

# Agenda



## Cabinet Member for Regulatory Functions

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Date: Friday, 18 November 2016

Time: Not required

Venue: Not required

To: Councillor R Poole

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### Item

### Wards Affected

1 Assured Trader Scheme: 'Buy With Confidence' (Pages 3 - 8)

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# Report

## Cabinet Member for Regulatory Functions

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### Part 1

Date: 21 November 2016

Item No: 1

**Subject** Assured Trader Scheme: 'Buy With Confidence'

**Purpose** To approve a Trading Standards Assured Trading Scheme which will allow businesses to apply to the Council to become members of the scheme. Residents of Newport will then have the option of selecting businesses from the scheme, knowing they have been audited by their local trading standards authority.

**Author** Trading Standards Manager

**Ward** City Wide

**Summary** Devon and Somerset Trading Standards Service and Hampshire Trading Standards, along with the South West England Trading Standards Coordinating Body have set up and administered an approved trader scheme called 'Buy With Confidence'. This scheme which now operates in many part of England, has recently been launched across the six authorities in North Wales. The scheme allows businesses to apply for membership; they pay an application fee and are then subject to an audit process by the local trading standards service. If the business is successful, it is allowed to join the scheme and thereby market itself as 'Trading Standards Approved'. Approved members pay an annual fee. The scheme allows good businesses to demonstrate their strong performance and use this as a marketing device and also provides residents with a reliable list of good traders, thus reducing the risk of detriment from rogue traders.

**Proposal** Approve the provision of the 'Buy with Confidence' approved business scheme and the associated fee structure.

**Action by** Head of Law and Regulation

**Timetable** Immediate

This report was prepared after consultation with:

- Business Improvement Team
- Public Protection Manager
- Head of Law and Regulation
- Team Leaders [Trading Standards; Environmental Health; Licensing]
- Local businesses

**Signed**

## Background

### 1. Introduction

- 1.1 The national Buy with Confidence scheme provides a means of delivering Trading Standards 'approval' of local businesses so as to provide a marketing advantage for those businesses found to be safe, financially sound and sufficiently scrupulous for consumers to deal with. The scheme involves auditing to ensure the business is broadly compliant with public protection laws checking financial scrutiny, customer feedback and criminal records checks.
- 1.2 The purpose of the proposed adoption of the Buy with Confidence scheme is to:
  - Protect consumers by signposting them to local businesses that have been tested and audited and considered to be reputable. The council can actively encourage members of the public to employ these reputable businesses rather than dealing with rogue traders etc. who turn up at the door uninvited. (This signposting is of particular value to more vulnerable residents).
  - Provide a marketing advantage for local businesses – the opportunity for local businesses to carry the “Trading Standards Approved” logo that will help them stand out from the crowd.
  - Raise the profile of the Council’s public protection services by demonstrating more overtly our role in checking local businesses.

### 2. Entry Vetting

- 2.1 In order to become a “Buy With Confidence” member, a business must first apply or be recommended to join the scheme and must then pass a set of tailored background checks. Membership of the scheme is not given lightly – amongst other checks, each applicant will have their complaints history reviewed and will receive a visit from. Good references are required from previous customers and applicants must agree to abide by the scheme's code of conduct, which requires them to follow the letter and spirit of the law. Criminal records disclosure may also be required in some circumstances including where businesses are working in or around a consumers home or in higher risk sectors. The business at the time of vetting must be broadly compliant with public protection laws.
- 2.2 Only if all the scheme requirements are met, will a business be granted membership, and their conduct will continue to be monitored thereafter. We cannot promise that “Buy with Confidence” members' work will be perfect every time, but the public can expect any problems to be dealt with fairly by the business and can turn to Trading Standards for advice in the event of an unresolved issue.
- 2.3 The unique selling point of Buy with Confidence above many of its competitors is that businesses are able to use the strapline 'Trading Standards Approved'. We can achieve this as all audits will be carried out by appropriately qualified and experienced Trading Standards professionals. The business audit will include stringent checking of businesses policies, procedures and advertising to ensure that they comply with the legislation that trading standards enforce, thus reducing the risk of consumer detriment and increasing the chances of business success. The scheme requires businesses to provide a high standard of customer service and as such a company complaints procedure is a mandatory requirement of entry; officers work with the business to ensure that should any complaint be received it is dealt with in a timely and professional fashion and is recorded. In the unlikely event that a dispute cannot be resolved between the two parties, consumers can be reassured that the backing of trading standards is available and mediation can be offered to reach a mutual agreement. Buy with Confidence does not assess quality standards or guarantee workmanship but in order to help protect consumers a business must evidence that they have the required insurance for their practices and, where appropriate, are licensed, qualified, trained and accredited.
- 2.4 Buy With Confidence has oversight and support from the 'central hub' including a dedicated project manager and administrator. This will assist Newport in the role out and maintenance of

