

TYNE AND WEAR TRADING STANDARDS JOINT COMMITTEE AGENDA

Thursday, 4 March 2021 at 10.00 am in the Virtual Meeting via MS Teams - Link to view meeting to follow.

From the Chief Executive, Sheena Ramsey

Item	Business
1	Apologies for Absence
2	Minutes (Pages 3 - 6) The Joint Committee is asked to approve as a correct record the minutes of the previous meeting.
3	Revenue Estimates 2021/22 (Pages 7 - 10) Report of the Strategic Director, Resources and Digital.
4	Report and Statistical Return for the Period to February 2021 (Pages 11 - 16) Report of the Service Director, Economy, Innovation and Growth
5	Government Announcement: Buy-Now-Pay-Later Products to be Regulated (Pages 17 - 18) Report of the Service Director, Economy, Innovation and Growth
6	New National Regulator for Construction Products (Pages 19 - 20) Report of Service Director, Economy, Innovation and Growth
7	Trading Standards and Covid-19 (Pages 21 - 22) Report of the Service Director, Economy Innovation and Growth
8	Covid-19 Scams (Pages 23 - 26) Report of the Service Director, Economy, Innovation and Growth
9	Penrose Report "Power to the People" - Stronger Consumer Choice and Competition (Pages 27 - 30) Report of the Service Director, Economy, Innovation and Growth

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

TYNE AND WEAR TRADING STANDARDS JOINT COMMITTEE MEETING

17 SEPTEMBER 2020

PRESENT: Councillor K Dodds (Chair)

Councillors: T Graham, I Patterson, C Burdis,
Councillor S Graham, Councillor J Blackburn, J-
P Stephenson, LWright, Councillor M Lowson and Lovatt

TW30 APOLOGIES FOR ABSENCE

Apologies were received from Councillors M Foy (Gateshead) and Councillor J Fletcher (Sunderland).

TW31 MINUTES

The minutes of the last meeting of the Committee held on 13 February 2020 were approved as a correct record.

It was noted that the launch of the Responsible Retailer Scheme in Sunderland had been delayed due to the pandemic.

TW32 FINAL OUTTURN FOR FINANCIAL YEAR 2019/20

The Committee has considered the final outturn for the financial year 2019/20, subject to the audit of Gateshead Council's accounts.

It was reported, in response to a question raised at a previous meeting, that the constituent councils' contributions were based on their respective populations. These figures were last revisited in 2013/14 and it was intended that these would now be refreshed.

A member asked about the expansion of the service and ways it could increase its income. The Committee was advised that the future development of the service was tied into the structure of the laboratory premises. A report on this matter was being prepared by Gateshead Council's Property Services and this would be presented to the next meeting of the Committee to align it with the budget setting.

RESOLVED - That the information be noted.

TW33 REPORT AND STATISTICAL RETURN FOR THE QUARTER ENDING SEPTEMBER 2020

The Committee has considered the work and operational duties of the Joint Metrology Laboratory for the period up to August 2020.

RESOLVED - That the information be noted.

TW34 COMPETITION AND MARKETS AUTHORITY: THE CORONAVIRUS (COVID-19) PANDEMIC, CONSUMER CONTRACTS, CANCELLATION AND REFUNDS

The Committee has been advised of the publication in April 2020 of a Policy Statement on Consumer Contracts, Cancellation and Refunds by the Competition and Markets Authority (CMA).

During the pandemic and lockdown, the CMA received a significant number of complaints from consumers that apparently businesses were not following the legislative provisions in respect of consumer contracts and the requirements for businesses to consider cancellations and refunds.

There was a wide range of contracts that have been affected due to the pandemic. The Policy Statement sets out the CMA's general views about how the law operates in this area to help consumers understand their rights and to help businesses treat their customers fairly.

RESOLVED - That the information be noted.

TW35 COMPETITION AND MARKETS AUTHORITY: JOINT STATEMENT AGAINST PRICE GOUGING - JULY 2020

The Committee has been advised of the publication in July 2020 of a Joint Statement Against Price Gouging by the Competition and Markets Authority (CMA).

During the early stages of the pandemic and lockdown, trading standards services received a number of complaints from consumers that apparently a number of shops were allegedly exploiting consumers by raising the prices of certain key products, so called 'price gouging'.

