2013.

8. Finance

The BHC's annual accounts (year end 31 December) are audited by the National Audit Office.

At the first regular meeting of the BHC each year the Report and Accounts are adopted and any observations and recommendations of the NAO are considered. Further, a draft budget for the year prepared by the Secretary and approved by the Chairman is put to the meeting for approval.

At the regular meetings of the BHC a report of expenditure compared with budget prepared by the Secretary is put to the meeting for consideration and approval.

9. Membership

Composition of the membership of the BHC is laid down in Schedule 4 of the Act, which states that the BHC shall consist of between sixteen and nineteen members. Of these, the Secretary of State shall appoint ten members and the remainder shall be appointed by the BHC and the Assay Offices in accordance with Schedule 4.

The appointment of members by the Secretary of State comes within the remit of the Office of the Commissioner for Public Appointments. NMO is responsible for advising Ministers on potentially suitable candidates but may consult the BHC and Assay Offices beforehand.

During 2012 a selection process was undertaken to replace four of the independent members of the Council who were retiring, in the main having served their allotted periods of three terms of three years. The Chairman of the BHC was invited to form part of the selection panel responsible for drawing up the specification and interviewing candidates.

The process was successfully completed during the latter half of the year and the recommendations were approved by the Secretary of State. All of the remaining independent members indicated a willingness to continue to serve on the BHC. Following a parallel appraisal of their performance, their re-appointments were confirmed.

10. Officers

The Chairman of the BHC is elected by the BHC from amongst its members to serve for a term of three years from election at the first meeting in an election year until the same meeting three years later. At the election meeting, the remuneration of the Chairman is fixed - normally for the whole term of office, subject to interim review as may be found necessary.

The Secretary of the BHC is appointed by the BHC on such terms as it thinks fit from time to time.

11. Responsibilities of Chairman and Secretary

The Chairman is responsible to the Secretary of State for the performance of BHC, and for leadership of the BHC strategic decision-making, efficiency and propriety, as well as for representing BHC to the public.

The Chairman is also responsible for the BHC membership issues including induction, though with regard to appointment, the majority of members are appointed by the Secretary of State. The Chairman is also responsible for the adoption and operation of a Code of Conduct.



The Secretary is responsible for the secretarial, administrative and financial affairs of BHC and is also normally appointed as the Accounting Officer of the BHC by BIS. The Secretary is responsible for legal and financial compliance by BHC and for advising the BHC on legal and compliance issues.

12. Communication between BIS and BHC

Officers of NMO responsible for hallmarking are invited to and attend BHC meetings and receive the meetings papers for and minutes of these.

The Chairman of the BHC has access to the Secretary of State and the Departmental Minister and Officers responsible for hallmarking, as may be necessary from time to time.

The Secretary of the BHC has access to responsible Officers, and vice versa, as maybe necessary from time to time.

Richard Sanders
Regulation Director NMO

April 2013

Christopher J Jewitt
Chairman of the BHC

April 2013



National
Measurement
Office



Department
for Business
Innovation & Skills