

***TrustMark***  
***Principles of Operation***

Version 2.0 June, 2005

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## **Related Documents**

*TrustMark Core Approval Criteria*  
*Trust Mark (2005) Ltd Memorandum & Articles of Association*  
*DTI Master Licence to Trust Mark (2005) Ltd*  
*TM Board & Forum Terms of Reference*  
*TM Brand Identity Guidelines*

## **Introduction**

The TrustMark (TM) objective is to improve standards and the quality of customer service in the domestic repair, maintenance and improvement industry by:

- Setting a minimum standard for reputable membership schemes in the industry
- Establishing a widely recognised 'Mark', endorsed by government and consumer organisations, to identify schemes and their members that have met this standard
- Operating a framework within which schemes are approved to carry the TM Mark and its standards maintained
- Creating, through the TM governance structures, a mechanism through which the stakeholders involved can work to broaden the trade and consumer take-up of TM, promote improved RMI industry standards, and tackle related issues such as better enforcement

This document outlines the formal framework within which the TrustMark operates. It should be read in conjunction with the Core Approval Criteria.

The TM framework is made up of:

- the TM core criteria, representing the standards that TM schemes must meet, and associated Approval Mark
- the TM governance structure, centred around the TM Board that represents consumer organisations and industry bodies and approves TM schemes, with government bodies also represented as observers
- TM Approved Schemes that manage memberships of TM registered firms in line with the core criteria.

## **Core principles**

### **TM Approval**

Any suitable industry organisation – trade associations, certification and inspection bodies, commercial firms - may apply for TM approval for its existing or proposed scheme. Application for scheme approval is made to the TM Board; the Board will grant approval if it is satisfied that the organisation and its scheme meet the core criteria set out in the accompanying document *TM Core Approval Criteria*. Approved Scheme operators and their members (referred to as TM Registered Firms) become entitled to use the TM Mark indicating they are a part of the TrustMark System. Approved Scheme operators also take part in the TM governance arrangements and funding of the central TM structure.

For new schemes or others without a track record of operation in substantially their proposed form, approval will normally take place in two stages:

- an 'in-principle' stage where the Board indicates it is satisfied that the scheme, if implemented in line with the proposals put forward in the scheme application, will meet the TM criteria
- a subsequent formal approval stage, once the Board has seen evidence that the scheme is operating satisfactorily and in line with the original proposals.

In other cases where there is existing evidence of the scheme's performance the two stages will normally be combined.

Recognising that not all firms wish to join Trade Associations, the TM Board actively encourages entry of Approved Schemes run by other types of industry organisation such as Certification Bodies. TM does not require Trade Associations to make TM membership available to firms who do not wish to join the Association.

Industry bodies with an existing scheme whose standards are such that the Board can be satisfied as to the quality of the underlying membership base will not be required to first vet their members in accordance with TM standards; these will therefore automatically become TM Registered firms on Scheme Approval. In other cases different arrangements will be agreed.

### **Monitoring of Approved Schemes**

Approved Schemes' standards will be monitored by the Board in two main ways:

- As part of its application, the scheme operator will agree with the Board an appropriate form of independent initial and annual review that will be carried out of its processes (EN45011//13, ISO 9001:2000, or equivalent), the organisation it intends to conduct the review, and the scope of such review.
- Each scheme operator will provide TM with agreed management information reporting based on agreed performance indicators. A particular focus will be placed on monitoring effectiveness and results of: (a) entry checks on new members; (b) on-going monitoring of scheme members' work and customer satisfaction; (c) the proper handling of customer complaints and disciplinary processes. Schemes will also provide a quarterly return covering: (a) numbers of TM registered members; (b) details of any members expelled from the scheme an TM registration; and (c) details of any infringements that have come to the notice of the operator and of actions taken

Approved Schemes must also demonstrate appropriate and effective disciplinary action against members who do not comply with the scheme's requirements or standards with a range of sanctions including for serious cases membership termination immediately or after defined remedial periods as appropriate.