the scheme through the provision of centrally provided added value including: central marketing and promotion; availability of branded merchandise; circulation of best practice and networking between council scheme operators; a central point of contact for queries relating to scheme management; the development and delivery of assured advice through the Buy With Confidence co-ordinated primary authority partnership ( which aims to reduce the resource requirement to provide business advice to members locally); website administration; updates for businesses including changes to the law which may affect them and the development and furtherance of the scheme nationally to raise the profile and thus increase supply and demand. Central support is funded by the payment of a small annual fee calculated per approved business member which is payable by all local authorities licensed to run Buy With Confidence.

### 3. Membership of the Scheme

- 3.1 There are currently over 5000 businesses accredited under the “Buy With Confidence” scheme in the UK, covering a very wide range of industries.
- 3.2 The payment scheme (which is set nationally to ensure consistency) for 2016 was as follows (it is likely to be the same moving forward):

Number of Employees	Application Fee	Annual Fee
0-5	£125	£250
6-20	£167	£375
21-49	£208	£500
50+	POA	POA
<ul style="list-style-type: none"> <li>• Additional premises: £187 each</li> <li>• Additional trading styles: £125 each</li> <li>• All prices exclusive of VAT</li> </ul> <p>Application fee is paid on application and is non-refundable and if the business passes the audits the annual fee is payable on approval and annually thereafter.</p> <p>Opportunities are available to offer short term incentives deviating from this pricing structure should local authorities wish in order to engage in strategic targeting to increase membership, for example across a particular business sector (e.g. sole traders) or industry type.</p>		

### 4. Next Steps

- 4.1 In Newport our intention is to target those business sectors that provide services and sell goods to our more vulnerable residents and to provide a real alternative to the rogue businesses that typically use door step uninvited calls as the initial contact with a customer.
- 4.2 The initial recruitment drive will therefore concentrate on builders, electricians, plumbers, gardeners etc. After that target group, approaches will be made to the all types of tradespeople and businesses who feel they wish to use their good practice as a marketing tool. This could include all types of businesses from retailers in the high street; to estate and letting agents; to tattooists and piercers.
- 4.3 The scheme has been very successful in North Wales; and the representatives of that area have provided an excellent reference to the scheme. There is also the strong possibility that the local authority trading standards services covering Cardiff; Monmouthshire; Bridgend; and the Vale of Glamorgan will also sign up to the scheme.
- 4.4 In order to provide the scheme with a good start, it is proposed to employ a part time Fair Trading Officer for 6 months. (This officer will be employed using receipts from the Home Office Proceeds of Crime Incentivisation Fund; following rogue trader work done in previous years by Newport Trading Standards). It is hoped that using an officer to concentrate on the scheme will produce a real choice to consumers, relatively quickly after the scheme’s launch. It is hoped that the officer

will recruit 75 businesses to the scheme within this time frame. The officer will be responsible for the recruitment and vetting of the businesses.

## 5. Financial Summary

The income stream is not certain at present.

25 small businesses in the scheme would bring in £9375 in the first year, £6260 in subsequent years.

