

**London Boroughs of Brent and Harrow
Trading Standards Joint Advisory Board
27 November 2014
Report from the Head of Service**

FOR INFORMATION

Annual Report of the Head of Trading Standards for the Year 2013/2014

1 SUMMARY

1.1 This report details the work of the Trading Standards Consortium for the 2013/2014 financial year.

2 RECOMMENDATIONS

2.1 That Members consider the report and comment where appropriate.

3 DETAILS

3.1 The Trading Standards Service is provided on a consortium basis for both the London Boroughs of Brent and Harrow. In accordance with the agreement between the two boroughs, an annual report is presented to the Trading Standards Joint Advisory Board. This provides an opportunity to give Members a detailed view of the total work carried out by the Service. A copy of the report for the year 2013/2014 is attached for Members' information and consideration.

3.2 Structural changes aimed at reducing the number of Heads of Service across Brent Council to achieve budget savings, resulted in the creation of a new larger host Unit for Trading Services. The new Regulatory Service came into being on 6 April 2014 under the leadership of Head of Service David Thrale.

3.3 A separate Forward Planning Report will be presented to the Board today which seeks to regularise timing of future Annual Reports.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications.

5 STAFF IMPLICATIONS

5.1 None relevant.

6 BACKGROUND INFORMATION

6.1 Any person wishing to obtain more information should contact Simon Legg, Senior Regulatory Services Manager, Brent Civic Centre, Engineers Way, Wembley Middlesex HA9 0FJ. Telephone: (020) 8937 5522.

DAVID THRALE
HEAD OF REGULATORY SERVICES



Brent & Harrow Trading Standards

Annual report
2013-2014

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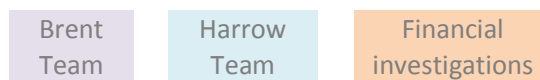
Introduction

Trading Standards as a local authority service has a long history of partnership working. Brent has provided the service for Harrow on a consortium basis since the demise of Middlesex County Council on 1 April 1965 – thus the joint service will celebrate its 50th anniversary in April.

Originally, the service encompassed the Boroughs of Harrow, Brent and Ealing until Ealing left the consortium in the early 1990s. In 1996 a formal consortium agreement was drawn up between Brent and Harrow based upon the prior agreement between the three parties. In 2001 the Joint Advisory Board was established following the introduction of Executive arrangements. The Service discharges each Council's statutory obligation as a Weights and Measures Authority.

This annual report provides a summary of some of the work and outcomes achieved by Brent & Harrow Trading Standards Service for the year April 2013 – March 2014.

The service comprises three teams that are one of the larger groupings of enforcement teams in the new Regulatory Services Unit.



In addition to Trading Standards, the Regulatory Services Unit provide a Public Mortuary Service for Brent and Harrow too.

The work undertaken has a significant impact on the public with most consumers being unaware of the protection and benefits that underpin everyday transactions, such as buying groceries. Consumers often take for granted that they will receive the correct quantity of petrol when they fill their cars up with fuel, that electrical goods will work, are safe and will not cause us any harm; that the branded goods we buy are not fake; that they will be correctly charged when buying goods or services; or that convincing websites found online are legitimate. Many are unaware that behind the scenes, Trading Standards Officers are working to monitor and protect consumers' rights; ensure the goods we buy are safe and authentic; and that those businesses who do try to scam and deceive, are stopped at the earliest opportunity.

The impact of our work in the local community is through the preventative action we take to tackle problems that would otherwise have an adverse effect on the local and national economy. We maintain levels of compliance to create a fair and competitive trading environment for traders that choose to trade fairly and legally. Businesses who wish to invest, grow and prosper, can do so in the knowledge that their methods and goods are legally compliant or services that they provide are correctly applied with reasonable care and skill to the satisfaction of their customers.