The TM Board will undertake a formal review of each Approved Scheme's performance annually; Where the Board becomes concerned about a Scheme's operation, either based on this review or for other reasons, it may call for remedial action, and in the absence of a satisfactory resolution may initiate a formal disciplinary process through which, in the final event, the scheme's Approval may be withdrawn.

### **Independent review of Board decisions to refuse or withdraw Scheme Approval**

Where the Board refuses an application for scheme approval, or decides to withdraw approval following the disciplinary process described above, and the scheme operator feels the Board's decision has been unjustly or incorrectly made, it may seek an independent review of the decision. Arrangements for such independent review have been made with the Chartered Institute of Arbitrators. The Scheme Operator will pay the costs of such a review, with TM Ltd reimbursing these costs if the adjudicator finds in favour of the Operator.

### **Multi-sector schemes & sector standards**

Many Approved Schemes and their members are focused on one particular trade sector. However others such as organisations representing general builders, or certification bodies may wish to register firms in several different sectors.

Any scheme may apply for TM Approval in relation a defined sector or sectors (a list of TM sectors is attached as Annexe B). To gain approval against these sectors the scheme needs to satisfy the TM Board that the procedures and associated expertise in its entry checks, inspection processes, and complaints handling are appropriate to all the sectors involved. An Approved Scheme can then register each member firm

against any of the sectors within the scope of its approval and for which the firm is qualified. The entry checks, monitoring processes, etc. applied to that firm must be appropriate to cover all the sectors against which the firm is listed.

As part of any scheme's application it will be asked to state the technical and competence standards against which firms will be vetted and monitored for the sector or sectors concerned. These would be expected to align with recognised sector standards: Competent Persons scheme standards in relevant sectors, or otherwise recognised British, international or industry standards as appropriate. To ensure a 'level playing field', the TM Board will work to ensure that consistent standards are applied by all Approved Schemes within any given sector,

### **Limited scope schemes**

In general, the TM Board seeks applications from potential scheme operators intending to bring into TM all members of their scheme – or at least all members that carry out domestic work for consumers. It is recognised that in some cases organisations may feel that TM requirements are only applicable to a subset of their membership, or that only a subset are likely to meet these requirements. The TM Board will consider applications involving such partial registration in cases where the applicant has demonstrated the logic or necessity for such an approach, and where it has proposed satisfactory arrangements to minimise potential problems arising from customer confusion as to which members are or are not covered by TM. Such cases may include:

- Schemes with defined subsets or 'tiers' of membership, only some of which meet TM requirements (eg FMB's Master Bonded group vs. their general membership)
- Schemes containing members who do only commercial, sub-contract, or local authority work for whom consumer-oriented focus of TM may not be relevant

In general, the Board will not generally agree scheme arrangements under which the operator proposes to offer TM registration to members on an optional basis, except as a transitional mechanism where there is reasonable assurance that the scheme will be able to move to full registration of its members within a defined timescale. The exception to this is statutory schemes such as Competent Persons schemes that have been set up and members have joined for other purposes, and where the scheme feels members must voluntarily sign up to the TM code of practice & criteria; such schemes will, however, be expected to actively encourage members to sign up, and to build the TM criteria into their core scheme if at all possible.

Similarly industry bodies may wish to run schemes whose scope is limited within a given sector or sectors in terms of the type of work covered- e.g. an OFTEC heating scheme that covers only work on oil-fired boilers, not other fuels, or a product manufacturer whose approved installer scheme may be limited to work involving the installation of its own products. The Board will normally accept such schemes if it is satisfied that the scheme arrangements are such that consumers will be clear as to the limitations of the scheme's coverage.

Any TM scheme is expected to take some level of responsibility for its members, even where they do work outside of the scope of the scheme, and in particular to take note of complaints received in relation to such work as part of monitoring members' performance.