50 small businesses would bring in £18750 in the first year, £12500 in subsequent years.

75 small businesses would bring in £28125 in the first year, £18750 in subsequent years.

This work aims to contribute to an existing income target which is not currently being met. It will therefore have a positive impact, providing the budget manager with the opportunity to balance the budget.

Subsequent years' income would need to be off-set against the cost of an annual surveillance visit.

## 6. Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Setting unrealistic income targets for such a new endeavour	H	L	Instead of setting a new income target – use any income from these schemes to meet the shortfall caused by the current income target in Trading Standards which has no income stream set against it (Historical accounting error)	Trading Standards Manager

## 7. Links to Council Policies and Priorities

Ensuring that this work is completed as required will support the following Council Policies and Strategies:

Newport City Council's Corporate Plan "Standing Up for Newport" 2012-2017 (Relevant priorities: "A Working City" "A Safer City").

The Wellbeing of Future Generations (Wales) Act, which is about improving the social, economic, environmental and cultural wellbeing of Wales, and places a duty on public bodies to improve wellbeing in accordance with the sustainable development principle. This work-stream will also assist the council in its contribution towards achieving the national wellbeing goals, in particular the 'Prosperous Wales' goal.

Newport's Single Integrated Plan (SIP) 2013-2016 'Feeling Good About Newport' (Relevant priorities: Health and Wellbeing, Safe and Cohesive Communities)

## 8. Options Available

### Option1

To agree that Trading Standards launches the Buy with Confidence Scheme as described.

### Option 2

Not to agree that Trading Standards launches the Buy With Confidence Scheme as described.

## **9. Preferred Option and Why**

**Option 1:** As this will assist the Public Protection Service with one of its main projects for 2016 and beyond. This type of scheme will assist the council's budget position; it will assist consumers to choose good businesses; and will assist good businesses who wish to use their good reputation as a marketing device. This initiative will support current council commitments to improving businesses within the City and supports directly the new commitments under the Well-being of Future Generations (Wales) Act 2015 which requires authorities to work towards the well-being goal for a 'prosperous Wales'.

### **Comments of Chief Financial Officer**

The proposed action within the report should not result in any additional cost to the council and will create a new income stream. However, this will need to be properly managed throughout the financial year to ensure that any target set can be consistently achieved year on year. The service area proposes that this income stream will go towards offsetting other income pressures within the budget and therefore will not be an additional MTRP saving.

### **Comments of Monitoring Officer**

The proposed action is in accordance with the Council's statutory powers under section 111 of the Local Government Act 1972 and section 93 of the Local Government Act 2003, to provide and charge for additional discretionary services that are conducive or incidental to the discharge of trading standards functions. The assured trader scheme is also consistent with the Newport 2020 vision for service development and the principles of the Well-being of Future Generations (Wales) Act. The quality assurance of local traders that the scheme provides will enable consumers to buy with confidence, knowing that they are dealing with reputable businesses that have been vetted by the Council. However, it will be necessary to make it clear in any marketing and promotional materials that the Council is not recommending the goods or services being provided by the "approved" businesses or guaranteeing standards and quality of their work or products. The Council's statutory enforcement work would also be unaffected by the approvals process.

### **Comments of Head of People and Business Change**

The approval of the Trading Standards Assured Trading scheme supports the requirements of the Wellbeing of Future Generations Act, which is about improving the social, economic, environmental and cultural wellbeing of Wales. The scheme aims to assist consumers to choose good businesses and assist those businesses to demonstrate they provide a good service. This will contribute towards the wellbeing goals of Prosperous Wales, Healthier Wales and A Wales of Cohesive Communities. The scheme also contributes to the priorities within the current Safe and Cohesive Communities theme of the Single Integrated Plan.

### **Comments from members**

Councillor Val Delahaye:

I would fully support this scheme.

### **Background papers**

[www.buywithconfidence.gov.uk](http://www.buywithconfidence.gov.uk)

Dated: 21 November 2016

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