

**Derbyshire County Council**

**Meeting with Cabinet Member, Health and Communities**

**27 May 2014**

**Report of the Strategic Director, Health and Communities**

**DERBYSHIRE TRUSTED TRADER FEES AND THE RESULTS OF A RECENT SURVEY OF MEMBERS**

**1 Purpose of the report:**

To seek the Cabinet Member, Health and Communities approval for an increase in the fees for membership of the Derbyshire Trusted Trader Scheme and to provide details of a recent survey of members and the most recent customer feedback.

**2 Information and analysis:**

- 2.1 The Derbyshire Trusted Trader Scheme was set up in November 2005 to provide local people access to local, reliable traders that were committed to providing a good service for a fair price. One of the objectives of the scheme was to enable older residents to live independently for longer in their own homes by identifying traders that could be trusted and thus marginalising the minority of rogue businesses. The fees were deliberately set at a rate considered to be affordable by, in particular, small businesses and the original target was 500 trade members. A two tier fee structure was agreed with sole traders and social enterprises paying less than other types of business. A discount for those businesses wishing to renew their subscription at the end of the first year of membership was also given. Apart from a relatively modest increase in fees in 2011 when VAT rates changed from 17.5% to 20%, the Derbyshire Trusted Trader fees have remained at the relatively low rates as provided in the table below.

**Table 1 - Derbyshire Trusted Trader annual membership fees (including VAT)**

<b>Business type</b>	<b>2008</b>	<b>2011 Current</b>
Sole traders (and social enterprises)	£34	£38
Other businesses (partnerships and limited companies)	£49	£54
Sole traders (and social enterprises)	£29	£32
Other businesses (partnerships and limited companies)	£44	£48

- 2.2 The resources required to provide the Trusted Trader Scheme can be summarised as follows:

- Processing new applications and renewals
- Checking complaint history, credit worthiness, membership of relevant/required trade associations, etc.
- Promoting the Scheme
- Recording and monitoring customer feedback
- Investigating, and where possible, resolving consumer complaints
- Removing non-compliant businesses and handling appeals
- Miscellaneous activities including member queries, changes to business details, business newsletters, member surveys etc.

2.3 It was never intended for the Trusted Trader Scheme to be 'cost neutral' as it contributes to a number of council priority areas. As well as supporting older people to live independently in their own homes and marginalising rogue traders, it also provided a welcome boost for local businesses at the height of the economic recession. However, given the need to make budget reductions because of the reduction in Government spending, it is now thought appropriate to consider an above inflation increase in Trusted Trader annual membership fees. There are a number of other local authority and private sector run trader schemes including a 'Which? Trusted Trader' scheme currently being piloted in London. The fees charged for these schemes also tend to be lower for smaller businesses than for larger enterprises, but without exception the annual membership fee is considerably higher than the Derbyshire scheme as is shown in the table below.

**Table 2 - Typical Membership Fees of other local authority and privately run schemes**

Authority	Derbyshire	Buy With Confidence	Check a trade	Which? Trusted Trader
<b>Fee (£) (small)</b>	38/32*	100 to 250	600?	440
<b>Fee (£) (large)</b>	54/48*	250 to 491	600+?	440+

*\*(The lower figure is the renewal fee)*

2.4 The leading local authority scheme is 'Buy With Confidence' and is currently operated by Nottinghamshire, Nottingham, Derby and Northamptonshire authorities within the East Midlands. Their annual fee charge for small businesses range from £100 to £250 and for larger enterprises from £250 to nearly £500. Buy With Confidence authorities that charge £100 also require an additional £100 pre-registration fee. Membership levels for these schemes are also considerably less than the Derbyshire scheme and range from 120 Northamptonshire trade members to c350 members of a joint Nottingham and Nottinghamshire scheme.

### **Feedback from a survey of Derbyshire Trusted Trader members**

2.5 Although the number of businesses registered on the Derbyshire Trusted Trader Scheme has fallen slightly from 1,366 in 2012-13 to 1,297 in 2013-14, the scheme remains a valued and strong brand. As well as receiving over 15,000 feedback

cards from members of the public who have used the services of a Trusted Trader (of which 42% were aged 65 or over) with a satisfaction rating of 99%, we also monitor the number and type of on-line searches. Often the first port of call for people who are looking for a local business offering goods or services is the Derbyshire County Council website. From an analysis of the website we know that on average there are approximately 9,000 searches per month and the top five trade sectors searched are plumbers, builders, electricians, roof repairers and painters & decorators.