### **Relationship to Competent Persons schemes**

Competent Persons (CP) schemes have been introduced by the ODPM to allow firms to self-certify that their work complies with the Building Regulations as an alternative to submitting a building notice or using an approved inspector. The CP scheme

criteria strongly parallel those of TM in providing for competence checking and monitoring of firms and some elements of consumer protection – e.g. a complaints process and the option of a warranty (Though as outlined in the accompanying document ‘*Core Approval Criteria*’ CP schemes may also need to satisfy further or more stringent criteria over & above those required for TM). ODPM encourages – but does not require - domestic Competent Person schemes to obtain TM approval, and has no objection to such schemes choosing to apply the TM code of practice and requirements to all their membership if they feel this appropriate. ODPM is committed to work with the TM Board to ensure the CP and TM criteria are consistent and that their respective approval and monitoring processes for CP and TM schemes are as seamless as possible.

To ensure consumers are not confused about which schemes do or do not have self-certification rights, all TM schemes operating in CP-related sectors (currently glazing, plumbing & heating, and electrical work) will be required to ensure their registered firms have appropriate self-certification rights, e.g. by having appropriate ODPM authorisation, through arrangements with a specialist CP scheme covering that sector, or by requiring members to also be members of such a scheme. The award of CP scheme authorisation is a matter for ODPM Ministers advised by officials and the Building Regulations Advisory Committee, rather than the TM Board. However, applications involving both TM approval and CP authorisation will be handled in a coordinated manner: ODPM will take the lead in agreeing the technical elements of the proposals – competence standards, inspection processes, etc. – which will generally be deemed to satisfy TM requirements without further review, while it will rely as far as possible on the TM Secretariat’s assessment of the scheme’s consumer protection elements.

### **Relationship to CCAS**

The Office of Fair Trading’s Consumer Codes Approval Scheme (CCAS) provides a set of core criteria for codes of practice operated by organisations within an industry sector and focused on consumer protection. The TM core criteria have been developed in cooperation with OFT so as to incorporate most relevant elements of those for CCAS. The intention is that TM Approval can act as a ‘stepping stone’ to achieving CCAS Approval for individual schemes in the industry, and potentially for the industry as a whole.

### **Scope of TM**

TM is focused on supporting consumers having repair, maintenance and improvement work done on their homes. The TM approach is clearly also relevant to domestic work done for other types of customer – e.g. local authorities, housing associations, and commercial landlords. TM operators are encouraged to extend the scope of their schemes to cover these other types of work where they feel it appropriate, and this is indeed a requirement for CP schemes. But such an extension of scope is not a requirement for TM Scheme Approval.

The target firms for TM are those typically involved in domestic work, ranging from ‘one-man band’ sole traders upwards. The TM criteria have been designed so they can be met by all such firms whose work reliably meets solid standards of technical competence (as per Competent Persons schemes criteria) and similar standards in their trading practices and customer care. The aspiration for TM is that the vast majority of competent, reliable firms should become members of a TM scheme, thus achieving the original aim of ‘marginalising the cowboys’

Geographically the TM scheme is intended to cover England and Wales, the same scope as ODPM’s CP schemes. In Scotland the Construction Licensing Executive

(CLE) already operates a framework with similar objectives and approach; TM will work with CLE to establish a coordinated approach for industry organisations and firms operating on both sides of the border. DTI will seek to work with the relevant administrations, and TM with CLE and appropriate bodies in Northern Ireland and Isle of Man to develop a coordinated approach consistent with DTI and these administrations' policies.