As a result of all the concerns raised on 3 July 2020 the CMA issued a joint statement with a number of organisations. This made it clear that the CMA remained concerned about the behaviour of a small number of organisations at that time. If customers have been affected by price rises, they can report poor business behaviour to the CMA using its online form to report them. In addition, it has urged retailers to report examples where prices are being raised because of increases in supplier costs through the same form.

The CMA is keeping all evidence it receives under review and will not hesitate to take enforcement action where there is evidence that the law has been broken.

The Committee considered that representations should be made to appropriate Government Minister to legislate against this type of behaviour by retailers and suppliers in future. The representations to be forwarded to all MPs in Tyne and Wear and the Leaders, Elected Mayor and Chief Executives of the Tyne and Wear Councils. It was suggested that any examples of 'price gouging' should be shared with the Chair.

RESOLVED - (i) That the information be noted.

(ii) That representations be made as outlined above.

TW36 PERSONAL PROTECTIVE EQUIPMENT: FACE MASKS AND COVERINGS

The Committee has been updated on the publication by the Office for Product Safety and Standards of guidance to enforcement authorities on the implications of the Personal Protective Equipment legislation on Face Masks and Coverings during the Pandemic.

RESOLVED - That the information be noted.

Chair.....

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**Report to the Tyne and Wear Trading
Standards Joint Committee**

4th March 2021

Revenue Estimates 2021/22

Darren Collins, Strategic Director, Resources and Digital, Gateshead Council

Purpose of Report

1. This report considers the budget estimates for 2021/22 as set out in Appendix 1.

Background

2. The proposed budget for 2021/22 is set out in Appendix 1. For reference, the projected outturn for 2020/21 has also been included.
3. There is expected to be a trading surplus in 2020/21 largely due to a vacant post and reduced activity.
4. The salary estimate includes a pay increase of 2.75%. It has also been assumed that income levels will revert back to pre-Covid levels.
5. It is proposed that the contributions from partner authorities increase in line with pay awards.
6. The reserve is expected to exceed £100,000 and will provide a financial buffer allowing development of the building.

Recommendation

7. It is recommended that the following is approved by the Committee:
 - The latest estimate of £375,972 as set out in Appendix 1

Contact: Jeremy Craxford ext. 2727

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Appendix 1

	Projected Outturn 20/21	Budget 20/21	Budget 21/22	Notes
INCOME				2021 income down
Fees & Charges	-104,559	-139,173	-143,173	due to Covid. 2019/20 outturn was £160k
S.11 Stamping Fees	-2,427	-9,000	-7,911	
Levy on Constituent Authorities	-218,869	-218,869	-224,888	Increased by 2.75% reflecting Pay Award
	<u>-325,855</u>	<u>-367,042</u>	<u>-375,972</u>	
EMPLOYEES				
Direct Pay	185,013	227,436	227,431	1 x Grade L Manager 2 x Grade H Technical Officers 1 x Grade E/F Junior Technical Officer 1 x Grade D Technical Assistant 1 x Grade D Senior Support Assistant
Indirect Pay	199	1,142	100	
	<u>185,212</u>	<u>228,578</u>	<u>227,531</u>	
PREMISES				
Repairs & Maintenance	8,895	7,570	21,900	
Utilities	12,045	14,669	14,000	
Rent	4,160	4,160	4,000	
Rates	8,608	8,400	9,000	
	<u>33,708</u>	<u>34,799</u>	<u>48,900</u>	
TRANSPORT				
Car Allowances	467	400	500	
Vehicle Running Costs	978	940	1,000	
	<u>1,445</u>	<u>1,340</u>	<u>1,500</u>	
SUPPLIES & SERVICES				
Furniture & Equipment	20,136	33,500	21,000	Re-equipping
UKAS Fees	8,915	9,000	9,000	
Printing & Stationery	279	7,855	2,855	
Insurance	5,160	5,160	10,160	
Postage	1,568	800	2,000	
Miscellaneous	2,637	7,212	14,228	
	<u>38,695</u>	<u>63,527</u>	<u>59,243</u>	
CENTRAL ADMIN				
Met Lab Central Admin	38,798	38,798	38,798	Directorate £18.8k, Finance £12.3k, IT £3.5k, Other £6.2k
	<u>38,798</u>	<u>38,798</u>	<u>38,798</u>	
	<u>297,858</u>	<u>367,042</u>	<u>375,972</u>	
Net Expenditure	-27,997	0	0	
Contributions				
Gateshead	-39,663	-39,663	-40,754	
Sunderland	-54,579	-54,579	-56,080	
Newcastle	-55,504	-55,504	-57,030	
South Tyneside	-29,344	-29,344	-30,151	
North Tyneside	-39,779	-39,779	-40,873	
	<u>-218,869</u>	<u>-218,869</u>	<u>-224,888</u>	
Reserve Balance b/f	-78,447	-106,444	-106,444	
Reserve Balance c/f	-106,444			

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Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

Report for Period to February 2021

Anneliese Hutchinson, Service Director, Economy, Innovation & Growth, Gateshead Council

Purpose of the report

To inform the Committee of the work of the Joint Metrology Laboratory for the period and operational duties to present in these difficult times of a pandemic.

