

# WIRRAL COUNCIL

## SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

23 NOVEMBER 2011

<b>SUBJECT:</b>	<b><i>WIRRAL TRADER SCHEME</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>ROBERT BERESFORD</i></b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b><i>COUNCILLOR BRIAN KENNY</i></b>
<b>KEY DECISION?</b>	<b>NO</b>

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report is provided to give an update on the progress of the Wirral Trader Scheme (WTS). The scheme is a non-statutory function of Trading Standards and acts as a preventative measure to tackle consumer detriment, support vulnerable people and educate and support businesses in fair trading. It is proving a success with over 84 approved members and Wirral consumers carrying out 11,675 trader searches in the last 12 months.
- 1.2 The Wirral Trader Scheme assists in delivering key priorities of the Council, including promoting sustainable, economic, social, neighbourhood and environmental regeneration, improving the health and well being of Wirral residents and providing opportunities for community and business development.

### **2.0 RECOMMENDATION/S**

- 2.1 It is recommended that members of the Overview and Scrutiny Committee:
- (a) Note the success of the scheme and high levels of consumer demand;
  - (b) Note improvements currently being made to the Wirral Trader Scheme;
  - (c) Recognise the importance of the Wirral Trader Scheme in supporting Wirral residents and businesses, specifically vulnerable people.

### **3.0 REASON/S FOR RECOMMENDATION/S**

- 3.1 Promotion of the scheme to local communities and traders is vital to future development. The scheme needs to gain brand recognition for delivering best practice, so that it both attracts members wanting to enhance the reputation of their business and the sector; and gains customer recognition.
- 3.2 There is substantial consumer demand for the service. Wirral residents have carried out 11,675 searches in the last 12 months. This has grown from 3,675

in the previous year. This evidences the need for continuous improvement and investment.

- 3.3 The scheme produces many positive outcomes. To date, all complaints involving member businesses (seven with 3 justified) have been resolved without the need for enforcement or court intervention.

#### **4.0 BACKGROUND AND KEY ISSUES**

- 4.1 The Wirral Trader Scheme was launched in 2003 as a preventative measure to protect Wirral residents from being targeted by rogue and bogus traders. It aims to give consumers a reliable way of finding trustworthy, reputable local businesses, offers a source of help and advice if things go wrong and enables local businesses to demonstrate that they have signed up to national standards.
- 4.2 Benefits to businesses include: partnership with Trading Standards and a dedicated relationship manager, enhanced service for advice on customer disputes, access and notification of Wirral council grants, promotion of business to Wirral residents, a company page on the scheme website; star rating feedback customer review, use of Trader Scheme approved logo; free legal advice regarding fair trading, consumer and business law.
- 4.3 Benefits to consumers include: protection for the most vulnerable members of the community, allows consumers to buy with confidence, offers choice of a reliable trader who they can trust with high standards of customer service, committed traders who comply with all necessary legislation and less risk of detriment.
- 4.4 The scheme has 84 active members with 13 new applications in process. Businesses pay a one off administration fee of £115 and £205 per year for membership. In 2010, annual fees were increased for the first time from £178 to £205. Based on 100 members, budget generated through subscriptions is £20,500 per annum.
- 4.5 The primary target market for the scheme is the Home Improvement sector. However, businesses from other sectors that have expressed an interest in the scheme have been granted membership. In Wirral, there are a total of 8,570 VAT/PAYE businesses with 905 businesses within the home improvement sector.
- 4.6 Consumers have made 11,675 trader searches on the scheme website [www.traderscheme.org.uk](http://www.traderscheme.org.uk) in the last 12 months. This compares to 2,039 searches in the previous year. This is extremely positive and consumer demand for the scheme is evident.
- 4.7 Complaint levels and community feedback emphasises the level of consumer detriment across Wirral at the hands of rogue and bogus traders within the home improvement sector. A partnership approach is in place with Age Concern, Council One Stop Shops, Community Safety, Social Services, Building Control, Technical Services, the Home Improvement Team, Citizens Advice Bureau and the Home Improvement Agency.

- 4.8 Trading Standards are currently setting up 'No Cold Calling Zones' and residents are being provided with the Scheme's website address and a directory of vetted traders to support this initiative.

