

WIRRAL COUNCIL

SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY

COMMITTEE

12 MARCH 2013

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

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 Service but has a valuable role in preventing consumer detriment. It provides support and reassurance to vulnerable people and encourages and assists businesses to trade fairly and provide excellent goods and services. It is proving a success with over 103 approved members and Wirral consumers carrying out approximately 13,000 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 improvements in and progress of the 'Wirral Trader Scheme' and the change of brand to 'Trading Standards Business Approval';
 - (b) Recognise the importance of the Trading Standards Business Approval Scheme in supporting Wirral residents and businesses, specifically vulnerable people.
 - (c) Consider the options for the future development and sustainability of the Trading Standards Business Approval Scheme

3.0 REASONS FOR RECOMMENDATION/S

- 3.1 Promotion of the scheme to local communities and traders is vital in going forward. The scheme has steadily gained brand recognition in the last 12 months, however we need to continue to promote the scheme to enable it to both attract members wanting to enhance the reputation of their business and the sector; and gain customer recognition.
- 3.2 The scheme produces many positive outcomes. To date, all complaints involving member businesses have been resolved without the need for enforcement or court intervention.
- 3.3 The financial challenges the Council faces means that it is imperative that new and more innovative methods of delivering and providing services are found.

4.0 BACKGROUND AND KEY ISSUES

- 4.0.1 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.
- 4.0.2 In October 2012, following consultation with consumers and member businesses the Wirral Trader Scheme was re-branded to 'Trading Standards Business Approval.
- 4.0.3 Benefits to businesses include: partnership with Trading Standards Service with 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 the Trading Standards Approved logo; free legal advice regarding fair trading, consumer and business law.
- 4.04 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 and high standards of customer service, committed traders who comply with all necessary legislation and less risk of detriment.
- 4.0.5 The scheme has 103 active members with 5 new applications in process. Businesses pay a one off administration fee of £115 and £205 per year for membership. Based on 100 members, budget generated through subscriptions is £21,115 per annum.

4.0.6 Consumers have made approximately 13,000 trader searches on the scheme website www.traderscheme.org.uk in the last 12 months. This is extremely positive and consumer demand for the scheme is evident.

4.1 MEMBERSHIP RETENTION

4.1.1 The scheme has been successful in retaining its members. In the last 12 months, only one business has voluntarily left the scheme. The following improvements have assisted in stabilising membership retention:

- Excellent relationship management;
- New and improved marketing materials;
- 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
- The re-brand to Trading Standards Business Approval.

4.1.2 Feedback from Scheme Members demonstrates that the scheme is having a positive impact on businesses and sales have increased. In some cases, this amounts to £70 - £80K per annum.

4.2 TACKLING CUSTOMER DETRIMENT

4.2.1 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. This will be achieved through joint working opportunities with other Council departments, a High profile PR plan to be implemented across local press and radio stations; Attendance at community events; Identification and communication with resident groups; and strengthening communications with all partners.

4.3 WEBSITE

4.3.1 www.traderscheme.org.uk is the scheme website. The annual cost of the management service which incorporates the cost of the Trading Standards Business Approval 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.

4.3.2 The scheme website has recently been re-developed to include the new brand. The user interface has been simplified to provide easier navigation for end users.

4.4 MEASURING IMPACT AND EFFECTIVENESS

- 4.4.1 The effectiveness of the Trading Standards Business Approval Scheme can be demonstrated through the number of business that are members of the scheme, the level of complaints dealt with through the scheme and the customer feedback from feedback ratings that consumers leave on the website. In the last 12 months membership has increased from 84 to 103 and approximately 2000 consumers have left positive feedback regarding members.
- 4.4.2 The scheme is proving to be a success and is fulfilling the purpose for which it was designed. Member feedback is positive and there have only been 4 from complaint received in the past 12 months, all have been resolved without the need for intervention.

4.5 FUTURE DEVELOPMENTS

- 4.5.1 In the light of the financial challenges facing the Council it is appropriate to take steps to provide services as cost effectively in the interests of the Wirral, its businesses, and the wider community
- 4.5.2 .The cost of administering the Trader Scheme for 103 businesses including management support is approximately £70,000 (plus on costs) per year. Overall, the scheme is working well within its current structure. However, marketing and promotion is still required in order to grow the membership to make the Scheme self sustaining through income
- 4.5.3 The Trading Standards Service is examining a potential alternative to developing the scheme under management by the Council which involves the transfer of the management of the Trader Scheme to a private company. The Wirral Trader Scheme branding and association with Wirral trading Standards would be maintained as would the support to businesses and the level of protection to the community.
- 4.5.4 Trading Standards Service would need to align business membership agreements and its existing contractual relationships in order for a termination date to be established. Business members could then be given the option for seamless transition to the company.
- 4.5.5 The opportunity for the Trader Scheme to be sustained and developed by a company is seen as an attractive and innovative alternative that could reduce the cost to the Council. The feasibility of this option will be explored further over the coming months.

5.0 RELEVANT RISKS

- 5.1 There are no risks attached to this report.

6.0 CONSULTATION

- 6.1 The proposals for the changed Trading Standards Approval brand was introduced following consultation with the Trader Scheme members.
- 6.2 Consultation with existing members will now be undertaken regarding the future delivery of the Trader Scheme.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Staffing

- 8.1.1 There are no staffing implications resulting from this report.

8.2 Financial Implications

- 8.2.1 The cost of the Scheme's web-based platform is being met through income generated by subscriptions.
- 8.2.2 Promotional materials and stationary has been met through income generated by subscriptions.

9.0 LEGAL IMPLICATIONS

- 9.1 There are no legal implications resulting from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 Equality Impact Assessment (EIA)

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

11.0 CARBON REDUCTION IMPLICATIONS

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

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 The Trading Standards Business Approval Scheme assists Wirral citizens to access service providers with confidence which helps prevent them becoming the victim of rogue traders.

12.2 There are no planning implications arising from this report.

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APPENDICES

www.traderscheme.org.uk

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Sustainable Communities Overview and Scrutiny Committee	23 November 2011