Priorities

The London Boroughs of Brent and Harrow have the following subject headings outlining their key priorities:

Brent Council corporate priorities 2013/14:

1. A strong community
2. Promoting jobs, growth and fair pay
3. Making Brent safer, cleaner and greener
4. Improving health and well-being
5. Better lives for children and families
6. Developing better ways of working



Harrow Council corporate priorities for 2013/14 were:

1. Supporting and protecting people who are most in need
2. Keeping neighbourhoods clean, green and safe
3. United and involved communities
4. Supporting our town centre, our local shopping centres and businesses
5. An efficient and effective organisation

It should be noted that Harrow' corporate priorities have since been changed in their 2014/15 Corporate Plan, and are now:

1. Making a difference for the most vulnerable
2. Making a difference for communities
3. Making a difference for local businesses
4. Making a difference for families

The table below, sets out how the service contributes to each Council's current priorities:

Trading Standards activity	Brent priority	Harrow priority
Investigate consumer complaints about breaches of consumer protection laws and assisting the vulnerable consumers in resolving disputes.	2, 3	1, 3
Advise businesses on the laws that affect them. As trading laws are largely EU-wide, this advice enables businesses to trade throughout Europe.	2	3
Take action against traders that break the law, providing confident consumers and allowing businesses that trade fairly to prosper.	2, 3	2, 3, 4
Tackle doorstep crime and take action against rogue traders and scammers.	3	1
Act as 'Home Authority' or 'Primary Authority' for national businesses based	2	3

within the Consortium.		
Operate a Good Trader scheme, offering tailored guidance and support to member businesses.	2	3
Reduce the level of age-restricted goods sold to children	2, 3, 4, 5	2, 3, 4

In addition to setting the service's annual work plan with corporate priorities determined by the London Borough of Brent or Harrow. The service also contributes to regional objectives through its active membership of London Trading Standards Association and operations coordinated by the National Trading Standards Board.

Budget

The joint service has been delivered successfully by the Brent and Harrow consortium with demonstrable benefits arising from the economies of the scale of the operation. Since 2008/2009 there has been a £300k reduction in the cost of the service. In 2013/14 additional income and further efficiencies have resulted in a further reduction to both boroughs of £190k. The service is continuing to look for opportunities for finding efficiencies will apply for future years as well.

The budget for 2013/14 was £1,299k.

Performance

Complaints of dissatisfaction about the service

During 2013/14, two formal complaints of dissatisfaction were received. One was in respect of a Brent consumer who was dissatisfied about the time taken to respond to their enquiry, and the other was from a Harrow resident who was initially dissatisfied about the progress made in resolving their consumer complaint. Both complaints were successfully resolved.

Other performance data

This annual report provides further performance data on inspections, intervention outcomes, prosecutions, under-age sales and proceeds of crime in the sections that follow.

Supporting business

Primary authority

The national Primary Authority scheme gives businesses that trade in multiple locations the right to form a statutory partnership with one local authority for the purposes of receiving regulatory advice, which is generally binding on other enforcement authorities. This gives businesses greater assurance that their approach to ensuring compliance is uniformly accepted by regulators wherever they trade in the UK. This helps businesses to reduce the cost of compliance and give certainty too.

Primary Authorities can also determine a national inspection plan, which other local authorities must have regard to during inspections of branches in their geographic area.

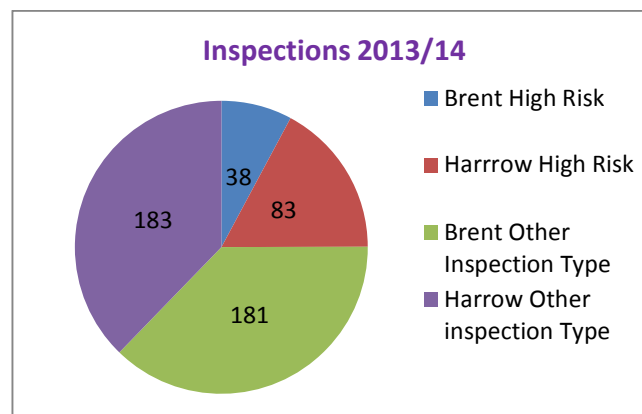
Local authorities are allowed to charge for this service, and Brent & Harrow does levy a charge.

