



## **BRITISH HALLMARKING COUNCIL**

### **2016 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 & Regulation Office ("NMRO") 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 (NDPB). 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. A review took 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 2015**

a) *To review and implement the recommendations of the Triennial Review of the BHC.*

The recommendations of the Triennial review, completed in 2015, have now been implemented as follows:

- the minutes of meetings of the BHC are published on the BHC's website, redacted if they contain information which comes within one or more of the exemptions provided by the Freedom of Information Act 2000;

- agreement has been reached with the NMRO, which is responsible for the BHC's sponsor on how its effectiveness should be measured and reported to the D-BIS Board; a Framework Document has been prepared and has been approved by the NMRO and will be submitted to the BHC for approval at its first meeting in 2016; a risk register has been completed and will be put to the BHC also at its first meeting in 2016.
- 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.*

The BHC continues to engage with Trading Standards Departments, primarily through the Touchstone Award and representation on the BHC by serving and former members of the Trading Standards Institute. In this process it is greatly assisted by the Assay Offices for their continued support of the Touchstone Award as well as their ongoing relationships with individual Trading Standards Teams.

- c) *To continue implementing the process of establishing the equivalence of EEA hallmarks with a view to publishing in the long term a revised 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 and the National Measurement Office, the BHC's sponsors within government.*

This work is continuing, however significant progress has been made. A framework for data-collection, in the form of a questionnaire, has been completed and much data-collection work has been done.

## 5. Specific objectives for 2016

- a) To finalise the implementation of the triennial review recommendations;
- b) To continue to support the Assay Offices and Trading Standards sections in the enforcement of hallmarking law, primarily through the Touchstone Award;
- c) To continue the process of establishing the equivalence of EEA hallmarks with a view to publishing in 2016 a revised 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 through Technical Committee of the BHC and in conjunction with the NMRO;
- d) To compile a list of possible changes and improvements to the Hallmarking Act and its accompanying schedules. This work has begun by means of the Technical Committee will need further significant work before a proposal for legislative change can be submitted to the Secretary of State.
- e) To conduct an induction course for the new ministerial appointees to the BHC following completion of the recruitment exercise.

## 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 as stated in phase one of the Triennial Review. Phase two, completed in early 2015, identified four areas where recommendations were made and, as stated above, have either been implemented or will be implemented early in 2016.

## **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 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 NMRO, 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 Secretary-of-State - appointed members of the BHC 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 started in 2015 to be effective from January 2016. The re-appointment of those Secretary of State appointments entitled to stand for further terms has been done and all were re-appointed. The process for the replacement of the three not eligible to stand again and the one who had resigned early in 2015 has not yet been completed but it is anticipated it will have been successfully completed by the time of the BHC's first meeting in 2016. This is not an objective for the BHC but for NMRO/BIS who will work with the BHC Chairman.

## **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 current Chairman was duly elected for a further three year term, commencing on 1<sup>st</sup> January 2016, at the BHC's meeting in October 2015.

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 NMRO 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.