**Table 3 - top searches by trade type**

<b>Trade type</b>	<b>No. of times used</b>
Plumber	8,749
Builders	5,930
Electricians	5,663
Roof Repair	4,953
Painters/Decorators	2,582
Joiners	1,762
Garden Maintenance	1,756
Plasterers	1,606
Gas Fitters and Servicing	1,596
Handyman	1,215
Aerials/Aerial Fitters	1,128

- 2.6 As well as monitoring feedback from members of the public who have made use of the scheme, the Division also seeks feedback from Derbyshire Trusted Trader members. A survey form was sent to all members of the scheme in February this year and just under a third (32.6%) responded. The vast majority of businesses that responded (87.2%) said that the scheme had had a beneficial impact on their business. This compares with 75% who informed us last year that the scheme has benefited their business. There was also an increase in those businesses reporting a moderate or significant increase in business compared to a year ago – see table below. 96% of members were happy with the Trusted Trader branding and felt that it gives customers more confidence and 87% of members responded that they thought publishing feedback on the website has improved the scheme. Full details of the survey responses are available via the following link:

[www.derbyshire.gov.uk/ttmembers](http://www.derbyshire.gov.uk/ttmembers)

**Table 4 - the change in percentage of Trusted Trader Members who responded that the scheme had increased their business**

<b>Options</b>	<b>2014</b>	<b>2013</b>
Significant increase	18%	11%
Moderate increase	40%	33%
Slight increase	34%	42%

Not sure	6%	11%
Other impact (please explain)	3%	3%

2.7 Individual comments from scheme members have also been overwhelmingly positive. A few of typical comments are highlighted below and more comments are available on the Derbyshire County Council website via the link above.

- *It's helped my business progress as people see it as someone they can trust and if there is a problem after the work is completed, then they know that the company will go back and rectify the problem.*
- *We think this service is invaluable when a potential customer who does not know our company has positive comments from a third party scheme to help decide who to trust to carry out works*
- *Had a lot of work come via trusted trader. Work load up by 50%*
- *There is an overall feeling of trust by customers because the scheme is run by the council.*
- *I think it's a great scheme that gives the general public some good guidance*
- *It is our best advertising and the cheapest.*
- *As one of the founder trusted trader members I am proud to be part of the scheme.*
- *Best advertising we do at the moment and we like the reviews on the website where potential customers can make their minds up about us.*
- *90% of my business comes from customers who got my details through the scheme. Brilliant service for both businesses and customers alike.*
- *Been excellent for my business, and getting rid of cowboys.*

### **Proposed Fee Increase**

2.8 Given the success and popularity of the Derbyshire Trusted Trader scheme and the need to make further savings, it is recommended that Members consider an increase in the annual membership fee. It is recommended that the renewal discount is removed, but that the differential between small and large businesses is retained. A fee of £70 is recommended for sole proprietors and social enterprises and £100 for other businesses (partnerships and limited companies). This would put the Derbyshire fee structure approximately halfway between the current fee levels and the lowest of the main local authority supported scheme 'Buy With Confidence'.

2.9 It is hoped that with the evident signs of economic recovery and the undoubted positive feedback from members of the Derbyshire scheme, that local business will continue to value and support the scheme. Three months' notice of any increase in fees is a requirement of the Derbyshire scheme and it is further recommended that the fee increase is staggered for the first year with an increase to £50 and £75 respectively and that the Division works with Public Relations and other council service areas to ensure that scheme members are made aware of the benefits and added value from being a Derbyshire Trusted Trader member.

**3 Other considerations:**

In preparing this report the relevance of the following factors has been considered; financial, legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property and transport considerations.

**4 Background papers:**

None

**5 Key Decision:**

No

**6 Call-in:**

Is it required that call-in be waived for any decision on this report?

No

**7 Strategic Director's recommendation:**

That the Cabinet Member, Health and Communities note the positive feedback from a recent survey of members of the Derbyshire Trusted Trader Scheme and agree an increase in annual membership fees as detailed in the report.

**David Lowe**  
**Strategic Director**  
**Health and Communities**