

BRITISH HALLMARKING COUNCIL

Minutes of a meeting of the British Hallmarking Council (the Council) held at The Royal Scots Club, 29-31 Abercromby PI, Edinburgh EH3 6QE on Friday 15 April 2016 at 11 a.m.

PRESENT:

- Mr Christopher Jewitt (Chairman)
- Mr Bryn Aldridge
- Mr Simon Batiste
- Ms Carol Brady
- Ms Helen Farmer
- Mr Robert Grice
- Ms Kate Hartigan
- Mr Peter Hayes
- Mr Andrew Hinds
- Mr Tom Murray
- Ms Helen O'Neill
- Sir David Reddaway
- Mr David Sanders

IN ATTENDANCE:

- Mr Peter Edwards (Regulatory Delivery Directorate (RDD))
- Ms Fiona Birchall (RDD)
- Mr Stephen Hodgson (RDD)
- Mr Ashley Carson (Assay Master- Sheffield Assay Office)
- Dr Robert Organ (Deputy Warden - London Assay Office)
- Mr Scott Walter (Assay Master- Edinburgh Assay Office)
- Ms Marion Wilson (Birmingham Assay Office)
- Ms Geraldine Swanton (Secretary)

1. APOLOGIES AND WELCOME

Apologies were received from Mr John Pearce, Mr Neil Carson and Ms Stella Layton. The Chairman welcomed Sir David Reddaway and Mr Peter Hayes to the Council and Mr Stephen Hodgson in attendance from the RDD.

2. DECLARATION OF INTERESTS

Declarations of interest were made by members from the Birmingham Assay Office (BAO) in respect of agenda items 10 (use of the BAO mark applied abroad) and 12.4 the application to open a sub-office in Jaipur, India.

3. APPOINTMENT OF NEW MEMBERS BY THE SECRETARY OF STATE

Peter Edwards confirmed that the appointment process was not yet concluded. The delay was attributable to the increased participation in the process by the Secretary of State. The Council expressed its concern that the failure to appoint the requisite members by 1 January 2016 created potential problem for the Council's quorum and its attendant decision-making responsibilities. Peter Edwards was not able to confirm a date by which the appointments would be made.

4. MINUTES OF THE COUNCIL MEETING ON 12 OCTOBER 2015

The minutes of the meeting were accepted as a true and accurate record and signed by the Chairman.

5. MATTERS ARISING

5.1 Guidance on internet sales (par 5.2 of previous minutes)

The draft guidance was approved.

5.2 Correspondence from Pulse Tech (UK) Ltd regarding eBay sales

Scott Walter considered the report submitted by David Clark of Pulse Tech (UK) to be a very useful illustration of the problem represented by sales on eBay and a good guide to how enforcement/research data can be gathered. Scott Walter will lead an initiative on behalf of the Council to tackle breaches of the Hallmarking Act 1973 and relevant health & safety legislation. The initiative will include purchasing and analysing items for sale on eBay to provide a body of empirical evidence with which to approach Trading Standards for the purposes of promoting enforcement action. The resources for this initiative will be shared by the four assay offices. Concern was expressed at the apparent diminished resources available to Trading Standards for enforcing the law.

Action: Scott Walter will lead the eBay initiative and report to the Council at its next meeting on any progress made. The Secretary will draft a response to David Clark.

5.3 Guidance on Mixed Metals (par 7.2 of previous minutes)

This guidance is currently being drafted by the Technical Committee.

6. CHAIRMAN'S REPORT (ORAL)

The Chairman announced that, with regret, he will resign from the Council at the end of the year in order to devote more time to his family business.

7. PRICE MAXIMA

The Council noted the proposal regarding price maxima as set out in a paper submitted by Ashley Carson. The proposal did not result in an increase in revenue for the assay offices but sought to simplify the presentation of the pricing structure. The Chairman noted that it referred to minimum pricing. Ashley Carson explained that the reference to "minimum" was to the maximum minimum price for parcels, but would liaise with the Secretary to devise wording that did not create the erroneous impression that the Council was setting minimum prices, which would be ultra vires. It was noted that there was no reference to palladium, an omission which would need to be addressed.

Outcome and action: Subject to the proposed amendments, the Council agreed that the proposal should be adopted. Ashley Carson will liaise with the Secretary to amend the presentation of the pricing system to include palladium and to clarify the position with regard to minimum charges for parcels.

8. MUTUAL RECOGNITION REGULATION

The paper from the European Commission was noted. It was agreed that it was a matter for the UK Government to deal with rather than the Council.

9. USE OF BAO'S MARK OVERSEAS

The Chairman referred to the representations made to the Council by Birmingham-based businesses, objecting to the use of the anchor mark in BAO's in Mumbai. He also drew attention to the minute of the Council's meeting on 7 April 2014 recording the Council decision's regarding assay office marks to be applied overseas (par 8). The Secretary advised the Council that it could not take into account the grounds on which the objections were based, which in essence related to the protection of Birmingham jewellery-related businesses. The Council's primary statutory duty was to ensure that there were adequate facilities for hallmarking and it would not therefore be lawful for it to make a decision whose purpose was the protection of UK-based businesses making articles of precious metal. Andrew Hinds suggested that support for those purposes could be obtained from the National Association of Jewellers (NAJ). He also queried whether the Assay Offices would be receptive to striking a "made-in-UK" mark similar to the fair-trade mark. The Assay Offices indicated that they would be happy to consider a proposal relating to a mark of that kind.