Metrology Laboratory

Operational

1. The laboratory has continued to provide a service throughout the pandemic and has not lost any time or productivity. Social distancing has been maintained and full risk assessments applied along with modified practices to achieve this aim. There are no opportunities to work from home and all staff have been working through the pandemic at the laboratory which is a credit to their dedication and professionalism.
2. The submissions to the laboratory have not reduced in quantity in comparison with this time last year, as a predominance of the laboratory’s clients are in the pharmaceutical and food production industries and need a continuity of service to maintain their production levels. In some months the submissions have increased greatly.
3. Submissions in January 2021 were up by 474 with a total of 918 submissions this year.

Submissions		Weights
59	UKAS M1	422
10	UKAS F2	36
99	UKAS F1	345
11	UKAS E2	67
Total UKAS Submissions		870
3	Sec 74(4)	6
0	NAWI	0
3	Traders	42
0	Verification	0
Total Submissions		918
UKAC Certificates		179
Non UKAS Certificates		6

4. Turnaround times in giving completed work back to clients, even with a staff member down due to retirement, for the duration of the pandemic and increased workloads for all staff to cover this absence, have not been degraded by any more than three days but as submissions increase this may cause longer turnaround times which is one of our unique abilities in the calibration market..

Aid and Advice to Industry

5. Local weighing machine repairers, chemical, food manufacturers, pharmaceutical and aeronautical companies continue to submit their test weights, scales and measures in for calibration and many have expressed their gratitude that we are still providing a service as their businesses would suffer if we did not. The laboratory has just quoted for submissions from an offshore renewable energy company, although not a large contract, it is representing a new market sector for the laboratory.
6. The laboratory has been giving advice on practical issues facing local companies with regards to calibrations and more onerously on Brexit implications to their business and in particular conformity assessment procedures. UK Companies are no longer able to CE mark goods and have to appoint a European Notified body within the EU27 to be able to place their goods on the EU Market. Goods to be placed on the GB Market must be marked UKCA by a British Approved Body and if goods are to be placed onto the market in Northern Ireland, they must be marked UKNI with the CE mark. These Northern Ireland marks will not be recognised in the EU. This advice has been given to the metrology and product safety sectors. At present there is no divergence from European requirements, but it is anticipated that in the future advice to industry will become more complicated explaining if the business wants to place goods on the European market as well as the British market. The laboratory was asked by a Japanese Standards Board on how to apply the UKCA mark on some of their client's manufactured goods.
7. The laboratory does offer the facility to companies to hire some of our test weights and there have been a number of hires of several tonnes of weights over the last few months, currently there is one tonne on hire up at Morpeth and one tonne out on hire down in Barnard Castle.
8. The Public Weighbridge is still being utilised by our clients and providing an essential service to hauliers and road haulage operators, especially those sending ISO containers through the ports in line with the Safety of Live at Sea Regulations (SOLAS). Unfortunately, we can only accept cash for payment or invoice as a card reader was prohibitively expensive to utilise. The use of cash had to be risk assessed and control measures put in place. The weighbridge makes a contribution not only to the local economy but also to road safety in preventing overloaded vehicles using our road infrastructure and the inherent dangers they present and several companies have been asking for advice on safe loading of vehicles, this includes Gateshead Council Fleet vehicles.

EC Verifications

9. There will be no EC Verifications after 1st January 2021 as we are no longer a Notified Body recognised by the EU due to the finality of Brexit. The UK Government has transferred us to an Approved Body for the purposes of attesting to the UKCA requirements. This transfer is beholden upon us being audited in line with the Local Authority Auditing Protocol before the deadline of March 31st, 2021. If the Approved Body continues after successful audits then a shortfall in Authorised Officers needs to be addressed sooner rather than later, due to the retirement of the officers covering Northumberland who also covered the expertise of the Laboratory Manager if he was unable to attend, such as the Automatic Rail Weighbridges on Tyne Dock.
10. A submitter of Capacity Serving Measures for verification, due to Brexit and lockdown repercussions has relocated his production away from the North East region to Wales but has confirmed that due to the good relationship with the laboratory they will continue to use the laboratory's services in the future.