### **Governance**

The governance arrangements for TM are built around the TM Board and TM Forum (representing all TM Approved Scheme operators), which are supported by a small TM Secretariat and appropriate funding arrangements. The following sections outline these components in greater detail

#### **The TM Board**

The TM Board is constituted so as to have a balance of interests drawn from stakeholder organisations representing in equal measure consumer organizations and the TM Approved Scheme Operators

The TM Board is formed of 3 Directors each from designated organisations representing an even balance of consumer bodies and the Approved Scheme Operators. The organisations are as follows:

- Consumer
  - Trading Standards Institute
  - Which? (Consumer's Association)
  - Third body still to be appointed
- TM operators
  - Three representatives of the TM Approved Scheme Operators elected by the TM Operators Forum

In addition, representatives of the relevant sections of three government organisations attend Board meetings as observers:

- DTI
- ODPM
- Welsh Assembly

The Board members in turn appoint an independent Chair, who will normally serve for a period of two years. The Chair has responsibility for ensuring proper operation of the Board and effective oversight of its support by the Secretariat. It is a remunerated position with a c.1 day/week commitment, as agreed between the Board and the Chair. All other Board members will participate on a no-payment basis, apart from remuneration of expenses.

If the above structure needs to be revisited as a result of organisational changes or for other reasons, the Chair will lead this process in close consultation with DTI and ODPM, with any changes agreed by the Board.

The Board meets at least quarterly and has authority and responsibility to:

- maintain the overall TM framework and core criteria
- evaluate and where appropriate approve applications from industry organisations for approval of their schemes against the core criteria
- ensure TM approved schemes meet the required standards by monitoring their operation and taking corrective action where necessary

- oversee the operation of the Secretariat and agree Secretariat budgets and associated operator levies to ensure financial integrity of the framework
- drive awareness of the scheme amongst consumers and the trade, working with scheme operators, stakeholders & partners as appropriate
- protect the integrity and reputation of the TM 'Mark' and ensure effective action is taken against its misuse

TM Board members are expected to respect the confidentiality of the information they see on particular schemes and scheme applications, and will be asked to exclude themselves where an application or issue under consideration involves a conflict of interest – e.g. for a Director who is an Approved Scheme Operator representative associated with an organisation that is a competitor of a scheme applicant.

### **Legal status of the Board**

The TM Mark is owned by DTI who licence its use to the TM Board as long as government is satisfied, via the agreed monitoring arrangements described below, that the Board is operating TM in line with the TM framework and that TM standards remain appropriate for government endorsement.

TM is structured as a company limited by Guarantee. The TM Board are Directors of this entity, and DTI licences TrustMark 2005 Ltd (TML) to manage the Mark and licence it onward in accordance with the TM framework. TML will in turn make appropriate arrangements to provide Secretariat Services as described below.

As part of its relationship with DTI as owner and sponsor of the TM System and Mark, the TM Board will provide and review with DTI annually key information designed to enable DTI to monitor the operation of the system. This will include:

1. Copies of reports from an independent annual review of TML processes similar to that required of Approved Schemes under approval criterion 1(c).
2. Statistics (detailed content & format to be agreed from time to time) covering:
  - Numbers & identity of scheme operators and their membership & changes over the reporting period
  - Analysis of the results of approved scheme monitoring, of investigation of any complaints received, and any disciplinary action taken against approved schemes
  - Analysis of known cases of infringement of the Mark and actions taken
  - Results of consumer and trade market research on TM brand awareness & perceptions
3. A financial report for the period

A summary version of the above will be published as an Annual Report which will be distributed to scheme operators, partners and other stakeholders and made available on the TM website.

TML will also report to DTI a summary analysis of the quarterly returns received from Scheme Operators (as described under 'Scheme Monitoring' above on membership, expulsions and infringement cases (including in this case infringement cases handled by TML itself)

### **The TM Scheme Operators Forum**

All Approved Scheme operators are represented via a seat on the TM Operators' Forum. In addition, scheme operators who have had "in principle" agreement to their proposals but are awaiting evaluation of evidence for Scheme Approval may participate in Forum meetings as non-voting observers. The Forum will elect a Chair

from its own number, as well as two other members to act, with the Chair, as its representatives on the TM Board. Representatives nominated by the government and consumer organisations on the TM Board will also generally participate in Forum meetings, but without voting rights, and absenting themselves if requested.

