



BRITISH HALLMARKING COUNCIL

2014 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. The next review will take place in 2015
- 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 2013

The specific objectives of the BHC in 2013 are those shown in italics and the progress made is in ordinary type:

- 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.*

The work in this area was suspended in 2013 pending the results of the triennial review of the BHC by BIS. The review is a two-stage process, the first of which is to assess whether there is a need to retain the BHC in its current form or at all. That stage has now been completed and the recommendation is to retain the BHC as an executive non-departmental government body. The second stage of the review will assess the BHC's governance and control arrangements. When the review is completed and all of the

recommendations are known, the relevance of retaining this objective will be determined.

- 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.*

This work continues to the extent that resources allow. It is primarily carried out by the assay offices where they have direct contact with individual Trading Standards teams. The Touchstone Award, whose purpose is to enhance awareness of hallmarking and is presented to the Trading Standards Department which has taken the most innovative approach to raising the profile of hallmarking, was run successfully for a second year in 2013. It is regarded as a very important, yet cost-effective, way of raising the profile of hallmarking among the Trading Standards community. The experience of Secretary-of-State appointed members of the BHC with Trading Standards experience has again proved invaluable.

- 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.*

As indicated above, stage one of the review has been completed and the recommendation is that the BHC retains its status as an executive non-departmental public body. Stage two has not yet been completed and at the date of drafting this statement, the BHC is liaising with the NMO regarding the provision of information to enable assessment of the governance and control mechanisms adopted by the BHC.

- d) *To provide guidance on offshore hallmarking to the assay offices now that this is possible following the amendment to the Hallmarking Act 1973. In this context to look at the question of liberalising the rules regarding sponsors marks.*

The BHC agreed to apply to applications for sub-offices overseas the current control process for new UK sub-offices/component marking. Guidance on the liberalisation of sponsors' marks has also been issued. One of the main considerations has been to ensure that any processes are risk-based and light-touch in terms of their regulatory impact on the assay offices. This objective has therefore been fulfilled.

- 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. This will entail working with the Technical Committee of the BHC.*

This objective remains as work in progress. It is dependent on the work of and progress made by overseas bodies, such as the International Association of Assay Offices. The assay masters, who form the BHC Technical Committee, remain in close touch with these bodies and report on progress at the BHC meetings.

5. Specific objectives for 2014

- a) *To await the outcome of the review on the BHC and to consider the implementation of any recommendations made.*
- 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. In particular, efforts will be made to encourage wider knowledge of, and involvement in, the Touchstone Award by Trading Standards teams.*
- c) *To continue to work towards devising a process for considering EEA hallmarks with a view to publishing, in the longer 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. This will be done through the Technical Committee.

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 and it is gratifying to know that the BIS Review Team undertaking the 2013 Triennial Review have reached the same view however we await the outcome of the assessment of BHC as an Executive NDPB

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.

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, having served their allotted periods of three terms of three years. The next three year process of re-appointment and appointment of new members is due to start in 2015 to be effective from January 2016.

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 the 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
Deputy Chief Executive NMO

April 2014



Christopher J Jewitt
Chairman of the BHC

April 2014



21st April 2014.



National
Measurement
Office



Department
for Business
Innovation & Skills