UKAS Calibrations

11. As can be seen from paragraph 3 above the laboratory has worked tirelessly through an extremely difficult period. All weights submitted have been subjected to disinfection where possible and a quarantine period and that all public areas disinfected after clients have delivered and collected their submissions. As social distancing measures preclude any double up working in a single laboratory consideration will need to be given to splitting the work into shifts, a day shift and a night shift if the volume of submissions continues to increase, this may prove to be difficult to achieve due to the low numbers of staff currently at the laboratory.
12. The laboratory underwent its annual audit by UKAS in February 2021. This audit is to be conducted remotely and all materials sent to the auditing team in advance. Due to the timeframe of report submission a verbal update on the findings will be provided at the meeting.
13. The laboratory has successfully had an Extension to Scope of Accredited activities granted by UKAS to extend the weight range up to 50 kg. To have accreditation for the calibration of weighing instruments up to 150 kg in capacity and allows for calibrations here at the laboratory or on site of the client. A further extension allows for the calibration of volumetric flasks up to 5 litres in capacity. All these extensions were achievable utilising existing equipment, procedures and skills that the laboratory possesses.

Product Safety

14. As was reported previously the laboratory has been appointed by Office of Product Safety and Standards as the product safety laboratory and sample hub for the North East, Yorkshire and Humberside regions and as such have been organising the testing of products on behalf of the Local Authorities that we represent, we are currently awaiting the results of those tests and the laboratory is presently looking at accredited test house to provide flammability testing of mattresses.

15. Cigarette testing, although with fewer samples coming in due to the repurposing of many trading standards personnel in authorities, is still being undertaken, with the Manager having been put on notice of potential Court attendances in Norfolk, Barnsley, Dorset and South Wales to give Expert testimony in cases where samples failed Reduced Ignition Propensity testing and posed a risk to life and property due to fire.

National Agenda

16. The laboratory has once again been contracted to run professional training by the Chartered Trading Standards Institute for the Practical and Oral Examinations in Metrology. Due to the pandemic it was felt that face to face training here at the metrology laboratory was not sensible, an alternative method of delivery was devised. Five candidates wished to proceed whilst three preferred to defer their examinations until such time that a normal face to face training system could be re-introduced.

17. The laboratory has developed a new Advanced Metrology Module as part of the Chartered Trading Standards Institute's qualification framework, and this goes live later this year with candidates predominately from Northern Ireland already enrolled. The manager is the appointed examiner and training provider for the new module.

18. The T Level qualification developed by NCFE with major contributions by the laboratory has been submitted for the approval stage with their professional Institute.

19. The laboratory has been involved with a quality assurance audit of calibrations with the National Standards Institute of Iceland. Results of the interlaboratory audit will be presented orally at the meeting.

20. The manager, as a Lead Officer for Metrology for the Chartered Trading Standards Institute, has been contributing to National debates and advice, all being conducted remotely presently, where Brexit issues dominated as well as technical and training issues being dealt with. The Manager, in this capacity also sits on the Legal Metrology Expert Panel where remote meetings have been held to discuss various issues affecting the Weights and Measures profession in the UK.

21. The laboratory was asked for advice by the Northern Ireland Trading Standards Service, who are part of the Civil Service rather than Local Authority, on expanding their service delivery to cater for the unique position they are in as a member of the United Kingdom and the European Union after Brexit.

22. World Metrology Day held annually on May 20th; this year focuses on Measurement for Health. The theme was chosen by the International metrology community to highlight the extremely important role metrology plays in the health and wellbeing of our society. There is a dedicated website for the promotion of the day and events and metrology service providers are free to publicise their own role in this event. This may present itself as an ideal opportunity for the Committee to highlight the laboratory's contribution in the metrology community.