To ensure that Scheme operators' views are understood before any decision is taken to the TM Board, and to enable their Board representatives to properly reflect these views, any significant decision going to the Board that affects the Scheme operators will first be taken to the Forum for discussion. In addition to this consultative role the Forum also acts as a vehicle to share good practice and co-ordinate TM marketing and other operational activities.

### **Relationship with TM scheme operators**

A core principle of TM is that scheme operators should be free to run their own affairs as long as they meet the core TM requirements and are acting in a way that supports the overall TM brand. The Board will not be involved with individual scheme operations including matters such as governance processes, membership recruitment and vetting, complaints handling, disciplinary matters, etc. In particular, the TM Board and its Secretariat will not get involved in individual customer complaints against Registered firms, and will not act as an appeal body, either in relation to customer complaints or member disciplinary matters.

Scheme funding is again a matter for the scheme. Schemes are free to set the membership and other fee rates for their scheme, including for trade associations a differential charge for firms who choose to join the TM scheme but remain outside the association, if they choose to operate such a facility.

Scheme operators' relationship with the TM Board and its supporting Secretariat therefore centres on:

- Scheme operators' participation in the TM governance processes, planning & implementation of common activities such as TM promotion, and payment of the operator levy
- Monitoring by the Board and secretariat of schemes' operation via the mechanisms described on p.4, and response by Scheme Operators on any concerns raised.
- Cooperation with the Board & Secretariat in their investigation of complaints received about the operation of the Scheme itself

## ***Branding & Marketing***

### **TM Brand**

The TM Brand is registered by DTI with the Patent Office as a Certification Mark; the TrustMark Brand Identity Guidelines provide guidance as to how the logo should be used, as well as general guidelines on presenting TM and its consumer proposition. Use of the Mark is governed by a chain of licences from DTI to TrustMark Ltd (which requires TML to operate the system within the framework set out in this document and the Core Approval Criteria), TrustMark Ltd to each Scheme Operator, and Scheme Operators to their registered members. The Brand proposition is designed to offer a clear message to consumers that they can have greater confidence in using members registered through approved schemes; it also reflects the endorsement of the TM standards by government. TrustMark operates a website at [www.trustmark.org.uk](http://www.trustmark.org.uk)

## Channels to market

TrustMark's success relies on its becoming familiar to consumers and a key selection criterion for them when seeking firms to do domestic RMI work. The TrustMark Board and Secretariat have responsibility for promoting TrustMark with consumers and within the Trade, exploiting Scheme Operators and other partners' existing channels to market to gain maximum results for the limited sums available. Such channels include:

- **TM Scheme Operators**, who already promote to the trade, and in some cases also to the public. TM Scheme Operators take on a responsibility to use their best efforts to promote the TM brand as part of their obligations as a scheme operator.
- **Media**. Proactive generation of features in the trade, national and local press as well as lifestyle magazines and supplements, radio and TV consumer and makeover programmes.
- **Directories**. Editorial presentation of TM in Yellow Pages and other classified (and on-line) directories – research indicates that Yellow Pages is consumers' most frequently used source of firms for RMI work after word-of-mouth recommendations.
- **Government**. Targeted use of Ministerial (Dti Secretary of State, construction and consumer ministers; and ODPM building regulations ministers) speeches and appearances to promote key messages and reinforce the 'Government' underpinning of TM
- **Commercial entities**. TM promotion linked to the activities of commercial partners linked to the RMI sector: product manufacturers, national/local trade merchants, major contractors, DIY retailers, insurers, banks/building societies, building tools manufacturers and suppliers and estate agents.
- **Consumer advice organisations**. A range of organisations will be encouraged to incorporate TA messages in their existing dissemination mechanisms, including Consumer Direct, local authorities' building control, planning and housing/grant departments, TSI, Citizens' Advice Bureaux and voluntary agencies (HouseProud, Help the Aged, Age Concern, Care & Repair etc).

## Research and Evaluation

To evaluate the effectiveness of the marketing campaign and monitor perceptions of the TM Brand, TM participates in the MORI Omnibus Survey with an annual survey of consumers' routes and criteria for choosing firms for RMI work, their awareness and perception of TrustMark, etc. TM will commission further research where it feels this appropriate, and feasible within the resources available.

