

DERBYSHIRE COUNTY COUNCIL

CABINET

1 September 2015

Report of the Chair of the Improvement and Scrutiny Committee – Resources

REVIEW OF TRUSTED TRADER SCHEME

1. Purpose of the Report

To present Cabinet with the final report of the Scrutiny Review of the Derbyshire Trusted Trader scheme.

2. Information and Analysis

The Improvement and Scrutiny Committee – Resources has completed a review of the Derbyshire Trusted Trader scheme.

A working group of Committee Members was established to conduct the review comprising of Councillors Michelle Booth (Working Group Chair) Clive Moesby, Tony Kemp, Dave Lomax and Steve Marshall-Clarke

The final report is attached and gives details of the research, meetings and evidence gathering which informed the review and helped develop the outcomes and recommendations.

Cabinet is asked to indicate whether it accepts some or all of the actionable review recommendations (5.2 to 5.8 on page 6 of the report). If Cabinet is unable to do this at the meeting, it should do so within two months of the Cabinet meeting.

As recommendations are implemented, progress will be monitored by the Improvement and Scrutiny Committee – Resources through an action plan, a template of which is appended to the report. This action plan should be completed and provided to the Committee for information within two months of the date of this report being submitted to Cabinet.

3. Considerations

In preparing this report the relevance of the following factors have been considered: financial, legal, prevention of crime and disorder, equality of opportunity, human rights, personnel, environmental, health, property and transport considerations.

4. Key Decision – No

5. Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? – No

6. Background Papers

Documents held on file by Improvement and Scrutiny Committee review working group and Minutes of Improvement and Scrutiny Committee meetings.

7. RECOMMENDATIONS

- (a) Cabinet notes the report of the Improvement and Scrutiny Committee - Resources on its review of the Derbyshire Trusted Trader Scheme and receives the recommendations of the Scrutiny Review as set out on page 6 of the report.
- (b) Cabinet indicates which of the recommendations 5.2 to 5.8 (set out in the Action Plan appended to the report) it accepts.
- (c) Cabinet notes that, as agreed recommendations are implemented, progress will be monitored by the Improvement and Scrutiny Committee - Resources at strategic intervals through the completed Action Plan which will be provided to the Scrutiny Committee within 2 months of the date of this report.

Councillor Michelle Booth

**Chair of the Trusted Trader Review Working Group
Improvement and Scrutiny Committee – Resources**

**DERBYSHIRE COUNTY COUNCIL
IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES**

23 July 2015

**Report of the Chair of the Trusted Trader Scheme
Review Working Group**

Review of the Trusted Trader Scheme – Final Report

1. Purpose of the Report

To inform Members of the outcomes of the review of the Council's Trusted Trader scheme.

2. Information

The first meeting of the review working group was held on 9 April when Members met Robert Taylour, Assistant Director – Health and Communities, (Head of Trading Standards) and Graham Morgan (Trading Standards Manager). Prior to the meeting the Members had been supplied with some "Facts and Figures", which gave information about the background to the scheme, from the Trading Standards team.

The Derbyshire Trusted Trader scheme was discussed in more detail and the following points were noted;

- The Trusted Trader scheme was established in 2008 by the Trading Standards Team in partnership with Adult Care and Community Safety, primarily in response to concerns raised about doorstep crime. The aim of the scheme is to signpost customers to local reliable traders who are committed to good customer care and agree to abide by a Code of Practice in the event of a dispute.
- The Trading Standards team has a moderate budget (around £25,000) which could be used to promote the scheme.
- Currently Trusted Trader is promoted via the Derbyshire County Council website and publications (for example "Your Derbyshire" which is delivered to every household in the county 3 or 4 times a year)
- In the past, opportunities have been taken to promote the scheme when the Council has issued warnings to the public about rogue trading, for example, following a successful prosecution taken by the Trading Standards Division. A recent prosecution of a used car salesman, in April 2015, was publicised on the Council's website and this article sign-posted people to the Trusted Trader webpage. It was noted that Used Car Sales was a sector which the Trading Standards team were keen to

develop in the Trusted Trader scheme as there was a high volume of consumer complaints from this sector.