Environmental

23. The laboratory has decided to restrict the amount of plastics involved in providing the calibration and testing certificates to clients. Historically, all certificates have been issued in plastic wallets to protect them. Once stocks are exhausted no replacements will be purchased. The aim is to reduce the use of single use plastics where practicable to zero by the end of the year.
24. All packaging materials are recycled and reused to send submissions back to clients to avoid being sent to landfill.
25. The amount of paper use by reason of printing has been reduced as auditing by UKAS is currently, due to the restrictions of social distancing, being conducted remotely so the 'paper trail' is currently electronic and this will continue leaving the production of certificates and test reports as the largest use of paper. It is proposed that the laboratory consults with its client base if they will accept electronic copies of certificates and reports in the future instead of the paper copies they currently ask for.

Recommendation

26. The Committee is asked to note the information.

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Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

Government Announcement: Buy-Now-Pay-Later Products to be regulated.

Anneliese Hutchinson, Service Director, Economy, Innovation & Growth, Gateshead Council

Purpose of the report

To update the Committee on the Government announcement on the 2 February 2021 that Buy-Now-Pay-Later schemes are to be regulated.

1. Interest-free buy-now-pay-later credit agreements will be regulated by the Financial Conduct Authority (FCA) in order to protect consumers under plans announced by the Government.
2. Buy-now-pay-later products are rapidly increasing in popularity, with the volume of transactions tripling in 2020 as the pandemic drove online shopping, and the Government has taken the view that there is now a significant risk that these agreements could cause harm to consumers.
3. The announcement comes as a review of the unsecured credit market, led by Christopher Woolard, recommends bringing interest-free buy-now-pay-later into FCA supervision.
4. John Glen, Economic Secretary to the Treasury, said:
 - “Buy-now-pay-later can be a helpful way to manage your finances but it’s important that consumers are protected as these agreements become more popular. By stepping in and regulating, we’re making sure people are treated fairly and only offered agreements they can afford – the same protections you’d expect with other loans.”
5. Buy-now-pay-later schemes have been identified as having some clear benefits - such as allowing people to manage their finances by spreading the cost of a purchase interest-free – but the Woolard Review found several potential harms which can be mitigated by bringing these agreements into regulation.
6. Many consumers do not view interest-free buy-now-pay-later as a form of credit, so do not apply the same level of scrutiny, and checks undertaken by providers tend to focus on the risk for the business, rather than how affordable it is for the customer.
7. Although the average transaction tends to be relatively low, shoppers can take out multiple agreements with different providers – and the Review finds it would be relatively easy to accrue around £1,000 of debt that credit reference agencies and mainstream lenders cannot see.

8. The view is that with several buy-now-pay-later providers planning to expand to higher-value retailers, or offer their products in-store, the risk that consumers could take on unaffordable levels of debt is increasing.
9. The Government's decision to bring buy-now-pay-later into regulation is seen as mitigating these risks by giving the Financial Conduct Authority oversight of buy-now-pay-later providers and allowing consumers to escalate their complaint to the Financial Ombudsman Service if things go wrong.
10. Under these plans, providers will be subject to FCA rules so will need to undertake affordability checks before lending and ensure customers are treated fairly, particularly those who are vulnerable or struggling with repayments.
11. The Woolard Review made a series of additional recommendations across the unsecured credit market. The Government has welcomed these proposals, which it will examine and respond to in due course.

Recommendation

12. The Committee is asked to note the information.

Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

New National Regulator for Construction Products

Anneliese Hutchinson, Service Director, Economy, Innovation & Growth, Gateshead Council

Purpose of the report

To update the Committee on the Government announcement on the 19 January 2021 that a new national regulator to oversee the enforcement of the legislation related to construction products is to be established.

1. On the 19 January 2021 the Government announced that residents will be protected through the establishment of a national regulator, which is seen as ensuring that materials used to build homes will be made safer,
2. The new regulator for construction products will have the power to remove any product from the market that presents a significant safety risk and prosecute any companies who flout the rules on product safety.
3. This follows recent testimony to the Grenfell Inquiry that shone a light on the alleged dishonest practice by some manufacturers of construction products, including deliberate attempts to avoid the legislative requirements by allegedly not carrying out the requisite safety tests in the prescribed manner.
4. The regulator is seen as having strong enforcement powers including the ability to conduct its own product-testing when investigating concerns. Businesses must ensure that their products are safe before being sold in addition to testing products against safety standards.
5. This announcement is seen as marking the next major step in the Government's overhaul of regulatory systems affecting construction. Regulatory reform includes the publication of a Building Safety Bill, seen as representing the biggest improvements to the regulations in 40 years, and a new Building Safety Regulator that is already up and running in shadow form.
6. Housing Secretary Rt Hon Robert Jenrick MP said:
 - "The Grenfell Inquiry has heard deeply disturbing allegations of malpractice by some construction product manufacturers and their employees, and of the weaknesses of the present product testing regime. We are establishing a national regulator to address these concerns and a review into testing to ensure our national approach is fit for purpose. We will continue to listen to the evidence emerging in the Inquiry and await the judge's ultimate recommendation - but it is already clear that action is required now and that is what we are doing."