## Customer Access to TM Membership

TrustMark provides for consumers the means of:

- identifying potential TM-registered firms covering a particular sector and geographic area, across all relevant TM schemes
- verification that a tradesman claiming to be a member of a given TM scheme is a member of that scheme.

The ability of firms to be listed via such a mechanism and for customers to find TM firms through it is at the core of the TM proposition. The primary access channel is envisaged as the web, though it is recognised that access via other channels (eg by phone or intermediary) needs to be provided for non-web users.

The main TM website provides a 'find a tradesman' search facility that provides the consumer with a list of schemes that register firms in a given trade sector. This list will provide links to the scheme operators' on-line 'find a member' search facilities on their websites, or a phone number where the scheme has no on-line search facility. The TM website will also provide a 'check a tradesman' facility to enable a customer to check that a tradesman claiming to be a scheme member is in fact a member. The customer would select their scheme from a complete list of TM schemes and be taken to the scheme's on-line 'check a tradesman' facility, or a scheme telephone centre if the web facility did not exist.

For consumers without web access, the main access route will be via Consumer Direct and potentially other consumer support organisations, who will a telephone-based equivalent of the TM on-line search facility, recommending consumers' to specific approved schemes that could meet their need. In addition, arrangements will be made to establish appropriate links to the TM website from relevant websites, including TSI, OFT, ODPM and DTI.

There is also a need to offer a set of trade-specific messages through TM operators, the TM website, leaflets, features in the trade press, Business Links etc. These will focus on the reputational and business benefits of TM. The TM website offers an overview of TM, the benefits of joining, and details of the various TM schemes that are available to them through the TM website.

## **TM Secretariat**

The Board and Forum need to be supported in carrying out their responsibilities; this is provided by a small TM Secretariat. Secretariat functions are undertaken by an appropriate industry body selected by the Board in consultation with DTI: the Chartered Institute of Building have been appointed to play this role.

The sections below outline the main functions and proposed structure of the Secretariat.

### **Applications for scheme approval**

Organisations' applications for scheme approval will be made formally to the Board. However, in practice the TM Secretariat will co-ordinate the scheme operator application process, including:

- providing advice to applicants for scheme approval
- vetting scheme applications and providing recommendations to the Board
- working with ODPM on CP scheme-related applications and dialogue with the scheme operator about these

Further detail about the application process is contained in the accompanying document '*TM Core Approval Criteria*'.

### **Scheme monitoring**

The Secretariat will monitor the operation of Approved Schemes on behalf of the Board to ensure standards are being maintained in line with the TM template. It will use the monitoring mechanisms described above and other sources including analysis of complaints received about schemes, regularly reporting status and issues to the Board with, where necessary, recommendations for corrective action. (CP Schemes may be subject to further monitoring of the Building Regulations-related requirements by ODPM)

### **Template development**

The Secretariat will conduct periodic reviews of the core criteria and other aspects of the TM framework and recommend any necessary changes to the Board to ensure they are kept up-to-date and to reflect learning from the operation of TM schemes. It will also work with industry bodies to ensure a common understanding of sector-specific competence and inspection standards.

### **TM promotion**

The Secretariat will drive central efforts to build awareness of the scheme amongst consumers and the trade, using the various partners and communication channels.. The TM promotional plan and associated budget will be agreed with the TM Forum and Board as part of each year's budgeting cycle. Depending on the resources available the Secretariat may employ a specialist agency to bolster its own resources in pursuing the promotional programme. The Secretariat also runs a central website [www.trustmark.org.uk](http://www.trustmark.org.uk) providing consumer and trade access to details of TM, TM approved schemes, and registered firms.

