

Report to: Economy, Transport and Environment Scrutiny Committee

Date of meeting: 16 March 2016

By: Director of Communities, Economy and Transport

Title: An update on the replacement of the Buy with Confidence Scheme with an alternative approved contractor scheme

Purpose: To provide the Committee with an update on the replacement of the East Sussex County Council Buy With Confidence Approved Trader Scheme with commercial alternatives and an update on the work undertaken by the Trading Standards Service since the last Scrutiny Review in June 2013

RECOMMENDATIONS: The Economy, Transport and Environment Scrutiny Committee is recommended to:

- (1) Note the progress in replacing the East Sussex County Council Buy with Confidence Approved Trader Scheme with alternative trader schemes; and**
 - (2) Note the work undertaken by Trading Standards during the financial year 2014/2015.**
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1 Background Information

1.1 On the 7 January 2015 a report was tabled at the Lead Member Economy meeting that recommended the Trading Standards (TS) Buy with Confidence (BWC) approved trader scheme was closed and alternative methods of delivering an approved trader scheme were sought.

1.2 At that meeting the Lead Member for Economy resolved to;

- Agree consultation on the proposal for an alternative delivery of an approved trader scheme;
- Delegate authority to the Director of Communities, Economy and Transport, following the consultation, to determine whether to end the BWC Scheme; and
- Agree that TS enter into partnership arrangements with private sector providers that deliver the minimum standards of assurance.

1.3 The reason given for the resolution was that closing the BWC scheme would make it possible to make savings in the region of £108,000, whilst partnership working could generate income. For example, it was estimated that if TS chose to partner with an approved trader scheme such as Checkatrade (CAT) <http://www.checkatrade.com/>, income of circa £43,000 pa could be achieved. The proposal was to partner with a commercial organisation whilst maintaining an equivalent service for East Sussex residents and businesses.

1.4 ETE Scrutiny Committee in July 2015 requested an update on progress in finding an alternative supplier, in particular to give;

- An update on the progress to replace the scheme;
- An overview of the checks and balances that have been put in place to ensure the quality and reliability of the services provided by the chosen provider; and
- An evaluation of the extent to which the new scheme is working effectively and the degree of public confidence in the new scheme.

2 Supporting Information

2.1 **Update on progress to replace the scheme** – TS is now in a position to partner with two trader schemes which will give East Sussex businesses and residents increased choice.

2.2 Buy with Confidence - East Sussex BWC will now be combined with the Hampshire County Council scheme which will then be administered by Hampshire Trading Standards. This will be a much bigger scheme with more resources to support promotional and other activities. Whilst there will be some changes to the scheme, the brand will continue. BWC information will remain on the County Council website and we will continue to recommend BWC as a place to find reliable businesses. This means residents and businesses can still choose the BWC brand in East Sussex, but we will not have the

expense of administration. A small income stream will also be delivered of approximately £4,000 pa through the fees charged to carry out our own background checks on traders. Trading Standards are in the process of signing the Memorandum of Understanding with Hampshire Trading Standards.

2.3 **Checkatrade** - CAT is a commercially run company that carries out background checks, interviews applicants and continuously monitors its members. The regional trading standards group (Trading Standards South East Limited – TSSEL) have been working with CAT to ensure that they meet the required criteria to partner with Local Authorities and deliver the required standard of assurance. This work is almost complete and Trading Standards are in the process of finalising the contract with CAT. In addition, it is agreed that the County Council will carry out checks on local and national databases to which CAT do not have access, before traders can be approved in the County. This partnership will deliver an estimated income of approximately £37,000 pa.

2.4 CAT have already partnered with Kent Trading Standards and Surrey & Buckinghamshire Trading Standards. CAT has a legal Primary Authority Agreement (PAP) with Kent Trading Standards which means that they will be regularly audited by Kent and receive assured advice that will in turn drive up standards in the approved trader sector. Businesses in East Sussex will benefit not only from membership of CAT but also gain from the addition of being a Trading Standards Approved CAT member. As with BWC, scheme information will be on our website and will recommend TS approved CAT traders.

2.5 All existing members of the East Sussex Buy with Confidence Scheme were informed at the beginning of November of the change and given the option to either continue or withdraw. At this point members were also informed of the forthcoming partnership with CAT to allow them to make an informed decision before proceeding with membership. Background checks have commenced on East Sussex members of CAT to upgrade them to Trading Standards approved.

2.6 Negotiations still continue with other partners. TrustMark <http://www.trustmark.org.uk/> are a central Government endorsed approved trader scheme. They have recently signed a PAP with Surrey Trading Standards and are working on a pilot to transfer their members to TS approved. The County Council are hoping to partner with TrustMark in due course, offering further choice to residents and businesses. WHICH? Trusted Traders <http://trustedtraders.which.co.uk/> does not wish to sign a PAP and so they are not considered a suitable partner committed to driving up standards in this sector.

