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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>17<sup>th</sup> January 2017</b>
<b>Report By:</b>	<b>Wilma Bain Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>EDUCOM/09/17/MM</b>
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<b>Subject:</b>	<b>Implementing a Trusted Trader Scheme in Inverclyde</b>		

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## 1.0 PURPOSE

- 1.1 To seek approval to implement a Trusted Trader Scheme in Inverclyde.

## 2.0 SUMMARY

- 2.1 Members may recall a report brought to the Education & Communities Committee in May 2014 seeking approval for the promotion of the Construction Licensing Executive (CLE) in Inverclyde. At that time, given the resources available to the Trading Standards section and the fact that the CLE was supported by the Scottish Government, this appeared to be the most cost effective means of promoting responsible traders to residents of Inverclyde.
- 2.2 Unfortunately for this proposal the Government subsequently withdrew support from the CLE causing it to fold and it has not been possible to revisit this issue until now. The need to have a means for residents in Inverclyde to identify responsible local traders and for such traders to market themselves remains a pressing issue. There are great benefits in such a scheme in providing an accredited list of traders which can help residents avoid rogue traders and help respectable traders to compete with those whose standards may be lower.
- 2.3 There are currently 17 Trusted Trader or equivalent schemes operated across Scotland including schemes in West Dunbartonshire and Renfrewshire. The absence of a scheme in Inverclyde puts reputable traders from Inverclyde at a competitive disadvantage with residents from Inverclyde being able to identify traders from outwith Inverclyde who have a measure of independent accreditation.
- 2.4 It is therefore proposed that we launch a Trusted Trader scheme in Inverclyde. This will be achieved within existing Safer & Inclusive Communities resources.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee approves the development and launch of an Inverclyde Trusted Trader scheme. An update on the implementation of the scheme will be provided to Committee in due course.
- 3.2 That the Committee approves a charge to participating firms of £50 in the first year of the scheme increasing to £100 in subsequent years.

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## 4.0 BACKGROUND

- 4.1 Trusted Trader Schemes are an invaluable means for local consumers to access an up to date list of traders in their area who can be relied upon to deal fairly and legally with them. They obviously also benefit reputable traders in seeking to compete fairly against those who would cut corners or trade illegally. They are generally focused on the home repair sector where Inverclyde has had significant issues with rogue traders in recent years. The schemes can be used by individuals to identify reliable companies and also by agencies seeking to advise or assist vulnerable consumers in identifying such traders.
- 4.2 There are a number of different trader accreditation schemes in operation across Scotland currently, including Buy With Confidence and Trusted Traders. Inverclyde Council endorsed the now defunct Construction Licensing Executive in 2014 as there was a lack of consistency in the various schemes across Scotland and this seemed, at the time, the most cost effective model. The collapse of the CLE however and ongoing issues with rogue traders in the area mean that this issue needs to be revisited.
- 4.3 Internal reorganisation in Safer & Inclusive Communities over the last year has freed up some resources for Trading Standards with the result that we now have three qualified Trading Standards Officers. One of those officers leads the Trading Standards & Enforcement Team so there is now scope to use the resources of that team to support the TSOs where necessary. The overall result of this is that there is now capacity within the team to take a Trusted Trader Scheme forward.
- 4.4 A review of schemes across a number of local authorities indicates that there are a number of options for the delivery of such a scheme. A Trusted Trader scheme is essentially a list of traders operating in the area who must meet certain minimum standards in their dealings with customers to qualify. Once traders are on the list they are required to hand out feedback forms to all customers. These are then used, together with information arising from complaints about the traders to judge whether they can remain on the scheme. There is therefore an initial resource requirement to audit the traders' systems followed by an ongoing back office function in maintaining the system. Some authorities use external organisations to run the back office system whereas others run the whole system in house.
- 4.5 Although the option of farming out the back office system seems initially attractive closer examination reveals a number of single points of failure in these arrangements. It is therefore proposed that the Inverclyde system is run entirely in house. There may be moves to consolidate all schemes into a single system in due course but the transition to such a system would be relatively straightforward once a scheme is up and running in Inverclyde.
- 4.6 ICT have been consulted and it would appear that the setup of a system to mesh with the Council's website is relatively straightforward and can be in place by early spring 2017. This will enable officers to promote the benefits of the scheme and sign up businesses with a view to launching the scheme publicly by autumn 2017.
- 4.7 The position regarding charging businesses for membership is varied across the country. Some authorities do not charge at all whereas the highest fee which could be established is £240 per annum. While it is important that the fee charged does not put barriers in the way of companies wishing to be included it is also often the case that free services do not tend to be valued as highly by participants. It is therefore proposed that a fee of £50 per business should be charged for the first year of operation rising to £100 for subsequent years. This charge will be used to partially offset the ongoing costs of the scheme particularly the costs of advertising and associated materials such as signage on vehicles.
- 4.8 Administrative details for the scheme will be finalised before the scheme is launched and will be published on the scheme website and made available to all firms interested in participating. The scheme details will obviously be based upon schemes already in existence and will be drafted to ensure an easy transfer for participating firms should a national scheme come into existence.

## 5.0 PROPOSALS

- 5.1 That a Trusted Trader Scheme is launched in Inverclyde in 2017. Administrative details and scheme rules will be finalised before the launch and an update on the scheme implementation will be provided to Committee in due course.
- 5.2 That the fee for participation in the scheme be set at £50 for the first year rising to £100 in subsequent years.

## 6.0 IMPLICATIONS

### Finance

- 6.1 It is proposed to contain the costs of the scheme within existing Safer & Inclusive Communities resources.

### Financial Implications:

#### One off Costs

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments

#### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

### Legal

- 6.2 None

### Human Resources

- 6.3 None

### Equalities

- 6.4 None

### Repopulation

- 6.5 None

## 7.0 CONSULTATIONS

- 7.0 N/A

## 8.0 BACKGROUND PAPERS

- 8.1 Construction Licensing Executive – E&CC May 2014 EDUCOM/49/14/MM