

## **TRAFFIC, ENVIRONMENT & COMMUNITY SAFETY SCRUTINY PANEL**

MINUTES OF A MEETING of the Traffic, Environment & Community Safety Scrutiny Panel held on 21 January 2010 at 3pm in Conference Room B, Floor 2, Civic Offices, Portsmouth.

(NB These minutes should be read in conjunction with the agenda for the meeting).

### **Present**

Councillors Caroline Scott (Chair)  
Mike Blake (until 4.55 pm)  
Margaret Foster  
Jim Patey

### **Also present**

Robert Briggs, Trading Standards Manager  
Mike Coates, Deputy Director, Office of Fair Trading  
Steve Glennon, Head of Adult & Family Learning  
Tony Quigley, Team Manager, Illegal Money Lending Team  
Inspector Louise Tester, Hampshire Constabulary

#### **1 Apologies for absence (AI 1)**

Apologies for absence were received from Councillors David Fuller, Richard Jensen and David Stephen Butler.

#### **2 Declarations of interest (AI 2)**

There were no declarations of interest.

#### **3 Minutes of previous meeting (AI 3)**

**RESOLVED that the minutes of the Traffic, Environment & Community Safety Scrutiny Panel meeting held on 18 December 2009 be agreed as a correct record.**

#### **4 Review of Trading Standards (AI 4)**

The Trading Standards Manager updated the panel since the previous meeting:

- The Trading Standards service has saved local residents £750,000 and added value of £15 million to the local economy. The latter sum could be exceeded significantly but this can only be achieved by innovation and partnership working.
- The Office of Fair Trading and the Local Better Regulation Office (LBRO) have both produced toolkits to educate consumers.
- Cllr Hugh Mason had been appointed by Councillor Jason Fazackarley, Cabinet Member for Community Safety and a board member of Trading Standards South East Ltd, to establish a local authority run trading company with effect from 1 April 2010. In five years' time it will save about 12% of Trading Standards' current budget; the saving is estimated at

- Unfortunately it had not been possible for a representative from Trading Standards South East Ltd to attend the meeting due to illness.

The panel heard from Mike Coates, Deputy Director of the Office of Fair Trading, Strategy & Planning and Trading Standards Partnership Team.

[TAKE IN PRESENTATION]

The overall relationship between the Office of Fair Trading (OFT) and local authority Trading Standards services is very complex and interacts at many levels to ensure that everyone understands the regulations. Consumer Protection from unfair trading regulations and trader schemes such as 'Approved Consumer Codes' and 'Square Deal' are the primary vehicles for protecting consumers and businesses.

The OFT is not obliged to set targets for Trading Standards; all activity is based on mutual co-operation and intelligence. The OFT is currently establishing a national database to share intelligence and to assist with prioritising information. An economic impact toolkit shows a return on investment of about £6 for every £1 saved for consumers.

The OFT is taking an increasingly intelligence led approach. It works with partners to clarify who should take action and the most appropriate tool to use. It is responsible for collating the annual strategic threat assessment initiative which helps to target resources, for example, on underage drinking, which are co-ordinated nationally but delivered locally. The increase in internet trading is an area of growing concern which requires closer partnership working. Tackling local internet businesses who may have a wider effect is a challenge.

The Trading Standards Manager informed the panel that the service was developing a vulnerable victim support service for people who had been pressured into changing their utility supplier. There is currently no specific legislation on this issue. A case concerning an aggressive debt collection agency had been notified but the activity resumed. Anyone involved in debt collection needs a licence and such cases can be referred to the OFT who will check if the person or company has a licence via local the Trading Standards service.

With regard to "no cold calling zones" the OFT issues guidance but it is a local issue. Until now there have been very few repeat instances of cold calling locally and Trading Standards are working with the Police. Anti-Social Behaviour Orders could be used for repeat cold callers. Trading Standards are concerned with protecting consumers from being swindled and the Police are concerned with cold calling as it leads to distraction burglaries. In local "No Cold Calling Zones" all cold calling is prohibited, including by charities and politicians.