The Secretariat reports regularly on these activities to the TM Board and TM Forum

### **Handling external correspondence**

The main means by which the public and trade access TM-related information will be via the website, or through partners' and scheme operators' communication activities: direct phone contact with the TM Board & Secretariat will be discouraged except

where there is a genuine need for them. Moreover, TM Board and Secretariat will take a clear position that they will not act as an appeal body for consumers unhappy with the result of a scheme's complaints process.

Nevertheless, the TM Secretariat will need to handle correspondence related to TM, including:

- consumers or firms with concerns or complaints about their treatment by particular schemes
- press, consumer bodies, scheme operators, and others requesting TM-related information
- referrals or requests for information from government Departments or other public authorities in relation to correspondence about TM received by Ministers

In the case of complaints received about schemes, these will initially be referred to the scheme involved for explanation and the Secretariat will only pursue them further if it appears the complaint reflects a legitimate concern with the operation of the scheme.

### **Administrative support**

The TM Secretariat administratively support the Chairs of the Board and Forum by, for example:

- ensuring meetings are scheduled as appropriate
- agreeing the agenda and ensuring papers are distributed in a timely manner
- writing and distributing minutes

### **Leadership**

The Secretariat will require leadership that will:

- lead the Secretariat team and manage its activities
- ensure the Board and Forum are appropriately informed and that all key decisions and issues brought to them so as to enable them to effectively carry out their role
- maintain relationships with scheme operators, government departments, and consumer bodies and trading standards, and other stakeholders
- help support the public image of TM, working with the TM Board Chair and other Board members as appropriate.

### **Secretariat staffing**

The staffing requirements to handle the above tasks can only be finalised in the light of experience. The estimates of Secretariat costs are based on the following full-time Secretariat team & associated responsibilities:

- **Chief Executive (Part Time)** – CIOB CE, Chris Blythe acts as CE to the secretariat c. 1 day per week. He will work in close co-operation with the Board Chair, representing and promoting the scheme and its benefits.
- **TM Manager** – Responsible for day to day management of the secretariat, general correspondence, website, promotion of the scheme and liaising with DTI, ODPM, the TM Board, Scheme Operators and partner organisations.
- **Quality Manager** – Managing scheme operator applications and scheme monitoring, correspondence relating to operation of specific schemes, and development & maintenance of TM standards.
- **Administrator** – Administrative support to Secretariat, Board and SO Forum.

## ***Funding arrangements***

Beyond March 2007 TM will be operated on a self-supporting basis; the cost of the TM Secretariat activity including any agreed promotional spend will therefore need to be recovered from Approved Scheme operators. Initial Secretariat costs (excluding any significant promotional spend) are estimated at £250k p.a.

Initially and in every subsequent calendar year the TM Secretariat will agree with the TM Board a budget for the following year's costs and the associated scheme operator fee structure, including any provision for central promotional activities. As with all significant TM decisions affecting the Operators as a group, the TM Secretariat budget & operators' levy proposals will be discussed with the TM Operator Forum beforehand with the aim of achieving a consensus on the proposals before they are taken to the Board.

The initial cost recovery arrangements will be primarily based on a levy on all TM Scheme Operators of £10 p.a. per member, based on each scheme's number of TM Registered firms. Scheme operators will be expected to start paying the TM Operator levy from January 1<sup>st</sup> 2006, with the first quarter's revenue being used to create a financial reserve for the Secretariat.

In addition to the Scheme Operator levy an application fee will be charged for handing the application of any proposed new TM operator. This fee will be designed to recover the cost of the Secretariat and external resource involved, and is set out in Annexe C.

Scheme operators will pay directly the costs of their EN4501x accreditation or ISO9000 certification and audits, plus any additional monitoring activity agreed with the Board at the application stage.

DTI is providing c. £2m of initial funding for development and promotional costs up to April 2007.