- There had not been a dedicated publicity drive for Trusted Trader for some time and the Trading Standards team is liaising with the DCC Communications division in this respect.
- Different ways of promoting the scheme are being explored including:
 - a dedicated feature in local newspapers (made up of text provided by the Council's PR division and adverts paid for by individual traders)
 - a printed directory, perhaps sponsored by one of the larger members of the scheme
 - partnership working with Derby City Council (which operates its own scheme called "Buy with Confidence") to expand membership
 - printed messages on pay and pension slips
 - highlighting the benefits of using a trusted trader at every opportunity through press releases issued by the County Council.
- Feedback from Trusted Trader members suggests that they would like the scheme to be promoted more.
- The traders themselves are in a position to do more to promote the scheme. Advice to traders about how to promote their membership and publicise the benefits of the scheme is included in the members' newsletter which is distributed two or three times a year.
- Members noted that the Care Act 2014 imposes a duty on local authorities to signpost their clients to independent financial advice. The Strategic Director of Adult Care has asked whether this can be achieved through the Trusted Trader scheme. At present the membership of the scheme includes ten Financial Advisers, however, following the request from the Adult Care Department, the Trusted Trader team is currently engaged in recruiting additional financial advisers who hold qualifications which allow them to specialise in later life advice – such as pensions and care fees. The Trading Standards team has identified that five of our existing Trusted Traders hold this qualification and is shortly to engage with the wider financial advisory community to pursue this initiative further.
- It was noted that when the scheme was set up in 2008, the Legal Services division ensured that disclaimers were in place to protect the County Council from liability. The limitations of the Trusted Trader scheme are clearly expressed on the Trusted Trader website.
- There is a rigorous vetting process for traders seeking to join the scheme (details of the membership checking process are included in the advance "Facts and Figures" information for traders via a web link).
- It was noted that there is no formal "exit survey" to ascertain why traders leave the scheme. Anecdotally, however, it has been reported that:

- some traders struggle to find the time to submit the paper work required for the annual renewal,
- some traders feel they have sufficient business through word of mouth,
- some traders feel that the scheme does not generate sufficient business to warrant the membership fee.
- It was noted that there is opportunity to work with Economic Regeneration to improve business support for traders.
- Previously, consideration had been given to developing a separate Trusted Retailer scheme. However this is not being pursued due to the wide diversity of retailers in the county and the complexity of the administration of such a scheme. It was noted that food outlets (restaurants, takeaways, coffee shops, cafes or caterers) have the option of joining the Heart of Derbyshire Scheme if they pledge to offer healthier food or use healthier ingredients.
- The review working group asked if the Trading Standards Division could cope with the administration of a larger number of scheme members. It was noted that current staffing levels could deal with a scheme with a maximum of 1500 members (currently there were around 1300 members). It could be possible to extend the scheme further if sufficient membership was achieved to provide the additional funding for more staff to take on the additional workload.

2.1 Promotion of Trusted Trader Scheme.

The review working group also met with the Assistant Chief Executive and the Communications Manager from the PR division. The information gathered at this meeting is as follows;

- A draft Communications Plan has been developed for the Trusted Trader scheme and a copy was presented to the working group along with information about the promotional work on the scheme over recent years. The latter included articles in numerous DCC publications, press releases which referred to the Trusted Trader scheme where appropriate, Social Media posts, Payslip messages promoting the scheme to DCC employees, promotion on the front page of the “Derbyshire.gov” website and adverts used in local media.
- The Council is producing a draft Corporate Communications and Engagement Strategy and associated priority communications and campaign plan which, although limited by budget constraints, will be a cross-cutting plan and will include some provision to support the Trusted Trader scheme over the next 12 months.
- Consideration was being given to a printed directory of Trusted Traders for people who don't use the internet, potentially funded (in part or fully) by charging a fee to the Traders.

- It was noted that one successful method which had been used in the past was to arrange an editorial in the local press which would include paid-for advertising of Trusted Traders who wanted to participate.
- It was considered that it would be useful for local DCC Members to also promote the scheme to local people in their Electoral Divisions whenever possible. The working group would therefore include in its recommendations a request to all DCC Members that they promote Trusted Trader to their local communities wherever possible, particularly to those groups who would most benefit ie. older people's groups and vulnerable people.

2.2 Other Local Trader Schemes

A further working group meeting was held on 9 June with Derby City Council Trading Standards officers to discuss the scheme operated by that Authority. During discussions it was established that;

- the Derby City Scheme was introduced in 2012 (4 years after the DCC scheme).
- It is a "Buy with Confidence" scheme which has been adopted by a number of different authorities around the country.
- In Derby there are just 34 member traders in the scheme at present and this is most likely due to the joining requirements being more onerous, and the membership fee higher, than the DCC scheme. The current fees for the Buy with Confidence scheme are;
 - A non-refundable application fee of £100.00 including VAT for each premise.
 - Annual membership fees (dependent on the number of employees) are
 - 1 to 5 employees: £100.00 including VAT for each premise
 - 6 to 15 employees £200.00 including VAT for each premise
 - 16+ employees £300.00 including VAT for each premise.

The fees for membership of Derbyshire's Trusted Trader scheme were £50 for a sole trader and £75 for other businesses. An increase to £70 and £100 respectively is scheduled for 1 September 2015.

Following the meeting with Derby City Council, Members noted that the Buy with Confidence scheme had been considered by Derbyshire County Council Trading Standards officers when they first embarked upon exploring the possibility of a trader scheme. However there had been concerns that the joining requirements were onerous and the membership fee high. It had been considered that this would put off the smaller businesses that the Council was keen to attract.