Currently, ten businesses have joined up with our Service which includes companies such as Ikea, Bestway and Orders Direct. Despite being outside the Consortium's geographical area, Pernod Ricard has chosen to sign up as a Primary Authority with our consortium. Unfortunately, Wickes have since moved to a different authority as a consequence of their buy-out by a company that already had a Primary Authority arrangement. Nevertheless, the Service sold 311 hours of Primary Authority advice to our members, which is a considerable achievement in our first year offering the statutory scheme.

Inspections

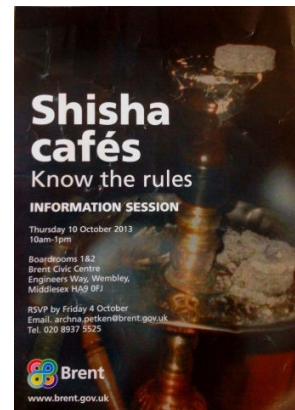
A combination of Government policy to reduce the administrative burdens on business by reducing inspection arrangements, and a decline in funding, has had the effect of changing our focus away from routine inspection of all businesses.

The inspections that we continue to undertake are determined by intelligence leads, risk assessment and recent track-record for businesses. The pie chart below shows the number of inspections carried out.



Shisha workshop

As a result of several problems with businesses selling shisha, including smoke-free law, underage sales, planning consent and the absence of health warnings, a seminar for Brent business was provided in November 2013. This covered the *do's and don'ts* of selling shisha..



Officers in Harrow conducted a talk at the popular Landlords' Forum where over 100 landlords and letting agents from the public and private sector gathered. We explained the requirements for electrical appliances, furniture and the due diligence checks. Also present were the Electrical Safety Council, National Landlords Association, Gas Safe and others.

Responsible Trader scheme

Since 2007, we have operated a free *Responsible Trader scheme* that helps businesses to use best practice to prevent the sale of age restricted goods to children. Participants receive free training and advice, occasional audits of their arrangements, and marketing materials to use with their customers. We currently have over 250 participants across both boroughs.

Responsible Trader



Investigations

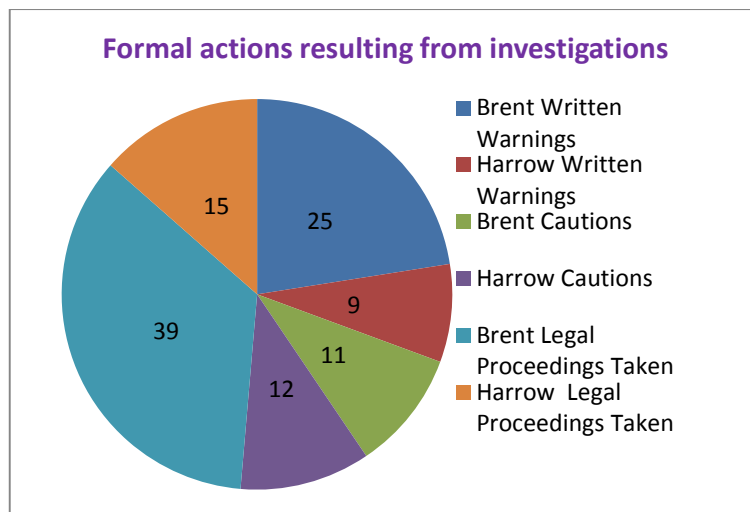
During the year, the Brent Team submitted a total of 78 investigation reports and the Harrow Team a total of 32.

Investigation reports are prepared and submitted by Officers where there is compelling evidence to prove the commission of a criminal offence(s). Outcomes can include:

- no action;
- letters of warning;
- re-inspection;
- issue of a Simple Cautions if the trader accepts their guilt; or
- legal proceedings.

We undertake all criminal prosecutions using our own staff, who issue summonses and appear as advocates in the Magistrates' Courts. This is both cost effective and provides an in-house source of advice for ongoing investigations, leading to a high success rate.

