

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Corporate Services

Corporate & Efficient Governance Committee: 20 April 2011

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**Subject: National Trading Standards Enforcement Teams**

### **1. Purpose**

- 1.1** The committee is asked to delegate power to the Executive Director of Corporate Services to authorise enforcement officers employed by national trading standards enforcement teams which operate within West Dunbartonshire.

### **2. Background**

- 2.1** The UK Government Department for Business, Innovation and Skills (BIS) funds two national trading standards enforcement teams which operate across Scotland. The Scottish Illegal Money Lending Unit and Scambusters.
- 2.2** The Scottish Illegal Money Lending Unit was formed in 2004 and is hosted by Glasgow City Council. The unit investigates illegal money lenders operating without a licence under the Consumer Credit Act 1974. These 'loan sharks' usually charge exceptionally high rates of interest and lenders are often engaged in other forms of criminal activity. Investigations are very resource-intensive and considerable undercover surveillance may be required to gather evidence. Offences are best investigated by a dedicated team with specialist skills and equipment.
- 2.3** The Scambusters team is hosted by North Lanarkshire Council. The team carries out investigations into major cross-border regional or national scams and trading malpractices that are beyond the capability of individual local authorities. The team's work is intelligence-led and they work closely with other agencies such as the police and HMRC.
- 2.4** The Government has announced that throughout the UK illegal money lending and scambusters teams will continue to be funded during 2011/12 (£8.4m) and funding is expected to be similar in 2012/13.

### **3. Main Issues**

#### Scottish Illegal Money Lending Unit (SIMLU)

- 3.1** According to BIS, across the UK illegal money lending teams have identified over 1700 illegal lenders, written off £37m of illegal debts, secured 182 prosecutions resulting in prison sentences totalling 107 years, helped over 16000 victims, and £20m of assets are being investigated under proceeds of crime legislation.

- 3.2** SIMLU has carried out one investigation in West Dunbartonshire although it did not result in enforcement action. Trading Standards has worked with welfare rights and debt counselling teams to encourage people to complain in confidence about illegal money lending.
- 3.3** The unit has secured funding to carry out promotional work and this will include television advertising. The unit has used intelligence and data on deprivation to identify 20 postcode areas across Scotland where they believe illegal money lenders may be operating. Two of these areas are in West Dunbartonshire, namely Bellsmyre (G83 3) and central Clydebank (G81 1). Leaflets will be distributed in these areas in addition to advertising in pubs, doctors' surgeries, pharmacies and libraries. The aim is to encourage people to report illegal money lenders in confidence to a local rate hotline number. This campaign may generate intelligence which will lead to the investigation of local illegal money lenders.
- 3.4** In December 2004 the Community Safety & Environmental Services committee agreed that the Director of Development and Environmental Services had delegated authority to authorise officers employed by SIMLU to exercise enforcement powers within West Dunbartonshire. The committee agreed that authorisations should be cancelled as soon as they are no longer required.
- 3.5** The council no longer has a Director of Development and Environmental Services so this power should now be delegated to the Executive Director of Corporate Services. In addition, it would be more effective to authorise named officers without limit of time. This would allow the powers to be used at relatively short notice and give a degree of operational flexibility. Section 6 of this report explains the controls that are in place to minimise risk to the council.

#### Scottish Scambusters Team

- 3.7** According to BIS, UK Scambusters teams have uncovered an estimated £55m worth of fraud and seized £16.5m worth of criminal assets. In Scotland, the team was formed in 2009. One of its highest profile successes has been securing an enforcement order against a company which sold security alarms using misleading sales practices, often directed at vulnerable consumers. Many of those victims had been referred to Scambusters by West Dunbartonshire's trading standards service.
- 3.8** In February 2009 the Corporate & Efficient Governance committee agreed to delegate power to the Executive Director of Corporate Services to authorise officers employed by North Lanarkshire Council to exercise enforcement powers within West Dunbartonshire. As agreed by the committee, these officers have been authorised without limit of time. This delegated power should continue and does not need to be updated.

#### **4. People Implications**

4.1 There are no people implications.

#### **5. Financial Implications**

5.1 There are no financial implications.

#### **6. Risk Analysis**

6.1 A protocol has been agreed to ensure that enforcement powers granted to officers employed by Glasgow City Council are used appropriately. Satisfactory controls are in place to monitor compliance with that protocol. This ensures that officers are competent and trained, that investigations will only commence with the express written agreement of the head of the trading standards service, and that a contact officer is kept updated about the progress of any investigations and enquiries being carried out in West Dunbartonshire.

6.2 Failure by the local authority to authorise officers in national teams may jeopardise their ability to investigate criminal offences taking place in West Dunbartonshire.

#### **7. Equalities, Health & Humans Rights Impact Assessment (EIA)**

7.1 This report does not relate to any new or significantly changing policies or services, therefore an equalities impact and human rights assessment is not required.

#### **8. Conclusions and Recommendations**

8.1 The procedure for authorising officers employed by Glasgow City Council in the Scottish Illegal Money Lending Unit needs to be updated in light of changes in personnel and to improve operational flexibility.

8.2 It is recommended that the committee delegates power to the Executive Director of Corporate Services to authorise officers employed by Glasgow City Council without limit of time subject to the controls described in section 6.

8.3 The committee is asked to note that the procedure for authorising officers employed by North Lanarkshire Council in the Scottish Scambusters Team is unchanged.

*Joyce White*

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**Appendices:** None

**Background Papers:** Funding announced to help fight illegal money lending  
and scams, media release by Department for Business,  
Innovation & Skills, 29 December 2010.

Investigations into illegal money lending, report to  
Community Safety & Environmental Services committee,  
1 December 2004.

Scottish Scambuster Team, report to Corporate &  
Efficient Governance committee, 25 February 2009.

Scottish Scambusters Project Protocol

Illegal Money Lending Project Protocol

**Wards Affected:** All wards, but of specific interest to Ward 2 (Leven) and  
Ward 6 (Clydebank Waterfront).