2.7 An overview of the checks and balances that have been put in place to ensure the quality and reliability of the services provided by the chosen provider –

CAT – details of how the scheme will operate are laid down in the partnership agreement which has an emphasis on maintaining the standards. Kent Trading Standards regularly audit CAT as part of their PAP agreement for compliance. East Sussex TS will have wide ranging access to the CAT data via a web link. This will allow East Sussex TS to look at any application, trader, complaint, website entry or feedback that is live on the system and carry out further checks as required. No trader can become TS approved without the final decision being made by East Sussex TS and at any time East Sussex TS can turn a trader “red” which will immediately remove them from the CAT website. TS will have the right to request a trader is suspended from a TS approved scheme pending enquiries or investigation by TS.

BWC – Buy with Confidence authorities operate under a licence agreement and this sets the minimum checks that are required to run BWC. Hampshire TS will work to these checks to ensure that the minimum standards for the scheme are maintained and that all required checks are carried out before a trader becomes a member of the scheme. As part of the audit process and before a trader is approved, East Sussex TS will also carry out a check on our local database. On top of the licence agreement, BWC also has a peer review system in place to ensure the scheme is periodically reviewed. Hampshire TS will carry out all ongoing monitoring of compliance with membership requirements of East Sussex based BWC members. The BWC scheme will be the responsibility of Hampshire TS. In order to save resources, East Sussex TS does not expect to be involved in the scheme except to do local background checks on traders prior to approval.

2.8 **An evaluation of the extent to which the new scheme is working effectively and the degree of public confidence in the new scheme –** There have been several delays in commercial organisations taking up the offer to partner with the County Council. The main delay has been their understanding and subsequent signing of a PAP and the need for them to be certain they can meet the required criteria. As these partnerships are just starting, it is too early to evaluate them. Key Performance Indicators will be put in place for the new financial year and an appropriate evaluation will be completed on customer feedback.

The ongoing auditing of CAT by Kent Trading Standards as part of the PAP will provide a continued evaluation of the partnership to ensure that the scheme continues to work effectively. More local checks to ensure that the scheme is working effectively within East Sussex could include comparison between pre-TS approved and post-TS approved in relation to the level of complaints received, customer satisfaction/confidence levels and awareness of TS approved CAT members. Should new partners come on board, their own PAP relationship will also ensure standards are maintained.

2.9 An update on the work of TS - Scrutiny has requested a general update on TS work and this can be found in Appendix 1. The report highlights the work undertaken by the Service during the financial year 2014/15, explaining how TS have met their targets and achieved success for East Sussex residents and businesses. Highlights include;

- The illegal tobacco project
- Work with scam victims
- Supporting local businesses

2.10 The only change to the work of TS since the last Scrutiny report in June 2013 is that the Support with Confidence Approved Trader Scheme, (SWC) that is run in partnership with Adult Social Care (ASC) has moved to be administered by ASC. The reason for this is that over a short period in 2014/15 the members of the SWC team left the service and were not replaced. This included the team manager for both the BWC and SWC schemes. This was seen as an opportunity by both TS and ASC to place SWC at the heart of ASC but with the trader checks and business compliance checks still being carried out by TS. TS are still active members of the SWC governance board and work closely with ASC colleagues to ensure only the best businesses are approved onto the SWC scheme. The most successful element of this partnership is the business training sessions that TS provide for SWC members. These have proved very popular and are part of a wider TS scheme to train business sectors in legislation and best practice. The performance of TS for 2015/16 is set out in Appendix 2.

2.11 In 2014/15 the net budget for TS was £767,500 and employed 20.4 full time staff. In 2015/16 the net budget was £807,700 with 18.4 full time staff. Predictions for 2016/17 is a budget of £742,700 with 16.7 full time staff. Since 2010/2011 the staffing levels in TS have fallen by 44%, through either re-structure or staff resigning and not being replaced. The team continues to meet its statutory duties, but in a reduced form, for example making a local risk assessment on some business premises rather than following national guidelines to the letter. This has reduced the number of high risk visits the team need to complete which is realistic when compared to the number of staff available. The service is intelligence led which enables them to direct their resources to those areas most in need. This does mean that not all individual complaints are responded to unless they have a wider impact on the community.

2.12 In future years the team are committed to income generation and are working towards a chargeable business advice strategy. This will be consulted upon with Members and the Business Community in due course. The team continue to work within their main priorities of protecting the vulnerable - supporting victims of doorstep crime and mass marketing fraud. They continue to work in the economic development arena providing free training to businesses, sampling, testing and advising. Prosecution numbers have reduced as staff numbers have diminished, but the cases that are investigated are more serious and tackle greater consumer detriment.

3 Conclusion and Reasons for Recommendations

3.1 The Scrutiny Committee are therefore recommended to note that the above will allow East Sussex to not only continue to offer an approved trader scheme but also to be in a position to offer a commercially run TS approved scheme, allowing businesses and residents the ability to choose a scheme that meets their needs.

3.2 Trading Standards will be able to recover the costs of the intelligence checks they do for partners, without the burden of administering an approved trader scheme themselves.

3.3 In the case of commercial partners, appropriate sanctions will be in place to remove traders who do not meet the TS approved threshold.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None