7. Chair of the Independent Review of Building Regulations and Fire Safety Dame Judith Hackitt said:
 - “This is another really important step in delivering the new regulatory system for building safety. The evidence of poor practice and lack of enforcement in the past has been laid bare. As the industry itself starts to address its shortcomings I see a real opportunity to make great progress in conjunction with the national regulator.”
8. The regulator will operate within the Office for Product Safety and Standards (OPSS) which will be expanded and given up to £10 million in funding to establish the new function. It will work with the Building Safety Regulator and local authority Trading Standards services to encourage and enforce compliance.

Related Issue

9. The government has also commissioned an independent review to examine weaknesses in previous testing regimes for construction products, and to recommend how abuse of the testing system can be prevented.
10. It will be led by a panel of experts with regulatory, technical and construction industry experience and will report later this year with recommendations.

Recommendation

11. The Committee is asked to note the information as contained within the report. Discussions with the Local Government Association are ongoing in respect of the appropriate response from local authorities including Trading Standards and Building Control services on the announcement of the new national regulator.

Contact: David Ellerington, City of Newcastle Council on 0191 2116119 or david.c.ellerington@newcastle.gov.uk

Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

Trading Standards and Covid-19

**Anneliese Hutchinson, Service Director, Economy, Innovation & Growth,
Gateshead Council**

Purpose of the report

To update the Committee on the continuing work of regulatory services operating and delivering through your Trading Standards and Environmental Health services throughout the Covid-19 Pandemic.

Summary

1. Since March 2020, there have been and continue to be a number of rapid and far reaching changes in legislative regimes, which have been imposed by Central Government and as always, local authorities have progressed through responding and dealing with the pandemic. Basically, there have and continued to be legislative changes which have been imposed, at often quite short notice for local authority officers to interpret and then enforce.
2. Trading Standards and Environmental Health services continue to be at the fore front in providing rapid and very responsive solutions to the interpretation and implementation of the various legislative changes imposed on the nation and the regional tiers, as we have progressed through dealing with pandemic.
3. On that basis the level and type of specific complaints/enquiries has changed throughout this period. Local Authority Regulatory Services have come together and continue to deal with complaints on specific businesses that should be closed either on permitted timing restrictions; or because they have been placed within the legislation, without any exemptions to be permitted to be open; through to complaints/enquiries on those businesses that were permitted to be open at the time but were not following the guidance in terms of either managing staff and customers with the wearing of face masks if required and social distancing.
4. Local Authorities throughout the legislative changes that have taken place, continue to utilise a range of enforcement tools in line with our Enforcement Policies and national guidance. Joint visits by EHO's and TSO's with Northumbria Police Officers were also carried out and where appropriate the service of Prohibition Notices, Direction Notices or Fixed Penalty Notices given to businesses found not to be compliant.
5. These non-compliant businesses have mainly included those businesses not prepared to close down during lockdown restrictions such as barbers, hairdressers, beauty therapists, together with hand car washes and car valeters.

6. Services continue to deal comprehensively with many thousands of complaints and intelligence about non-compliant businesses from consumers and businesses and where deemed appropriate the range of enforcement tools continue to be employed to ensure compliance in the over-riding interests of public health and safety.
7. It is important to remember, that although a great deal of prioritisation has been given and continues to be given to this very important regulatory work; officers have continued to engage with the other important delivery of the wide range of services, which is very much an expectation of consumers, businesses and Members and also those Government agencies and organisations that we all report to.
8. The true effect of these range of additional duties was highlighted in a letter of the 26 January 2021, which was sent to all Chief Executives by the Ministry of Housing, Communities and Local Government.
9. The letter highlighted the work carried out and encapsulated advice on service delivery for Winter 2020/2021 in the following terms:
10. “We have heard from many of you about the pressure these services are under. We know that councils were already taking a risk-based approach to regulation following reductions in capacity, and that the demands of COVID-19 and EU transition have stretched the need to do so still further. We have also received feedback that it would be helpful for government to provide a steer on national priorities to help inform local approaches and management of resources across all regulatory areas including licensing, trading standards and environmental health.
11. We have therefore developed a table of existing regulatory services activities, categorised to help support local authority decision-making, included in the Annex. While statutory duties will need to continue to be met across all activities, in some areas government has introduced changes to reduce burdens or streamline activity, and details of these are set out.
12. We recognise that this is by no means a complete picture of the full range of activities, but hope that providing this view of national priorities will better support your work to carry out these vital services for your communities and to agree your local priorities. We recognise and support the need to prioritise activity based on local circumstances, businesses, and local economies”.