With regard to cars for sale at the side of the road, all roadside selling requires a licence to be issued. Cars can be removed under obstruction

regulations but this is time-consuming. The panel was advised that most streets in Portsmouth are “consent streets”, where trading is prohibited without consent. However, a few newly built streets are not included in this category. Licensing staff are considering the matter.

The panel commented on the increasing number of shops offering to buy gold. If traders buy gold they need to be regulated and adhere to certain conditions such as using proper scales. Trading Standards concentrate on high risk premises where there have been a large number of complaints but so far there have not been many complaints about this type of shop.

The Chair thanked Mr Coates for his presentation.

The Panel heard from Tony Quigley, Team Manager, Illegal Money Lending Team.

[TAKE IN PRESENTATION]

The Loan Shark Team started as a pilot project in 2004 with regional teams in Glasgow and Birmingham examining different types of illegal money lending activity. It was funded by the Department of Business, Enterprise and Regulatory Reform, extended to 2008 and subsequently to other regions. Illegal money lending had been undetected for a long time and intelligence is vital in order to combat it.

It is important to deal with the financial inclusion aspect of the illegal money lender problem in order for solutions to be effective. The Loan Shark Team and Trading Standards work with other agencies such as the Citizens Advice Bureau (CAB) and debt advisers. Financial inclusion means bringing people into mainstream society where they can access financial services such as bank accounts. The Illegal Money Lending Team works with credit unions and assists with witness protection. There are currently about 36 people in witness protection. The Illegal Money Lending Team works with 95 local authorities, who are all very responsive.

Research shows that about 6% of households (about 165,000 households) in deprived areas owe at least £120 million to illegal money lenders. Victims are usually female, aged 30 to 40 and receive benefits. These are not necessarily unemployment benefits; as some victims have a job but also receive benefits. Some internet loans originate from eastern Europe, where money lending is not as regulated as in the UK. In addition, legitimate lenders may have to undertake a means assessment test on the borrowers. Illegal money lenders target the most vulnerable members of society. The main reasons for people using illegal money lenders are financial exclusion, reluctance to complete forms and the instant cash obtainable from an illegal money lender. Chaotic lifestyle factors are not always the reason why people use illegal money lenders; it is sometimes because they have exhausted all other avenues. Many illegal money lenders are recommended by friends, so victims do not like to report them. Fear and intimidation are other reasons for non-reporting. Illegal money lenders used to keep hold of family allowance books but now they take Post Office cards and hand out money to their victims. Illegal money lending correlates to a rise in tenancies being in jeopardy as

victims pay the illegal money lender before paying rent and other debts. There is also a correlation with criminal activity (undertaken to pay debts) which falls once an illegal money lender has been arrested.

Illegal money lenders do not pay tax and keep all of the proceeds, none of which goes back into the community. One illegal money lender charged an interest rate of 117,000%. After an illegal money lender in Gosport was arrested, £35,000 was found under the floorboards in their house. The case was referred through the Police and two people needed witness protection. The seized assets were returned to the community and funded a successful community event with credit unions, which helped people open a bank account. Two of whom now have ISAs. Community events can have a beneficial impact on employment. Furthermore, once an illegal money lender has been removed, their power base collapses. Similar events have been held in Portsmouth, which included promoting credit unions. A major part of Trading Standards officers' work is to promote community awareness of financial issues.

British law is based on the principle of "caveat emptor". With an Annual Percentage Rate (APR) a consumer knows what they have to pay, but people tend to look at the weekly amount they have to pay. Some neighbourhoods used to create thrift clubs, but these are harder to establish now, due to more transient populations. The Loan Shark Team can "parachute" staff into areas where there are problems in addition to their regional staff.

Support for victims ranges from holding community events to individual counselling. Some victims have been helped to overcome traumatic experiences and rebuild their confidence, enabling them to find employment. Staff undertake needs assessments and build good relationships with victims. They make appointments for people and help them to complete paperwork. Practical measures can help people. For example, there is a scheme which reconditions and checks washing machines, supplied by people upgrading to newer models. These are given to people when theirs breaks down, so that they do not have to resort to borrowing money from an illegal money lender to pay for repairs.