The review working group concluded that there is an opportunity for the Derbyshire Trusted Trader scheme to grow and for more income to be

generated by actively marketing it to Derby traders. There might be potential to work with Derby City Council to explore collaborative working in respect of a Derby/Derbyshire wide scheme, as this would fit well with the 'Combined Authority' Direction of Travel.

3. Conclusions

The review working group considers that the Trusted Trader scheme is something that the Council can be truly proud of. However, there are still opportunities to develop it further with scope for further promotion through the Communications Plan; through Members advocating its use in their local communities, in partnership with District and Borough Councils (for example, distributing information leaflets to their own service users) and by Economic Regeneration colleagues actively supporting and promoting Trusted Trader to local businesses.

The Trusted Trader scheme has received excellent support from the Communications Team over the years it has been operating – and it is doubtless that this promotion has been integral to its success. However, Members consider that it is important that this support is continued bearing in mind;

- Fees are to be increased to close the gap between income and the cost of running the scheme. The benefits of membership of the Trusted Trader scheme need to be promoted to both current and future members, particularly as the second part of the phased fee increase (agreed by the Cabinet Member for Health and Communities) is being implemented from 1 September 2015. It is considered that a Communications Plan for the scheme is very important at this stage and would be instrumental in facilitating this fee increase without detriment to membership numbers.
- The Trading Standards Division has a budget (around £25k) available to help promote the scheme.
- The scheme has been very well received and is a good example of the how the Council has supported both local consumers AND local businesses.

Additional information from the Head of Trading Standards suggests that there are opportunities to link the scheme to potential skills shortages for trades such as building, plumbing and electrical work. Consideration should be given as to how the Trusted Trader scheme could be used to attract external funding to support skills development and address any potential skills shortage in Derbyshire. The Trading Standards Division and the Council's Economic Regeneration team should liaise to investigate this further.

Consideration should also be given to other potential opportunities for the County Council to provide services and further support to Trusted Traders

which would off-set the increase in membership fees. For example, enabling them to access cheaper insurance cover through a “bulk buying” programme and offering support to run apprenticeship schemes. The Head of Trading Standards should liaise with the Strategic Director of Corporate Resources in this respect.

4. Considerations

In preparing this report the relevance of the following factors has been considered: financial, human relations, legal and human rights, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

5. Recommendations

- 5.1 The Committee endorses the Trusted Trader scheme, and its continued development, and officers should be commended for their efforts in establishing a successful and well subscribed scheme;
- 5.2 The promotion of Trusted Trader be progressed as soon as practicable, via a communications plan, to help maintain or increase the present level of membership and to increase awareness and usage of the scheme amongst local consumers;
- 5.3 All Council Members be exhorted to promote Trusted Trader in their local communities;
- 5.4 The Council's frontline staff should be encouraged to promote the use of Trusted Trader to their vulnerable clients;
- 5.5 District and Borough Councils be asked to assist in promoting Trusted Trader with their own service users;
- 5.6 The Head of Trading Standards liaise with his counterpart at Derby City Council to explore potential for any collaboration between the County and City schemes;
- 5.6 The Strategic Director of Economy, Transport and Environment assist the promotion of Trusted Trader through the Economic Development team's connections with the local business community;
- 5.7 The Head of Trading Standards and the Strategic Director of Economy, Transport and Environment consider the potential for using Trusted Trader to support local skills development where there is evidence of skills shortfalls;
- 5.8 The Head of Trading Standards and the Strategic Director of Corporate Resources consider potential options for additional services and support for Trusted Trader members as outlined in the report.

Councillor Michelle Booth

Chair of the Trusted Trader Scheme Review Working Group

I & S Committee - Resources

Review of Derbyshire Trusted Trader Scheme – September 2015

Recommendations Action Plan

Rec No.	Recommendation Wording	Implementation (Y/N)	Responsible Officer (Strategic Director or their nominated officer)	Progress report to Committee	Action taken
5.2	The promotion of Trusted Trader be progressed as soon as practicable, via a communications plan, to help maintain or increase the present level of membership and to increase awareness and usage of the scheme amongst local consumers				
5.3	All Council Members be exhorted to promote Trusted Trader in their local communities				
5.4	The Council's frontline staff should be encouraged to promote the use of Trusted Trader to their vulnerable clients				
5.5	District and Borough Councils be asked to assist in promoting Trusted Trader with their own service users				
5.6	The Head of Trading Standards liaise with his counterpart at Derby City Council to explore potential for				

	any collaboration between the County and City schemes				
5.7	The Head of Trading Standards and the Strategic Director of Economy, Transport and Environment consider the potential for using Trusted Trader to support local skills development where there is evidence of skills shortfalls				
5.8	The Head of Trading Standards and the Strategic Director of Corporate Resources consider potential options for additional services and support for Trusted Trader members as outlined in the report.				