The chart below shows the outcomes of our 2013/14 investigations:



As a result of our prosecutions last year, traders were fined a total of £27,420. The highest fine being £8,000 against an individual who was wholesaling selling counterfeit electrical accessories such as phone covers and chargers, batteries, adaptors, cables and computer hardware. The lowest was £100, for a trader who was selling similar items on a much smaller scale.

Other notable penalties include:

- two defendants who received prison sentences totalling 20 months and the destruction of counterfeit goods with a street value of up to £17 million;
- one defendant given an 8 week suspended sentence;
- five defendants given Community Service Orders totalling 550 hours.
- one defendant given a 6 month curfew order
- a £138,000 Confiscation Order obtained against a convicted 'car clocker'



A total of £17,379 prosecution costs was awarded to the service. Although this figure is much lower than in previous years, these costs help the service to recoup the costs involved in taking these cases.

Underage sales

As described on page 8, the *Responsible Trader Scheme* continues to be a success, with the vast majority of businesses having audited procedures and processes in place to prevent underage sales. During the year, the Harrow Team conducted 114 member audits and the Brent 40.

Nevertheless, despite our continued programme of advice to businesses and the promotion of the scheme, there are still a small number of traders who continue to sell age-restricted goods to children.

The below table shows the results of our test-purchasing in 2013-14:

Product	Test purchases (no.)		Sales (no.)		Failure rate (%)	
	Brent	Harrow	Brent	Harrow	Brent	Harrow
Alcohol	78	104	4	10	5	9
Tobacco	31	17	1	1	3	6
Knife	6	1	1	0	16	0
Fireworks	24	21	0	1	0	4
Spray Paint	0	1	0	0	0	0
Total	140	144	6	12	4	8

This is a slight improvement in Brent compared to the previous year, and no change for Harrow.

Our child volunteers wear covert recording equipment when carrying out these operations. This provides an irrefutable record of what was said and done by the trader and purchaser for evidence purposes. A pre-cursor to each test is a requirement for prior judicial approval.

Cases include an off-licence that pleaded guilty to selling four cans of Strongbow cider to a 15 year old schoolboy. A search after the underage sale also found hidden stash of illegal cigarettes and hand rolling tobacco, none of which contained the statutory health warnings. The defendant was fined £300 for each offence and was ordered to pay a further £840 in prosecution costs.

Surprisingly, fireworks were sold to a 12 year old by a member of our *Responsible Trader Scheme*. It transpired following investigation that the member of staff who had made the sale claimed not to be able to speak any English. The owner provided training records and documents demonstrating he had systems in place to prevent such sales, but that this was compromised by the employment of an employee with insufficient grasp of English. In this instance, the trader was given further advice and accepted a formal caution for the sale after agreeing their guilt.

Multi-agency operations

Both borough teams regularly lead on and take part in multi-agency operations, which sees us working alongside other Council departments, the Police, Her Majesties Revenues and Customs (HMRC), UK Boarder Agency, Medicine and Healthcare Products Regulatory Agency, Illegal Money Leading Team etc. This approach tackles issues ranging from doorstep crime, the sale of illicit medicines, tobacco and alcohol, anti-social behaviour, tax evasion, people trafficking, illegal immigrants and unlicensed money lenders\loan sharks etc. This working forges strong relationships with other enforcement bodies and increases information and intelligence sharing about problem traders.

Our partnership working has included support for:

- Week of action events in both boroughs;
- Operation Condor and Operation Big Wing which are some of their biggest policing operations focusing on licensed premises;
- Operation Liberal, tackling rogue builders;
- Operation Lauderdale which was a pan-London Trading Standards initiative that tackled self storage businesses that were letting units to unscrupulous traders .



A particular problem found in Harrow has been the supply of counterfeit and non duty-paid tobacco and alcohol. A seizure of non duty-paid goods was made from an articulated lorry in Mollison Way. Another operation with HMRC encountered 5,328 litres of contraband beer, 956 litres of contraband wine and 29 litres of contraband spirits. That trader had evaded £7,890 in duty and £1,900 in VAT.