## **5.0 MEMBERSHIP RETENTION**

- 5.1 The scheme has been successful in attracting new members. However, in some cases the scheme has not been able to retain those members. To tackle the retention issue the following improvements to the scheme are planned:

- Consultation with previous members regarding reasons for leaving;
- Incentives for previous members to re-join the scheme;
- Courtesy call to existing members to foster good relations;
- New scheme benefits identified;
- Introduction of monthly electronic payments through the Council pay system;
- Improved level of customer service;
- Regular member e-newsletter;
- Promotion of other Council initiatives; and
- Application to Trustmark on behalf of members.

Members have commented that the scheme is having a positive impact on their business and sales have increased.

## **6.0 ATTRACTING NEW MEMBERS**

- 6.1 The scheme has a market share of 8.8% in the home improvement sector. In order to create a fair, competitive market offering wide choice to the consumer, membership levels need to increase. This will cause a market shift and change consumer behaviour long-term. Large scale membership of a registered scheme sends a strong message to the sector and consumers alike and would represent the future means of contracting for the home improvement sector. To attract new members, the following actions are proposed:

- Advertising feature in Wirral News;
- High profile PR plan to be implemented across local and regional press, trade journals and radio stations;
- Direct marketing campaign to potential businesses;
- Poster campaigns in places of interest for Managing Directors ;
- Advertising and promotion through Invest Wirral, Landlord Accreditation and Enterprise teams;
- Presentations to Wirral Chamber of Commerce, FSB and other business associations;
- Discussions to start with Construction Line regarding partner opportunities; and
- Simplifying and speeding up the application process without devaluing the 'status' attached to scheme membership.

- 6.2 The potential to introduce a mobile application to enable customers to access information from the Trader Register from their smart phones is being explored. If this can be achieved it would make the scheme more easily accessible to many potential customers.
- 6.3 It is intended that as the scheme membership grows and income generation increases, further budget can be allocated to marketing and publicising of the scheme.

## **7.0 TACKLING CUSTOMER DETRIMENT**

7.1 A key objective of the scheme is to tackle consumer detriment. In order to achieve this, it is crucial that Wirral residents are made aware of the scheme so that they do not fall victim to rogue traders. The following initiatives are being planned;

- Production of an annual directory promoting members and offering advice regarding selecting traders will be distributed to all Wirral households (circa 145,000). This will be financed through advertising income and subsidised by funds allocated to the scheme from HMR. There is an opportunity for the directory to promote other Council and partner initiatives eg. NHS No Smoking/Healthy Eating.
- Joint working opportunities with the planning department exist, whereby information and advice can be sent to all households applying for planning permission. This serves a purpose of informing, communicating and promoting the existence of the Wirral Trader Scheme and its members. In addition, this is a highly effective, preventative measure.
- A public relations plan is to be developed via the corporate marketing team;
- Attendance at community events;
- Identification and communication with resident groups; and
- Continuous communications with agencies such as Age Concern, CAB and One stop shops.

## **8.0 PARTNERSHIP WORKING**

- 8.2 Partnership Working is crucial to the success of the scheme. Strong relationships are in place with a wide range of stakeholders. Although, further efforts will be required to ensure relationships are maintained and new partners identified.
- 8.3 The Wirral Trader Scheme is supporting other Council initiatives such as the Empty Property Grant and Energy Efficiency. This means that any business carrying out a Council contract for Wirral residents must be an approved scheme member. This has achieved continuous improvement and increased customer satisfaction. However, more contractors are required in specific trade sectors to satisfy the required specifications.

Paul Jackson of the Empty Property Team said: “The Wirral Trader Scheme is an integral component in the delivery of our new financial assistance products, the Empty Property Grant and Healthy Homes Home Repair

Assistance Loan. The Wirral Trader Scheme provides a robust method of ascertaining whether private contractors are competent and reputable, this in turn gives occupied and vacant property owners greater confidence in appointing their chosen contractor; whilst also providing access via Trading Standards to recourse for any sub-standard workmanship experienced. We have a number of Empty Property Grants and Healthy Homes Home Repair Assistance Loans to deliver this financial year and hope to be in a position whereby we can deliver additional grants in subsequent financial years working in partnership with the Wirral Trader Scheme's whose continued support is imperative to scheme delivery."