The Chair thanked Tony Quigley for his presentation.

The Panel heard from Inspector Louise Tester, Hampshire Constabulary

[TAKE IN PRESENTATION]

There is joint working between Police Licensing and the Trading Standards Service. The area of work covered by the Police includes alcohol and crime reduction. Resources comprise one Sergeant and two Police Constables working on licensing enforcement and another two Police Constables working on active engagement. In addition there is part-time administrative support. Although agencies work together, they do not always achieve a common aim because their different powers lead to different approaches. For example, selling age sensitive goods to underage persons could be dealt with either by a training programme for those who were caught (the £50 cost paid by the

manager's store) or a fixed penalty notice of £80. The scheme, which was launched in April 2009, has been very successful.

A weekly Tasking and Co-ordinating Group for everyone involved in licensing looks at problems and sets tasks and actions for the following week. The benefits are consistency, stronger evidence for hearings, reduced costs and better results. There is now a data sharing agreement for test purchases which has led to reduced failed purchases. Three off-licences were successfully prosecuted, leading to one licence being revoked and one with strict conditions added and the removal of the Designated Premises Supervisor (DPS). Another DPS was also suspended for three months, with conditions added onto the Premises Licence upon re-opening.

The Police deal with on-licensed premises and trading standards deal with off-licensed premises. The Police do not deal with tobacco-related offences. It is the responsibility of individuals to follow policies that have been decided. If residents are concerned about a particular issue, they are invited to send information to the Police. Empowering residents to act on trading standards matters, through initiatives like Proxy Watch, is important.

Community wardens work with the Police on Friday and Saturday evenings to combat underage drinking and other anti-social behaviour as part of Operation Bourne. If the Police receive intelligence about a problem, they will redeploy partners in order to act. Putting labels on bottles of alcoholic drink has been suggested as it will show where people obtained them. The Police have been working with Queen Alexandra Hospital (QAH) over alcohol-related admissions for the last two years although there is room for improvement with regard to liaison. QAH has a new computer system.

If children are caught underage drinking the alcohol is poured away. Depending on how many times the offence occurs letters are sent to their parents and other agencies become actively involved. Shops can refuse to sell alcohol to anyone. There have been some cases where shops have refused to sell alcohol to adults who have children with them.

The panel heard from Steve Glennon, Head of Adult & Family Learning

[TAKE IN PRESENTATION]

The Adult & Family Learning Service (AFL) works with Trading Standards as part of the latter's educative role and helps train the Trading Standards team. AFL works to improve financial literacy. However, all learning can benefit people's lives by improving well-being, developing social skills and extending social interaction.

AFL received a grade 1 (outstanding) in their Ofsted inspection in March 2009. One of the reasons for the award of a grade 1 was the positive working relationships with other city council teams. Being awarded a grade 1 means that AFL will not be inspected for another four years and enabled the service to make a successful bid for £100,000 funding from the Transformation Fund, which will increase adult learning opportunities in Portsmouth.

Local authorities will have a role as a “lead accountable body” in meeting local needs for informal adult learning. There is also a new approach to English for Speakers of Other Languages (ESOL) which helps people understand their rights. As funding for adult learning is limited funds are now targeted on people who have not previously benefited from education, for instance, those living in areas of high deprivation. The number of older learners is increasing in Portsmouth. The traditional adult education market is no longer so prevalent, partly because people prefer to spend money on other activities. The city council is building a new adult education centre in North End called the NEAL Centre, which is due to open in June 2010. This is being constructed with funding from the Learning & Skills Council and will provide learning opportunities for local residents.

The panel noted the following publications:

- a CAB leaflet with case studies which would be helpful for use at residents’ groups as people relate to case studies
- LACORS (Local Authorities Coordinators of Regulatory Services) leaflet on trading standards at your council
- The autumn edition of the Trading Standards newsletter.

**5 Dates of future meetings (AI 5)**

The date of the next meeting was scheduled for 2pm on Friday 12 February 2010.

The meeting closed at 5.15 pm