Recommendation

13. The Committee is asked to note the information as contained within the report. A copy of the letter from MHCLG is available from any Member who requests one.

Contact: Laura Brooks, Sunderland City Council, on 07799 624944 or laura.brooks@sunderland.gov.uk

Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

Covid-19 Scams

**Anneliese Hutchinson, Service Director, Economy, Innovation & Growth,
Gateshead Council**

Purpose of the report

To update the Committee on Covid scams being reported to trading standards.

Summary

1. Scams are the scourge of our communities. They are operated by criminals with the sole purpose of identifying and exploiting often vulnerable, elderly and mentally impaired people. Most scams will be an attempt to steal from you or trick you into revealing personal information
2. As the COVID-19 pandemic has evolved, scammers have developed new scams to meet the new environment we find ourselves in. Scam levels continue to rise and are being widely reported across the UK. Over the course of the pandemic, the physical and mental challenges we have faced can make some of us quite vulnerable. This vulnerability can be an issue when residents are the targets of scammers.

Test and Trace scam

3. Scammers are posing as workers from the NHS Test and Trace service have made calls asking for payment for coronavirus tests. Those being called are told that they have been in contact with someone who has tested positive for Covid-19 and are then told they must purchase a test over the phone. Residents are then asked for their bank details. The cost of the test and results is £500.

NHS email/phone scam

4. Residents across the country have reported being targeted by email fraudsters. The email, which purports to be from the NHS, tells the recipient they have been selected to receive the coronavirus vaccine from the health service. It asks the recipient to click on a link inside the email which is part of a phishing scam. The link then takes you to another website the asks for financial details to pay for the

vaccine. In a similar scam elderly residents have been receiving phone calls advising them the vaccination would be carried out at their home and the caller required their name, address and financial details.

Covid -19 doorstep scams

5. Scammers are calling door to door claiming to be carrying out Coronavirus testing or offering the vaccine to residents. In one extreme case, a man in London knocked on the door of a 92-year-old woman and administered her with a fake vaccine before taking a £160 payment which he told her would be reimbursed by the NHS.

Fake pet sales

6. Trading standards have seen a rise in fake pet sales emerging online through the Covid pandemic. Puppies and kittens are advertised on social media. The fraudsters place an advert of the pet for sale. The scammers are using lockdown as an excuse for prospective purchasers not to visit the puppy or kitten. Once the sale is agreed the purchaser will be asked for an advance payment by bank transfer. However, the pet never materialises.

Fake grants

7. Residents are receiving text messages enticing victims to believe they're receiving a Covid related grant. The text contains a link to a phishing site designed to steal money from the recipient. Victims are led to believe that by clicking the link they can claim a UK government-funded grant for £277.59

Fake mask exemption badges

8. Hundreds of unlawful eBay listings for so-called face mask exemption badges have been removed by trading standards. Trading standards officers worked closely with eBay to remove more than 700 listings.

TV Licence scam

9. Criminals are sending out fake texts to BBC TV licence holders offering a Covid refund payment in an attempt to steal personal and financial information. The text offers a link to an "extremely convincing" fake website where people are asked to input their bank details to claim a refund.

Recommendation

11. The Committee is asked to note the information as contained within the report.

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Report to the Tyne and Wear Trading Standards Joint Committee

4 March 2021

Penrose Report: “Power to The People – Stronger Consumer Choice and Competition”

**Anneliese Hutchinson, Service Director, Economy, Innovation & Growth,
Gateshead Council**

Purpose of the report

To update the Committee on the Government publication on the 16 February 2021 of the Penrose Report entitled: “Power to The People – Stronger Consumer Choice and Competition”.

Introduction

1. The above report was commissioned by the Chancellor in September 2020. John Penrose MP was asked to write an independent report on how the UK’s approach to competition and consumer issues could be improved in future following the impact of Coronavirus and Brexit.