- 8.4 Discussions have taken place with Invest Wirral and Landlord Accreditation, whereby opportunities have been identified and a joint working approach will be implemented.
- 8.5 Age Concern, Citizens Advice Bureaux and One Stop shops will only recommend the Wirral Traders list to members of the public seeking a trader.

## **9.0 TRADER REGISTER**

- 9.1 The Trader Register is the scheme website. The annual cost of the Trader Register management service which incorporates the cost of the Trader Register platform is £5000 per annum for a minimum of 100 members plus an additional £50 per new member. This cost is met by income generated by the scheme.
- 9.2 The Trader Register was originally set up to provide a regional solution to the Trader Scheme. It has many useful features such as member log on areas, feedback ratings and reports. But as the scheme progresses, additional functionality will be required (such as a secure online application process) and changes to the look and feel will be needed. Consideration therefore, is being given to the need for a new software platform as the scheme expands.

## **10.0 MEASURING IMPACT AND EFFECTIVENESS**

- 10.1 The effectiveness of the Wirral Trader Scheme can be demonstrated through the number of businesses that are members of the scheme, the level of complaints dealt with through the scheme and the customer feedback that consumers have left on the website. In the last 12 months, 1,338 consumers have left positive feedback regarding members.
- 10.2 Improvements to existing systems and recording of information will ensure that the wider impact and value of the Wirral Trader Scheme can be captured and monitored. Areas under current development are:
- The impact of membership to businesses (specifically the creation of jobs and increase in business turnover);
  - Level of customer complaints concerning non-member businesses compared to customer complaints concerning members;
  - Outcomes of complaints (resolved vs court intervention) compared to national averages; and

- Trader searches on [www.traderscheme.org.uk](http://www.traderscheme.org.uk);

10.3 The scheme is proving to be a success and is fulfilling the purpose for which it was designed. Member feedback is positive and complaints from consumers regarding members are limited and any complaint received has been resolved without the need for court intervention.

## **11.0 Future Developments**

11.1 Overall, the scheme is working well within its current structure. The scheme has plenty of potential to develop and become a flagship scheme of Wirral Council.

11.2 As part of the planning process, consumer, member and partner consultation will be important to the development of the scheme. Focus groups are to be used to discuss and agree key priorities.

11.3 Market Research and a competitor analysis should be undertaken to understand the market. The Wirral Trader Scheme has a unique selling point, that is, use of the Trading Standards approved brand.

11.4 In addition to the Home Improvement sector, the scheme has the ability and structure to enable it to be rolled out into new service sectors such as Car Dealerships & Car Servicing, where there is evidence of consumer detriment. The addition of this sector is an area would clearly benefit consumers and its inclusion is currently being considered.

11.5 The scheme supports the corporate objectives of partner organisations and this may afford the opportunity to work more closely with such organisations as the scheme develops.

## **12.0 RELEVANT RISKS**

12.1 There are no risks attached to this report.

## **13.0 CONSULTATION**

13.1 The proposals from BIS were the subject of a wide consultation.

## **14.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

14.1 Communications with voluntary, community and faith organisations will take place through promotion of the scheme.

## **15.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

15.1 Staffing

15.2 A Project Manager has been appointed to develop, manage and lead the scheme effectively. An important function of the role is to ensure that the scheme meets the needs of the paying customer and improves membership retention. In addition, the Project Manager will have particular responsibility

for raising awareness, development and co-ordination of stakeholders and partnerships, dispute resolution and membership recruitment.

## 15.2 Financial Implications

15.2.1 The cost of the Scheme's web-based platform is being met through income generated by subscriptions.

15.2.2 Promotional materials and stationary has been met through income generated by subscriptions.

## 16.0 LEGAL IMPLICATIONS

16.1 There are no legal implications resulting from this report.

## 17.0 EQUALITIES IMPLICATIONS

17.1 Equality Impact Assessment (EIA)

- (a) Is an EIA required? No  
(b) If 'yes', has one been completed? No

## 18.0 CARBON REDUCTION IMPLICATIONS

18.1 There are no specific carbon reduction implications resulting from this report.

## 19.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

19.1 The Wirral Trader Scheme assists Wirral citizens to access service providers with confidence which helps prevent them becoming the victim of rogue traders.

19.2 There are no planning implications arising from this report.

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## APPENDICES

*None*

## REFERENCE MATERIAL

*www.traderscheme.org.uk*

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Not applicable	