In Brent, communities experience increasing problems with establishments selling shisha flouting Trading Standards, Food Safety, Planning and Licensing laws. It has now become the norm for evening enforcement inspections to take place jointly between these departments carrying out spot checks on things ranging from smoking in enclosed places, the health warning being used on shisha pipes, the sale of illicit shisha tobacco, unsafe business premises void of appropriate planning permission and underage sales. Several prosecutions were taken in 2013/14 and this is likely to continue this coming year, which will see some establishments facing second prosecutions, or closure using anti-social behaviour controls.

Financial Investigations

The Financial Investigation Team consists of two Accredited Financial Investigators, led by our Senior Prosecutor. Under the Home Office Incentivisation scheme the service receives 37.5% of any funds recovered for the public purse.

The team has a portfolio of Proceeds of Crime Act (POCA) cases including:

- 5 from Brent Trading Standards
- 2 from Harrow Trading Standards
- 6 from Brent Planning
- 3 from Harrow Benefit Fraud

The team secured 12 confiscation orders under POCA totaling £1,386,231.61 during 2013/14. Details of which are tabulated later in this report. As a result the Service received **£572,015.26** in incentivisation payments.

The service was the highest performing UK local authority for incentivisation payments received

One case this year was a landlord that had converted a single dwelling property into 9 self-contained dwellings unauthorised. A referral was received following successful prosecution by the Planning Service. We successfully obtained a Court Order for £494,314.30 – equivalent to the rental income for nine dwellings - and the defendant was given six months to pay up or serve three years in prison. The defendant has since paid in full and Brent Council will receive 37.5% of this order, £185,367.86.

Another successful case involved a trader of counterfeit music CDs. He was ordered to return £60,000 proceeds of crime. In addition, the trader was given 150 hours community service, fined £2,800 and given an eight month suspended jail sentence. He was given six months to pay the order or face 15 months in prison. He has paid in full, and the service will receive 37.5% or £22,500.



In a final example, a car dealer was ordered to pay £138,000 following a conviction for the supply of clocked cars. He was ordered to pay in within six months or face two years in prison. At the time of writing this report, this order currently remains unpaid, however the permitted time to pay has not yet expired.

From November 2009, Local Authority Accredited Financial Investigators have had the powers to seize cash under POCA. Cash seizure can be used as a quick, hard-hitting alternative enforcement method. Those who trade illegally often deal in cash and can make vast profits. Seizing cash and then applying for detention and forfeiture can be done without the need for a criminal prosecution and 50% of any successfully forfeited cash goes to the authority that seized it. Cash detention and forfeiture is dealt with in the Magistrates' Court and the applicant has to prove that on the balance of probabilities, the seized cash has come from criminal conduct or is to be used in criminal conduct. Since using these powers we have seized just over £95,000 in cash, some of which has been forfeited and some of which is still subject to proceedings in the Magistrates' Court.

The table below provides further details of the POCA case that were concluded in 2013-2014.

Referrer	Confiscation ordered	Due to Referrer	Due to Trading Standards
Harrow Benefit Fraud	£18,700.00	£5,610.00	£1,402.50
Harrow Benefit Fraud	£1.00	£0.62	£0.38
Harrow Benefit Fraud	£30,000.00	£9,000.00	£2,250.00
Brent Planning	£494,314.30	£148,294.29	£37,073.57
Harrow Trading Standards	£60,000.00	£22,500.00	£22,500.00
Brent Trading Standards	£138,000.00	£51,750.00	£51,750.00
Brent Planning	£150,000.00	£45,000.00	£11,250.00
Brent Planning	£85,000.00	£25,500.00	£6,375.00

Harrow Benefit Fraud	£21,648.62	£6,494.58	£1,623.65
Brent Planning	£205,310.42	£61,593.13	£15,398.28
Brent Planning	£111,257.27	£33,377.18	£8,344.30
Brent Planning	£72,000.00	£21,600.00	£5,400.00
Totals	£1,386,231.61	£430,719.80	£163,367.68

Brent Team Investigations

The director of a beauty school was fined £500 and ordered to pay costs of £1,307 plus £2,129 compensation to two disgruntled students for reneging on the '100% Money Back Guarantee' advertised on his company literature. Before paying for their course, the students were shown impressive state-of-the-art facilities at the London Metropolitan University, yet days before it was due to start, they were informed their course was being held at a different location which turned out to be a dark room, with no proper treatment, toilet or washing facilities. Both students invoked their right to a full refund as had been advertised on the website, but this was never forthcoming.

