

A world-class local authority regulatory services system: report of the first coalition partners workshop

April 2008

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Overview of the project

- 1.1 It is the ambition of many of those in local government, and among the national regulators and the professional bodies, to build a local authority regulatory services system which is world-class. From their various perspectives, the national regulators and the professional and representative bodies share the aspiration with local authorities themselves to achieve excellence and outstanding performance in their regulatory functions.
- 1.2 No one body can enable that to be achieved. Each of the national regulators engages only part of the overall local 'system'. The professional and representative bodies also have particular interests and perspectives. And the local authorities cannot create excellence in the local authority regulatory system solely through their own efforts because they do not have control of that system – they have to work to a regulatory framework, and in part to national priorities, which are given to them by others. So the work to achieve excellence and a world-class class system depends on a collective and collaborative effort.
- 1.3 The Government has signalled its determination to strengthen the performance of local authority regulatory services by creating LBRO, and LBRO is well placed to work with the other key bodies to define and shape the characteristics of a world-class local authority regulatory system. Our aim is to work collaboratively with national regulators, local authorities and the representative and professional bodies, first to define and shape the characteristics of a world-class local regulatory system, support the key players in assessing the current position against those characteristics and then to seek to create the conditions across the system towards achieving them.

Progress so far

- 2.1 The initial, scoping phase began in October 2007 with the building of a coalition of partners to collaborate on the project. The following organisations agreed in principle and most were interviewed between February and March 2008¹. The interviews explored in more depth the characteristics that would merit the designation world-class.

¹ Our consultants were not able to interview the Chartered Institute of Environmental Health, the Better Regulation Executive and the National Weights and Measures Laboratory due to time constraints.

Current coalition partners:

- The Food Standards Agency
- The Office of Fair Trading
- The Health and Safety Executive
- Local Authority Co-ordinators of Regulatory Services (LACoRS)
- The Chartered Institute of Environmental Health
- The Trading Standards Institute
- The Department of the Environment, Food and Rural Affairs (Defra)
- The Environment Agency
- The Better Regulation Executive
- The National Weights and Measures Laboratory

2.2 The interviews provided a valuable source of perspectives, insights and thinking. These were followed by a workshop with all coalition partners in order to test out ideas and perspectives on the project. The workshop took place on 27 March and focused particularly on finding answers to the following questions:

- Which elements of the regulatory system should be addressed by this project?
- How long have we got to achieve 'world-class'?
- What measures would we use to judge success?
- Is 'world-class' the right terminology?

Workshop summary

3.1 The workshop attendees and agenda can be found at Appendix 1 and 2 respectively. The key points which came out of the discussion were

- That the entire vertical delivery chain should be included in the 'system' addressed by the project (ie the 'system' be defined to include policy departments, national regulators and local authorities)
- The relationship between national regulators and local authorities is crucial
- National regulators are, in different ways, drawing on the same limited local authority delivery resources
- Success can be measured in different ways but key would be outcomes for businesses and consumers and their confidence in the 'system'
- 'World-class' is broadly the right terminology but care must be taken to ensure it can be recognised and owned in a local context

3.2 The local government improvement agenda under the auspices of the Department for Communities and Local Government provides the wider context to the project. LBRO will take steps to ensure that the project is aligned with that

agenda. Alongside, LBRO will work towards engaging local authorities at an early stage.

Workshop discussion

4.1 The workshop discussion was very productive and what follows is a detailed summary of the key points raised.

Graham Russell, LBRO Chief Executive: opening remarks

4.2 Graham outlined the ambitious nature of the project and remarked upon three key conversations:

- LACORS on their regulatory excellence framework
- Office of Fair Trading on their difficulties in getting a picture on performance, especially across the national regulators
- Food Standards Agency on their 'Being a World Class Regulator' work.

4.3 LBRO has clarified its strategic objectives following consultation on its draft strategy. No-one has particularly challenged LBRO on its ambition to work across the 'system', however there is a balance to be struck between working with local authorities and on the wider system as both are important. As yet there is no common ground regarding where the need for change is, due to the complexity of local authorities and of the system more generally. Legislation in and of itself, such as the compliance code, will not change local authorities behaviour.

4.4 The aim of the workshop is to achieve clarity around this project. LBRO's view is that this undertaking should not just be good for businesses and consumers; it should benefit local authorities in terms of their efficiency and effectiveness and assist national regulators in achieving their statutory outcomes. At the heart of this project is the question to what extent would the services delivered locally improve because of a more efficient and effective relationship between national regulators and local authorities? The vision is that there are collective and individual benefits for all organisations participating in the project.

