

British Hallmarking Council

Council meeting 11.00 am Thursday 8 October 2020

Minutes of meeting

1. Opening business

Present:

Noel Hunter, Chair
Carol Brady
Malcolm Craig
Ken Daly
Patrick Fuller
Joanna Hardy
Harriet Kelsall
Tom Murray
Gay Penfold
Isobel Pollock-Hulf
David Reddaway
Chris Sellors
Matthew Sibley
Vanessa Sharp
John Stirling
Charles Turner
Gary Wroe

In attendance:

Doug Henry
Scott Walter
Robert Organ
Ashley Carson
Sue Green, Secretary
Richard Sanders, BEIS

Apologies for absence:

Louise Durose

2. Chair's Report

The Chair's report had been circulated prior to the meeting. Noel Hunter talked about the operational priorities set out in the report, keeping objectives realistic and at the same time keeping costs down as far as possible. The BHC would continue to operate virtually until at least April 2021, sustaining core functions especially overseeing the integrity of hallmarking in sub-offices, overseeing enforcement in relation to internet sales, maintaining visibility, relationships with BEIS, and keeping systems in operation. The consequences of negotiations on future trade with Europe would need to be addressed once known.

All were content with the report and the suggested priorities.

3. BEIS update and future trade with Europe

Richard Sanders' report had been circulated prior to the meeting. There was no detail to add to the position set out in the report. The government is looking to agree a deal with Europe, and to agree other deals.

Richard reported that the process for recruiting new Council members for appointment from 1 January 2022 would be starting shortly. There would be a presumption against reappointment of existing members, in line with government objectives to increase diversity in public appointments. Concerns regarding problems of continuity were expressed and this issue would be taken forward separately after the meeting.

Action: Chair

A question was asked regarding Assay Offices' plans in relation to climate change. Assay Masters commented on current thinking on this issue, including alignment with local authority plans towards being carbon neutral. Harriet Kelsall expressed a willingness to assist with this issue.

4. Maintaining integrity in hallmarking

The Applications Committee report had been circulated prior to the meeting. Isobel Pollock-Hulf spoke to the report. She thanked Gay Penfold for joining the Applications Committee and getting up to speed quickly. The Applications Committee recognised the challenges currently faced by Assay Offices and it has been considering how best to meet its responsibilities, possibly through a combination of desktop review and virtual visits to sub-offices, and contact would be made with Assay Masters after the meeting to make arrangements.

It was noted that the Queen's Assay Master is planning virtual inspections and Robert Organ asked whether the Applications Committee could co-operate with the QAM so that only one audit virtual tour would be needed; the Chair confirmed that the Applications Committee would be trying to co-ordinate in this way, subject to the constraints of the QAM having a different programme and different items to review on inspections.

The Chair asked, in the context of adequacy of hallmarking facilities, how many sub-offices are currently in operation and the Assay Masters confirmed that all 10 are currently in operation.

5. Education and enforcement of hallmarking

The E&E Committee report had been circulated. Ken Daly reported that there had been discussions about whether to go ahead with a Touchstone Award for 2021, having had to postpone it in 2020 due to Covid19. Whilst not wanting to postpone it for a further year, it was clear that Trading Standards have not had resources to carry out hallmarking-related work during 2020. Thought was being given to whether there could be an alternative approach, eg a focus on enforcement in relation to online retail. It was noted that the CTSI Symposium had been held by virtual means and that there had been contributions on hallmarking from former Council members Robert Grice and David Sanders, and the link to the BAO online training on hallmarking had been provided alongside these contributions.

A paper by Scott Walter had been circulated prior to the meeting, regarding hallmarking enforcement in relation to online retail. Sales of jewellery online had increased rapidly in recent years and this had accelerated during the pandemic. Those retailers who did not comply with hallmarking law were prejudicing the legitimate sellers. It was agreed that this issue would be

taken to the upcoming E&E Committee meeting for decision on actions, including possible alternative formats for the Dealer's Notice and publicising the obligations to comply with hallmarking law to the industry. Richard Sanders of BEIS mentioned an initiative which BEIS is working on whereby online sellers commit to complying with UK law and this could be of relevance here. There was also discussion of Assay Assured and the potential to widen its scope to other Assay Offices.

Action: E&E Committee with Assay Offices

The SAO initiative for education of retailers about hallmarking compliance was introduced by Ashley Carson. Materials had been produced and staff trained but it was on hold until the new year because of Covid19. The materials had been shared with the other Assay Offices. SAO were also promoting hallmarking, with "Check your Hallmark" banners outside the office.

6. Component marking guidance note

Scott Walter introduced this item. The guidance note had been circulated prior to the meeting. The recommendation of the Technical Committee was that this note should be communicated to the trade. There was a desire to be sensitive to the current conditions but it was agreed that the note was just reminding people of what the law states. It was agreed that the guidance should be issued. There was discussion about appropriate timing, and a suggestion that this should be co-ordinated with planned communications about online retail and compliance with hallmarking law.

A vote was taken and a majority of the Council agreed that the communication should be made in the near future, rather than waiting to a later date.

7. Convention Proposal Review

A paper by Scott Walter had been circulated covering a proposal from the Technical Committee to amend the Technical Decisions of the Convention on the Control and Marking of Articles of Precious Metal.

An amendment to the Convention was being proposed which would allow sub-contracting of laboratory testing services between State Authorised Assay Offices, providing it is within the same Contracting State. A further amendment had been proposed to enable a sub-office model operated by the Swiss Assay Office, known as a Type 2 Sub-office. The UK had originally objected to this model but the UK Technical Committee had withdrawn its objection, having visited the location and reviewed the controls in place.

