

**25<sup>th</sup> February 2016****Extension of Notified Body Status to North East**

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**Purpose of the Report**

1. To inform the Committee of the proposal to merge the existing Notified Body 0520 Tyne and Wear Trading Standards with Northumberland, Durham and extend into Darlington, Middlesbrough, Stockton, Redcar and Hartlepool for the purposes of the Non-Automatic Weighing Instruments Regulations 2000 and (Various) Measuring Instruments Regulations 2006.

**Operational Issues**

2. The existing Notified body performs verification activities under the European legislation upon weighing and measuring instruments first placed onto the market as a third party verification organisation. To be notified, the Secretary of State has to consider the competence of the body and when satisfied, notifies the commission; the Metrology Laboratory has held this status since 1993. Due to recent changes to the Directives which are the source of the regulations we operate this activity under, the commission has ordered that all such bodies be re-notified by the end of March 2016. It therefore seemed an appropriate time to consider the continuance and viability of this service provision in its current format in the North East.
3. The Proposal is to create a regional Notified body encompassing the whole NETSA region, based upon the existing shared arrangements in the Tyne and Wear Notified body system, Lead Authority to remain as Gateshead MBC. A SWOT analysis for the extended is produced as Appendix 1 to this report.
4. Other Notified bodies in the UK do actively market their services and are effectively in competition with us in this respect as there is no barrier to conducting such work outside the Authority area. There is also competition in this field from private industry who in doing such work can simultaneously carry out functions upon the equipment which is currently barred to local authorities; there is pressure currently on the Government to open this activity up to local authorities to allow them to compete for services; this is an opportunity to increase income in the region.
5. The European Commission is presently considering that all Notified Bodies in the UK be subjected to annual audit by the United Kingdom Accreditation Service (UKAS) instead of the current peer audit process. As the Metrology Laboratory has UKAS accreditation for its main duties it would be an extra cost but not an extra burden. Other Notified Bodies have intimated that they would withdraw if

that change was imposed. The effect on North East industry is to remove competition and may impact negatively on our regional economy.

6. To facilitate any extra administrative earnings that may be incurred by the Metrology Laboratory a small annual fee will be charged to the other authorities that are not within the current membership.

### **Recommendation**

7. That proposal is approved subject to any conditions that the committee feel is appropriate.
8. That such a proposal increases the influence of Tyne & Wear Trading Standards, and benefits the regional economy in the North East of England.

# Appendix 1

## SWOT Analysis conducted by the North East Region

<b>Strengths</b> <ul style="list-style-type: none"><li>• Shared competence</li><li>• Shared resources</li><li>• Shared costs</li><li>• Administration efficiency</li><li>• New approach regulated equipment is taking over from old approach, with its more flexible arrangements, so there is less call on equipment which can only be done by “the Local W&amp;M Inspector”.</li><li>• In total more available officers in the pool of those trained and competent in more product areas, but less required in each Authority.</li><li>• Robust auditing to date has led to confidence in NMRO.</li><li>• The viewed independence of Local Authority services is often preferred to private industry bodies who are part of larger organisations with vested interests.</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Loss of individual identity</li><li>• Rigidity the system imposes on the agreement, but there is a strategy to deal with that,</li><li>• Our individual existing service provisions are not sustainable in the long term</li><li>• Impending Local Government change out of the control of this Authority</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Increased market share for all the authorities.</li><li>• Increased competence/specialist knowledge available to each Authority.</li><li>• Promote a brand which each authority has a share in.</li><li>• Possible competition with Industry.</li><li>• Supporting local businesses.</li><li>• Provide unique expertise to local industry.</li><li>• Increasing business acumen within all services.</li><li>• One stop shop for business for the region.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Further cuts imposed by Government reducing the response times necessary to provide a good service to customers</li><li>• Can’t diversify into concurrent tasks which private industry can do.</li><li>• Current system will be non-existent in 5 years if the status quo is maintained.</li></ul>