

ANGUS COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE – 13 OCTOBER 2009
CORPORATE SERVICES COMMITTEE – 22 OCTOBER 2009

THE CURRENT STATUS AND FUTURE FUNDING OF
THE ANGUS REPUTABLE TRADER SCHEME (ARTS)

JOINT REPORT BY DIRECTOR OF INFRASTRUCTURE SERVICES AND THE DIRECTOR OF
CORPORATE SERVICES

ABSTRACT:

This report indicates the current progress and success of the Angus Reputable Trader Scheme (ARTS) and requests release of additional funding set aside for 2009/10.

1. RECOMMENDATION(S)

1.1 It is recommended that the respective Committees:

- i) Note the progress and success of the development of the Angus Reputable Trader Scheme.
- ii) The Corporate Services Committee authorise the release of funding of £17,000 to support the development of the scheme for the remainder of current financial year.
- iii) Note that the need for further funding to continue the scheme into 2010/11 will require to be considered as part of the 2010/11 budget setting exercise.

2. BACKGROUND

- 2.1 Following report number 561/08 by the Director of Infrastructure Services, on 03 June 2008 the Infrastructure Services Committee agreed to approve the establishment of the Angus Reputable Trader Scheme (ARTS).
- 2.2 The temporary Trading Standards Advisor post, established for 2 years to support the launch of the scheme, was filled on 20th November 2008.
- 2.3 The ARTS scheme was launched on 28 April 2009. It received a positive response from many organisations both within the public sector and amongst the business community. This was followed by 615 initial enquires from businesses in the following months.
- 2.4 The Scottish Government is currently undertaking a preliminary consultation on the establishment of "Trusted Trader Schemes" as part of the developments associated with the Housing (Scotland) Act 2006. This consultation with the Society of Chief Officers of Trading Standards in Scotland and the Construction Licencing Executive, envisions local authority based schemes similar to the Trusted Trader Scheme in Dundee and The Angus Reputable Trader Scheme being provided across all Scottish Local Authorities. In this regard Angus is now one step ahead of most other local authorities. There is a recognition that a two to three year establishment period is necessary to give such schemes both financial stability and sustainability. The Dundee Trusted Trader Scheme took in excess of two years to reach some 150 members. Such a membership base appears to be a benchmark for success, ARTS is on target to meet this at this point in time.

3. CURRENT POSITION

- 3.1 The initial enquirers and applicants are still being engaged with. The marketing and promotion of the scheme is now being progressed with the Economic Development Unit to accelerate promotion and develop brand awareness with both businesses and consumers. As of 21 September 2009 there are 44 fully audited and paid up members of the ARTS scheme, plus some 147 additional businesses who are signed up to the principles of the age restricted product code, which is part of the scheme. There are a further 30 businesses at various stages of the application process and, if successful, this would give a total of 74 full members.
- 3.2 The launch of the scheme has been well received by trade bodies such as the Federation of Small Businesses, the British Institute of Innkeepers, and the Federation of Master Builders. The impact on the Community Safety agenda has been recognised by partners such as Tayside Police, Age Concern, Focus on Alcohol Angus and Angus Care and Repair . The scheme is relevant not only to informing consumers about legitimate businesses and marginalising rogue traders, but also through the age restricted product code, helping to address the health and anti social behaviour issues associated with the sale and abuse of such products.
- 3.3 The alternative dispute resolution scheme designed by the Chartered Institute of Arbitrators for the ARTS scheme, has now been finalised and put in place, allowing disputes between members and consumers to be resolved without recourse to court. A UK first, and recognised by the Office of Fair Trading as an example of best practice .
- 3.4 The scheme depends on customer feedback on businesses being provided to inform prospective users of the calibre of scheme members. This has been established and customer feedback for the scheme members is now available online via <http://www.angus.gov.uk/traderscheme/>. It will now take time for the feedback to build up and increase, to be useful to both the businesses and consumers.
- 3.5 The essential elements of the scheme are now in place, and the early uptake of the scheme by small businesses has been excellent. Continued expenditure on promotion will be necessary to continue this promising start.
- 3.6 Although funding for 2008/09 was provided, it was unrealistic to recruit the staff and launch the scheme early enough in the year to utilise the funding to the full and progress the scheme. Accordingly, the scheme development period will extend into 2010/11.

4. PROPOSALS

- 4.1 In order to further develop the scheme for the full 2 year period from launch and build on the success of the scheme to date, a number of proposals have been identified.
- 4.1.1 It is proposed to maintain the subsidised fee at £20 for the second year. This recognises that the benefits of membership will not be fully realised until the scheme is more fully established. This subsidy will also assist legitimate businesses in a time of economic difficulty.
- 4.1.2 It is proposed to accelerate the promotion of ARTS to ensure the scheme becomes sustainable and as financially self supporting as practicable after the 2 year start up phase.
- 4.1.3 It is also proposed to carry out a consultation exercise, after 1 year of membership with the scheme, to inform the future development of the scheme and maximise the beneficial impact to the business community and consumers.
- 4.1.4 The scheme will be kept under continual review to evaluate the full impact of the scheme and to consider costs and resourcing implications.

5. FINANCIAL IMPLICATIONS

- 5.1 Report 561/08 indicates that the full year cost of operating the scheme in 2009/10 is £35,000, thereafter, the aim is for the scheme to become substantially self financing.

5.2 In setting the 2009/10 revenue budget one-off funding of £18,000 was awarded to allow ARTS to continue until 30 September 2009 (report 119/09 refers), with the success of the scheme to be evaluated within this timescale. It was recognised at that time, that subject to the success of the scheme, additional funding may be required from the provision for additional burdens/budget risks within the 2009/10 Miscellaneous Other Services revenue budget to allow the scheme to continue.

5.3 Given the success of the scheme to date, as outlined in section 3 above, additional funding of £17,000 is therefore being sought from the provision for additional burdens/budget risks available in 2009/10 to allow the scheme to continue until 31 March 2010.

5.4 Further funding to continue the scheme into 2010/11, within the context to seeking to ensure the scheme moves towards becoming substantially self financing, will require to be considered as part of the 2010/11 revenue budget setting exercise.

6. HUMAN RIGHTS IMPLICATIONS

6.1 There are no human rights implications arising from this report

7. EQUALITIES IMPLICATIONS

7.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An [equalities impact assessment](#) has been undertaken.

8. SINGLE OUTCOME AGREEMENT

8.1 This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus.

- Sustainable business growth is achieved.
- Harm caused by the misuse of drugs and alcohol is reduced resulting in improved quality of life in Angus
- Communities in Angus are safe, secure and vibrant.
- More citizens are involved in community life.
- Growth in tourism in Angus is achieved.
- A good quality of life is enjoyed in Angus.
- Resources are used effectively .

9. CONSULTATION

9.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration, Head of Housing have been consulted in the preparation of this report.

10. CONCLUSION

10.1 The Angus Reputable Trader Scheme has been started very successfully but will need the release of further identified funding to allow the initiative to become sustainable.

Eric S Lowson
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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

E&CP/ DV/DS /BKS/GK