A market trader who operated from the old Wembley market site, was sentenced to a 6 months curfew order, ordered to refrain from entering the market for 12 months, and to pay £200 costs. He had pleaded guilty to offences for attempting to sell 1,239 items of counterfeit goods. The haul of fakes included Tiffany jewellery, Rolex watches, Chanel jewellery and Louis Vuitton accessories. Had the items been genuine, they would have been worth nearly £200,000.



Our regular work during Wembley Stadium events resulted in a husband and wife team being summonsed for selling counterfeit scarves during a NFL Football game. The court was told that Trading Standards Officers gave the stall holders an opportunity to take the infringing scarfs off of sale but despite indicating that they would remove the items, officers spotted the same scarves being sold again hours later.

The duo and were fined £1,300 between them and ordered to pay £890 in prosecution costs plus

Working jointly with our colleagues in the Food Safety, a shisha café was prosecuted for selling tobacco shisha without the required statutory health warnings similar to those found on packets of cigarettes. The company and its director was fined £3,000 and ordered to pay costs of £963 The trader had been advised how to comply with the law on three separate occasions but had chosen to continue trading unlawfully.

An overseas student was given a suspended three month jail term, 100 hours of unpaid community work and required to pay £800 costs for selling counterfeit and unsafe mobile phone chargers, headphones and electrical accessories. The investigation commenced following a tip-off from HMRC who had detained counterfeit goods that the defendant had intended to import.

In a case heard at Wood Green Crown Court an importer based in Ealing had supplied retailers in Brent and Enfield with dangerous toys. They pleaded guilty and were fined £1,000 and ordered to pay £3,000 in costs.

Harrow Team Investigations

In our previous annual report, we reported an investigation into the supply of unsafe and counterfeit electrical goods. This has since concluded and transpired to be one of the Harrow Team's largest seizures. Four businesses trading in Edgware were interlinked in what turned out to be a complex and lengthy investigation with each being pursued through the Courts. To date, the cases against two of these companies have concluded. The first in which evidence was heard that stock was being purchased for a pound and sold on at a profit for £10. The trader was fined £2,000 and ordered to pay £1,000 in costs. All the seized items were forfeited.



The second prosecution resulting from this investigation concerned a company from whom we seized 8,300 items bearing registered names including Toshiba and Dell. The items included headphones, keyboards, adaptors and labels. The total retail value of the goods had they been genuine was £42,670. The company was fined £8,000 and ordered to pay costs of £3,365. All the seized items were forfeited.

The two remaining companies have had their cases transferred to the Crown Court and are yet to conclude. I hope to be providing details of successful outcomes in next years Annual Report.

A trader operating from home copying huge volumes of CDs and selling them on eBay was apprehended and 2,843 private discs were seized from his home. In Court, the defendant's Counsel said that he did not realise the selling counterfeits was a crime as others were doing it, but once he did realise, it was difficult for him to stop as it had become routine. Proceeds of Crime proceedings followed.

In a joint operation with the Metropolitan Police Service, a local man appeared before Harrow Crown Court for possession of over 100 cannabis plants, intended for supply. The Police were unaware that we had already been investigating the trader when they also found over 9,000 counterfeit £1.00 postage stamps. In May 2013, the defendant was sentenced to 28 months in custody.

During November 2013, two company directors were made to pay a total of £1,625 in fines and £2,253 costs, after being convicted of selling stickers many of which depicted logos which were the intellectual property of Premier League football clubs. Following an undercover test purchase to the defendant's business premises in Stanmore, 3,000 counterfeit stickers were seized displaying trade marks and computer equipment used to print them. The directors had been advised previously by Liverpool FC that their activities were illegal, but they continued to trade unlawfully.