## ***Safeguards***

The TM Board will control all key decisions including:

- Appointment of the Secretariat
- Approval of Secretariat budgets and the associated staffing plans, promotional strategy and TM Operator fees
- Approval of schemes as TM Approved Schemes
- Changes to the TM criteria and framework

(The Board will liaise with ODPM in relation to decisions concerning CP schemes)

To ensure TM Scheme Operator interests are fully represented, all proposals being put to the Board for decision will first be reviewed with the TM Forum, with their views then being represented to the Board by the Forum's Board representatives. For any decision directly impacting on the TM Operators as a whole – for example, on the Secretariat budget & TMO fee structure, or on changes to the template that would need to be implemented by existing schemes – the TM Board will normally want to ensure that a two thirds majority of TM Operators represented at the Forum have expressed their support for the proposal.

The Secretariat and the TML board will agree a mechanism for independent annual review of TML's processes – including those operated by the Secretariat – of the same type called for Scheme Operators under Core Approval Criterion 1(c)  
The agreement under which CIOB carries out the Secretariat role will include provisions for:

- Board involvement in the appointment of the TM scheme manager
- A formal annual review & renewal of the partner organisation's remit, led by the Board and Forum Chairs and with input sought from TM Operators as part of this process
- Provision for the arrangement to be terminated with 6 months' notice after an initial two-year period if at any time the TM Board determines that it would be in the interests of the scheme to make alternative arrangements for the Secretariat, with cooperation from CIOB in managing an effective transfer of Secretariat activities and, where appropriate, staff.

## **Annex A: Glossary**

**Scheme** – arrangements set up by an organisation to benefit its members and their customers, typically involving vetting of members prior to entry, a member code of practice, monitoring of members' standards, handling of customer complaints against members, and taking disciplinary action to ensure scheme standards are maintained

**TM Approved Scheme** – a defined set of membership criteria, processes and organisational arrangements that the TM Board has Approved as meeting the TM core approval criteria

**TM Approved Scheme operator** – the organisation responsible for managing a TM Approved Scheme

**TM Registered firm** – a firm that is a member of a TM Approved Scheme

**TrustMark (TM)** – the framework of the TM governance arrangements, core criteria and Mark, with the set of Approved Schemes operated under that framework

**Competent Persons (CP) Scheme** – a scheme authorised by ODPM under the Building Act 1984, conferring on its members the ability to self-certify their work as complying with Building Regulations

**Consumer Codes Approval Scheme (CCAS)** – a set of Office of Fair Trading-sponsored approval criteria for codes of practice operated by organisations within an industry sector and focused on consumer protection. The TM core criteria incorporate most relevant elements of those for CCAS

**TM Board** – the governing body for the Quality Scheme with ownership of the template, and its future development, and final decision-making on grant or removal of licences.

**TM Forum** – the body representing all Approved Scheme Operators (plus those whose applications are under consideration)

## ***Annexe B: List of TM Sectors***

1. General building
2. Glazing
3. Conservatories
4. Kitchen & bathroom
5. Roofing
6. Plumbing
7. Heating
8. Drain installation, maintenance & repair
9. Electrical
10. Damp-proofing & timber treatment
11. Plastering & rendering
12. Hardscaping
13. Garden landscaping
14. Fencing
15. Painting & decorating
16. Joinery & carpentry
17. Security systems

### ***Annexe C: schedule of TM fees***

TM fees are set to recover the cost of operating the TM system and secretariat, and are reviewed annually as part of agreeing the TM budget with the Forum and Board. All fees are levied on schemes,

There are two fees:

1. **Application fee for scheme approval** designed to recover the cost of processing and evaluating a scheme application
  - £2000 for a normal scheme application
  - £1000 for an application from a CP scheme where ODPM takes the lead in validating technical aspects of the scheme
  - Secretariat may determine a higher figure in situations where an unusually high amount of work is expected to be required
  - Application fees will be waived for members of the Founding Group as long as they submit their applications before March 2006
  
2. **Scheme Operator levy** designed to recover on-going costs of operating the system.
  - For 2005/6 and 2006/7 this fee is set at £10 p.a. for each Registered Member licensed to use the TM Mark.
  - The levy is payable every calendar quarter, with the fee based on the number of registered members shown in the schemes' last quarterly return to TM.