Outcome and action: The Council agreed that it could not change the status quo with regard to marks applied overseas on the grounds adduced without acting ultra vires its statutory powers. The Secretary would issue a response in those terms and refer to the NAJ as a possible source of support.

10. REPORT FROM THE TECHNICAL COMMITTEE

10.1 Proposed changes to the Hallmarking Act 1973

The Technical Committee reported that at its last meeting, it was agreed that a separate sub-committee of the Council (the Joint Assay Office Committee) ("JAOC") should be created to consider strategic matters, including possible amendments to the Hallmarking Act 1973. In order to ensure proper consideration of a proposal for legislative change, the JAOC should solicit the views of Trading Standards Departments and retailers, whose representatives could be invited to attend meetings. David Sanders' Trading Standards background was identified also as a valuable resource for those purposes and could be included in its membership.

Outcome and proposed action: The Council agreed to create a sub-committee, the JAOC, to consider strategic matters including amendments to the Hallmarking Act 1973. The Secretary will draft terms of reference.

10.2 International Association of Assay Offices (IAAO)/International Convention

Scott Walter reported that the IAAO was experiencing officeholder challenges. There was hope that the Czech Republic would reconsider its position and that Italy would be permitted to join the International Hallmarking Convention.

11. THE APPLICATIONS COMMITTEE

11.1 Report from the Applications Committee (AC)

Bryn Aldridge highlighted the difficulty posed for the Applications Committee by the Secretary of State's delay in appointing new members to the Council. Both he and David Sanders, the current members, are entirely new to the Applications Committee. The terms of reference provide that the minimum number of members is three and the quorum is two. In order to consider an application for a sub-office by BAO, the Chairman agreed to be co-opted to the Applications Committee until the new appointments were made.

11.2 BAO sub-office application

The Applications Committee had considered in detail the application from BAO to open a sub-office in Jaipur, India, which was similar to its application relating to its sub-office in

Mumbai. The recommendation from the Applications Committee was that the application should be approved.

The Secretary informed the Council that the quorum was seven Council members who were entitled to vote (i.e. those members who did not have a potential conflict of interest. The members appointed by the Secretary of State who were in attendance at the meeting numbered six, but John Pearce, also appointed by the Secretary of State, had voted on the matter by email. The Council was therefore quorate for the purposes of making this decision. Scott Walter noted that some wording in BAO's application (e.g. "ATS", "dynamic, bias and malice basis") was taken from Edinburgh Assay Office's previous application and requested that BAO used its own systems' terms in its applications and reports.

Outcome: The Council accepted the AC's recommendation to approve BAO's application.

12. PROPOSAL FOR A NEW SUB-COMMITTEE

This matter was dealt with under par 10.1 above.

13. TOUCHSTONE AWARD

Robert Grice referred to his detailed report in the bundle. Carol Brady reported that Trading Standards Departments had actively been publicising the Touchstone Award.

14. CHARTERED TRADING STANDARDS RESEARCH INSTITUTE – ACADEMIC BURSARIES

Robert Grice referred to his report regarding the publication "The Leopard, the Lion, the Crown and the Rose". He informed the Council that the publication had to date made a net profit of £2,300. This had been given to the CTSI College of Fellows in order to enhance their finances in respect of charitable activities. He stated that the money had been given, with a specific request that it be used to enhance funding for a hallmarking project or research activity undertaken by any CTSI member.

15. ACTIVITY AND ENFORCEMENT REPORTS FROM THE ASSAY OFFICE

All assay offices, with the exception of SAO, reported a diminution in volumes of articles hallmarked. EAO and SAO are engaged in joint enforcement action with Ayrshire Trading Standards Department and North Yorkshire Trading Standards Department respectively.

16. BSI COMMITTEE CW/17

No Council member wish to accept an invitation to join BSI Committee CW/17. The Secretary will reply accordingly.

17. DRAFT ANNUAL REPORT AND ACCOUNTS 2015

The Secretary reported that the draft annual report and accounts 2015 were not the final version but no substantive changes would be made following the meeting. She also informed the Council that the Chairman would sign the final version.

Outcome: The Council approved the draft annual report and accounts 2015.

18. DRAFT ESTIMATE OF COSTS FOR 2016

The draft estimate was approved.

19. CORPORATE STATEMENT 2016

The Corporate Statement was ratified.

20. DOCUMENTS FOR INFORMATION

The Council noted the information provided in documentation listed under agenda item 21.

21. ANY OTHER BUSINESS

Carol Brady drew the Council's attention to an initiative to review all local authorities' regulatory functions. In her Trading Standards Departments do not have resources to enforce some legislation which was likely to have adverse implications for hallmarking. A consultation process is currently being conducted and the closing date is 28 April. Stephen Hodgson explained the current focus is on de-regulation, the business-impact target and reducing bureaucracy, which is intended ultimately to contribute to a reduction of £10 billion in expenditure.

Action: The Council agreed that it should engage with the consultation and the Chairman offered to draft a response on behalf of the Council.

Simon Batiste stated that there had been an exponential increase in consultation processes imposing a burden on the Council, which he described as "Kafkaesque". The Council was being included in lists with other bodies to provide information and responses to various initiatives, when it was wholly different from those other bodies and inappropriate for the Council to be involved. Stephen Hodgson indicated that this was a matter the RDD would consider.