

## **The Big Picture**

As already explained, through the mechanism enabling the adoption of Cumulative Impact Zones/Areas (CIZ) the Licensing Act acknowledges that an excessive accumulation of certain activities in an area can have a detrimental impact on a locale.

Although the adoption of a CIZ is a provision of the Licensing Act 2003, the benefits and outcomes that can be achieved through the adoption of a CIZ can be further reaching than just licensable activities.

The Licensing Act is based upon principles of partnership working, which recognises that licensable activities may be a common denominator, but they are only one piece of the picture.

On the face of it, the adoption of a CIZ can be incremental in:

- reassuring residents and businesses that the Council is aware of the underlying issues in a particular area;
- sending out the strongest message that the area is a priority and the problems are not being ignored;
- providing a mechanism for monitoring activity levels;
- enabling the Council to prioritise and focus funds and resources in the area.

## **How is this relevant to Walsall?**

Between 2013 and 2018, Walsall Council received 499 illicit tobacco complaints from traders and residents, and this trend has not abated.

The reporting rate has remained steady, however the number of retailers subject to these complaints has been increasing rapidly with new retail premises opening up, seemingly for the sole purpose of selling illicit tobacco.

A pattern has emerged, whereby the offending retailers are predominantly food and drink convenience stores, with a predominance of Eastern European themed shops being operated by males of Kurdish descent.

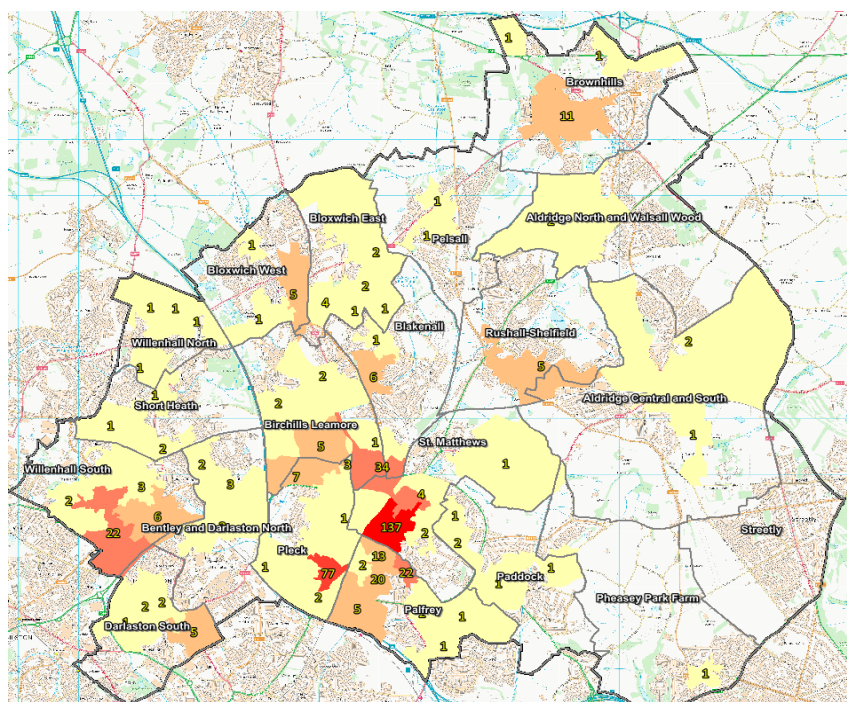
Takeaways, market stalls, car washes and even barber shops and ice cream vans have also been the subject of similar reports alleging their involvement in the sale of illicit tobacco.

## ***So what do these business models have in common?***

Their business activities rely heavily on cash transactions, mobility, and integration into remote areas and communities; this lends itself to operating outside the kind of scrutiny present in town centres and other retail areas.

The location of complaints is shown on the map below:

## Heat map of illicit tobacco complaints reported to Trading Standards since 2013



The heat map highlights the hotspot areas of Caldmore and Pleck.

These areas also suffer from high levels of Anti-Social Behaviour (ASB), which are exacerbated by the regular influx of customers visiting the area to buy illicit tobacco – potentially engaging in other criminal activity at the same time.

Nationally, HMRC estimated that in one year alone (2013/2014) tobacco smuggling cost the UK over £2.1 billion in lost revenue and while this is actually a decline from the estimate of £3.4 billion in 2001, in Walsall Trading Standards' figures do not follow this trend and neither does the number of illicit tobacco seizures.

To tackle the illicit epidemic in Walsall, in recent years Trading Standards has adopted a robust enforcement strategy. Operations targeting problem premises have been carried out in conjunction with the police, HMRC, Immigration and a specialist dog search team. Traders have been found to use increasingly sophisticated means of concealing illegal tobacco, thereby making it difficult to detect without a specialist 'sniffer' dog team. Concealments include illicit goods being hidden inside fridge workings, beneath floorboards and inside stairs.

In Walsall, partnership working, shared intelligence, and successful joint enforcement activity has revealed a clear relationship between licensed premises of a certain profile and geographical location, and other criminal activity.

Since 2013, a series of full-scale multi-agency enforcement operations have been conducted in Walsall and, while individual premises details cannot be disclosed here, in no less than 100% of cases a licensed premises was found to have been used as a shield for conducting illegal activity.

In addition to environmental and food-related offences (e.g. fly-tipping, pest-control, food and health & hygiene etc.) the enforcement operations resulted in the following:

- The seizure of:
  - 645,059 illicit cigarettes; and
  - 52.5kg / 4,388 packets of illicit/illegal hand-rolling tobacco;  
Amounting to a lost retail value, for legitimate business in Walsall, of almost half a million pounds on tobacco products alone; and
  - 2,632.5 litres of illegal alcohol;
- The identification of specific modus operandi of offenders;
- The Identification of location/area of illegal activity;
- A clear pattern of criminal activity relating to licensed premises;

Date	Seizures		Alcohol (Litres)	Licensed Premises
	Cigarettes	Tobacco (kg)		
October 2013	✓	✓	X	✓
November 2013	✓	✓	X	✓
May 2014	✓	✓	X	✓
May 2014	✓	✓	X	✓
September 2015	✓	X	✓	✓
June 2016	✓	✓	X	✓
September 2017	✓	✓	X	✓
March 2018	✓	✓	X	✓
January 2020	✓	✓	X	✓

It cannot be overstated - that for a series of enforcement operations to provide a 100% success record, the seizures and activity summarised above represents the tip of the iceberg and there is much more work to be done in tackling the problem.

The evidence clearly shows that the scale and depth of the criminal network operating in the Caldmore area of Walsall relies upon licensed premises for its success and along with the opportunity to review the CIZ comes an opportunity to consider how we may use the provision to its greatest effect.

Therefore, recognising the Government's recent amendment to the CIZ legislation, Walsall Council Regulatory Services propose embracing the changes and using them for the long-term improvement of the greatest areas of concern.

By extending the current Walsall CIZ area to include the problem areas identified during the last 3 years enforcement activity, the Council could subject all new premises licence applications within the area to greater scrutiny and establish a rigorous inspection programme of existing ones, where intelligence supported such a course of action.

This could aid the early identification of problem applicants and, potentially, premises fitting the problem profile and reduce the likelihood of further problem premises becoming licensed.

There are rarely quick fixes for complex social problems such as exist in this area, but the Council is duty-bound to use every tool at its disposal to tackle the issues and turn around the fortunes of such places.

In this respect, the CIZ is a mechanism for sending out a clear message that the Council is serious about tackling crime in the area, that the various enforcement agencies are applying partnership collaborative approaches to pool resources and share information, and are actively using all available intelligence to maximum effect.