BEIS had asked the BHC to review the processes. A review group, made up of the members of the Applications Committee, had conducted a desktop review of the integrity of both processes. Isobel Pollock-Hulf reported on the work of the group, which had issued its conclusion that both processes appear to be of a standard that they would expect and that the processes have integrity.

A recommendation was put to the BHC to accept the integrity of the processes and this was approved, concluding that the processes are not in conflict with the provisions of the Hallmarking Act.

8. BHC meetings process, review of standing orders

The Secretary spoke on the issues set out in the paper that had been circulated prior to the meeting.

Amendments to the Council's standing orders had been made by email resolution over the summer, to enable the Council to meet by virtual means. Comments had been received from Council members during this process and the merits of both methods were discussed, noting the benefits of face to face meetings. It was agreed that for future years the presumption would be to have one face to face and one virtual meeting each year, allowing for any meeting to be by virtual means if necessary. A further small amendment to the Standing Orders to allow for this was approved.

The standing orders for all committees allow for meetings to be held by virtual means but in the case of the JAOC and Technical Committees, the wording currently assumed that there would be face to face meetings, using virtual means for additional business. It was agreed to update this wording to reflect current operating conditions and to allow for all meetings to be by virtual means, and also allowing for face to face meetings where these are necessary. Amendments to the wording of the standing orders for both committees were approved.

9. Remuneration Committee

This item had been carried over from the April meeting. The draft standing orders for the Remuneration Committee, previously circulated, were approved.

10. NAO audit plan

The NAO audit plan had been circulated prior to the meeting. The Secretary talked the meeting through key points in the document, and the Council noted the items for discussion and enquiry, the assessments of risk, and the NAO's response to those risks, and the fee estimate. The Secretary also updated the meeting on the discussions regarding proportionality of the audit process and fee in relation to the BHC's size and financial scale.

11. Budget and business plan

The finance report, and annotated 2020 business plan had been circulated prior to the meeting together with a report on the process for the 2021 business plan. The Secretary reported that a business plan for 2021 was being prepared and a draft would be circulated early in the new year once more is known about future trade with Europe and the Covid19 pandemic. In the meantime a draft budget for 2021 had been circulated based on two different scenarios, to be adapted to the picture as it emerges. This approach was agreed.

Finances for the current financial year had been kept under close review and would continue to be closely managed for the coming months. There was a difficulty in predicting the financial outturn for the year because potential issues relating to future trade with Europe were difficult to predict. However the aim was to come in below the revised budget if possible.

Thanks were expressed for the consideration given to the Assay Offices in managing the finances in this way and the Chair and Secretary were thanked for volunteering to defer the implementation of the Remuneration Committee's recommendations.

12. Risk Register

The current risk register, annotated with amendments to reflect current challenges relating to Covid19, had been circulated. It was noted that further changes might be necessary to reflect the changed approach to reappointment of Secretary of State-appointed Council members announced earlier in the meeting, which could pose a risk to continuity, particularly in the committees. A small working group comprising the Secretary and Vanessa Sharp would review the risk register and also the question of the Council's perceived view of its risk appetite.

Action: Secretary and Vanessa Sharp

13. Assay Office reports

Assay Office reports had been circulated prior to the meeting. Robert Organ reported that since the date of LAO's report some new enforcement work had been started.

14. Joint Assay Offices Committee

The minutes of the 2 September meeting had been circulated, and were noted.

15. Hallmarking Convention Report

The Convention report, circulated prior to the meeting, was noted.

16. Technical Committee

No meeting had taken place since the last Council meeting.

17. The Queen's Platinum Jubilee

Robert Organ presented possible designs for the proposed commemorative mark for the Queen's Platinum Jubilee in 2022. Initial preferences were canvassed at the meeting and it was agreed that some consumer research would be useful before making the final decision.

18. Closing business

The draft minutes of the meeting on 2 April were approved.

There were no additional matters arising.

There was no further business for the meeting.

Dates of next meetings: Thursday 15 April 2021; Thursday 14 October 2021

Decisions

Item 6: Component marking guidance note to be issued.

Item 7: Convention proposal review: the BHC accepted the report on the integrity of the processes and concluded that they are not in conflict with the provisions of the Hallmarking Act.

Item 8: Meetings process, review of standing orders:

- Agreed that there should be one face to face and one virtual meeting of the Council each year, but that where necessary any meeting could take place by virtual means; further amendment to Council standing orders approved
- Agreed changes to JAOC and Technical Committee standing orders to allow for all meetings to be by virtual means.

Item 9: Remuneration Committee draft standing orders approved.

Item 11: Business plan to be circulated in draft in early 2021 once more is known about current challenges; approach to budget agreed.

Item 17: the Queen's Platinum Jubilee, consumer research to be undertaken before finalising the choice of design.

Actions

	Action	Who
4	Future Council members – discussions with BEIS regarding importance of continuity	Chair
5	Enforcement of hallmarking law in relation to online retail: Education & Enforcement Committee to take forward actions from paper on online retail, working with the Assay Offices	E&E Committee Assay Masters
6	Component Marking Guidance Note: to be communicated to the trade and published on the BHC website, co-ordinating it with other communications to the trade	Secretary
11	Budget and business plan Draft business plan to be circulated in early 2021 2021 budget to be finalised once more is known about current challenges including future trade with Europe and Covid19	Secretary
12	Risk register Review in the light of current events; review Council's perceived view of its risk appetite	Secretary Vanessa Sharp
17	The Queen's Platinum Jubilee possible commemorative mark: consumer research to be undertaken before confirming the final choice.	Robert Organ