Key References to Trading Standards

2. The report majors on Competition and the role of the Competitions and Markets Authority (CMA) but there is specific reference to Trading Standards in Section 6.4. Key points in this section include the following: -
3. The Report recognises that Local authority trading standards services (LATS) have an essential role in investigating and enforcing local scams and other consumer problems which are too small to warrant a full-scale investigation by CMA or a sector regulator.
4. The Report goes onto recognise that LATS have been ‘hollowed out’ in some – but by no means all – parts of the country by Councils facing budget pressures.
5. The number of trading standards officers has fallen steadily. Almost half of all LATS do not believe that their team has sufficient skills to cover the full range of trading standards responsibilities. Extra expertise is provided by National Trading Standards and Trading Standards Scotland, which have specialist teams to help with things like e-crime and scams.
6. Beyond the legal duty in respect of metrology under the provisions of the Weights and Measures Act 1985, the general legal duty only requires local Councils to establish a trading standards service; some have taken this to mean as little as a single qualified officer, when estimates suggest the sustainable minimum is eight.

7. The Report takes the view that the predictable result is an enforcement gap.... spotty and uneven local investigations and enforcement will sap consumer trust and confidence in whether the system is working properly to protect them, and stop local economies from becoming efficient, competitive, and productive too.
8. The key recommendation that follows is: - "We should create a new statutory duty for minimum standards in LATS, including powers to mount antitrust and consumer investigations, and provide ring-fenced resources so they can deliver them well. The new statutory duty should define the outcomes which have to be achieved but leave local Councils to decide how best to deliver them, to allow more local control and creativity. This will also allow LATS to decide whether and how to join forces with their neighbours to tackle regional scams and cartels, in the same way as police forces pool resources in Regional Organised Crime Units at the moment.

Summary of All the Report's Recommendations

9. Recommendations are outlined in Chapter 9. There are many so a short summary is below.
10. The Report found that our competition and consumer regime currently have a good reputation, but not a great one. We have stopped making progress on cutting the costs of red tape; sector regulators intervene heavily; competitive pressures have got weaker; and consumers feel ripped off. The system needs to be updated, improved, and refreshed.
11. Stronger competition and consumer choices mean more jobs, make exporting firms more likely to win contracts, and give customers a wider range of high-quality goods and services at more competitive prices. Societies where firms have to compete hard to attract and retain customers are fairer, with less injustice, because rip-offs can't become as serious, or last as long, and because people are confident that the system is on their side.
12. CMA should publish an annual 'State of Competition and Consumer Detriment' report which measures and analyses progress and problems across all sectors of the economy.
13. CMA's civil consumer enforcement powers should be updated to bring them into line with the competition toolkit and they should be able to impose higher penalties for non-compliance with investigations and take legally binding undertakings in broader circumstances as part of market studies.
14. There should be improved information sharing with international competition regulators, a simplified appeals system, and an end to end review of case management.
15. The Government should make cutting red tape costs into an automatic burden-reduction process, with a revived, stronger Better Regulation regime including: reinstating the gateway condition so Ministers and regulators must first remove or modernise old rules before they can introduce new ones; increasing the 'one-in-one-out' target to 'one-in two-out', include all forms of Government rule-making with no exceptions.

16. The CMA's new Digital Markets Unit must be ring-fenced tightly, to prevent regulatory creep and only apply to problems which CMA's existing powers can't solve.
17. Require each economic regulator to have a multi-year project plan, to turn as much of their sector into a 'normal' pro-consumer, high-standards competitive market as possible. Each will be subject to the better regulation targets. A process to transfer economic regulators powers to the CMA where appropriate.
18. Small Claims Courts and ADR services should all become fully 24/7 and be as easy, cheap, and simple as using an app on your phone.
19. Create a new statutory duty for minimum standards in LATS, including powers to mount antitrust and consumer investigations, and provide ring-fenced resources so they can deliver them well.
20. Apply measures to address "loyalty penalties" as a general consumer-protection regulation across all affected sectors
21. CMA should update its guidelines on what treating customers fairly means in practice, including 'transactional fairness' in its work and identify what consumer protection rules and analytical techniques will be needed to protect consumers from it as digital technologies evolve and develop over time.
22. Improve use of Digital Comparison tools and other ways to ensure consumers know what they are paying for data and digital services.

Recommendation

23. The Committee is asked to note the information as contained within the report.

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