Adrian Levett, Hatton Consulting: areas of common ground

4.5 Adrian fed-back the findings of the coalition partner interviews under the following themes:

Overview of common ground

Each national regulator is engaged in some form of improvement agenda
There is understanding of the drive to implement the better regulation agenda
Some form of excellence framework for everyone to do better, referring to agreed criteria or benchmarks and which identifies competitive or collaborative elements, would be useful
All of the delivery chain must be in scope, namely all activities which secure compliance with the law
Initial scope should be limited by running a pilot, for example, by legislative area, Roger's national enforcement priorities, Hampton principles or by what matters for businesses
This project must help deliver other initiatives and must not ignore Comprehensive Area Assessments, Local Area Assessments, shared services, regulators compliance code, Macrory sanctions, Wales 'making the connections' and any others which are relevant.

What coalition partners see as needing to improve

There are concerns regarding the enforcement data that is collected: it must be made more valuable in terms of relevance, timeliness and accuracy.
National regulators are competing for the delivery time of local authorities, which relates to the Roger's national enforcement priorities and prioritisation process
Examples of good practice are out there
There is a shared understanding that most of the national regulators' aims are delivered via local authorities
There is a need for better legislation.

Coalition partners' view of world-class project processes

Need for careful definition of scope and scale, plus timetable
Importance of engaging all stakeholders fully, properly and openly with strong communications with those who would be directly affected
Outcomes must be well defined as well as who would benefit; LBRO is seen as a broker
Resources that can be drawn on are limited due to other priorities

'World-class' project approach to engagement:

Stakeholders: do they want to change?
Mutual understanding of context
Use the right language
Be clear that this is about being supportive to local authorities
Clarity about why the outcomes needed and how the proposed outcomes will be tested
Acknowledge the tension between national and local priorities

Detailed discussion

4.6 In discussion of the interview feedback, the following points were made by workshop attendees:

- The project must recognise the efficiency agenda
- Empowering the elements of the 'system' that deliver objectives may overcome the diversity of priorities whether national, regional or local
- Legislation is identified as being part of the 'problem', although it is perhaps outside the scope of this particular project
- Success might be a regime which other countries wish to emulate (notwithstanding that people from other countries do not understand the UK local authority structures)
- The 'Mapping the Landscape' project will inform this and assist in developing a common language

4.7 The workshop then moved to a plenary discussion of the question **which elements of the regulatory system should be addressed by this project?**

The following points were made:

- The national enforcement priorities could provide boundaries to the scope, although this would have to recognise the primacy of local priorities in local authorities
- The entire vertical delivery chain must be included
- Thinking about what we would not like to see might assist
- Role of competence in any performance or excellence framework
- Relationship between national regulators and local authorities should be in scope

4.8 During additional discussion, the following points were made:

- Local authority regulatory resources are, in one sense, finite. Yet all national regulators need local delivery to achieve their outcomes.
- LBRO has a role in making the national enforcement priorities 'living' priorities

4.9 The workshop then moved to a plenary discussion of the question **how long have we got to achieve 'world-class'?** The following points were made:

- Culture change could take ten years
- LBRO has three years to deliver change, so perhaps it is worth considering co-ordinating approaches at a local or national level as appropriate for the different types of businesses. For example, taking a national approach for big businesses

4.10 During additional discussion, the following points were made:

- Government would not centralise these regulatory regimes lightly but local authorities might not be the best delivery mechanism
- LBRO is a reflection of Government policy, namely that regulatory services should be delivered by local authorities
- The national enforcement priority, animal and public health, is time limited due to this very debate
- The outcomes of regulatory services are the most important factors
- National regulators do feel "in competition" with each other
- Relationships between national regulators have improved post-Hampton at policy level
- The world-class system must include carrots and sticks to induce and enforce compliance
- This is about changing the behaviour of the regulated and the regulators
- Co-ordinated local regulation may be a solution

4.11 The workshop then moved into group discussions of the question **what measures should we use to judge success?** A summary of all the groups' feedback is below.

How should success be measured?

Existing measures: <ul style="list-style-type: none">- Commonalities between this and FSA and LACORS work
Competence of staff to deliver regulatory services
Confidence and clarity for: <ul style="list-style-type: none">- Businesses (making distinction between big and small business)- Consumers (the 'protected' and workers)- Regulators
Consistency including: <ul style="list-style-type: none">- Evidence base to justify inconsistency e.g. noise control might be more of an issue in some areas than others, and justifies a different approach- National priorities should not be inconsistently applied
Business needs: <ul style="list-style-type: none">- Big and small businesses have different needs- Co-ordinated approach for big business- Better information and access to advice and support for small businesses
Compliance levels amongst regulated
Costs should not outweigh the benefits
International emulation
Reduced risk and absence of major event

4.12 The final group session covered the question is **'world-class' the right terminology for the project?** A summary of all the groups' feedback is below.

Is 'world-class' the right terminology?

Yes	No
Implies: - high standards, - efficiency and effectiveness, - continuous improvement - dynamic process - fits the environment.	Implies: - competitive environment with other countries
The ambition is right.	Will not engage local councillors; has got to mean something locally
Has got to include word excellence.	Alternatives: 'raising standards' – not necessarily about excellence, raising game from whatever the starting point eg from good to great.

Next steps

5.1. Many thanks indeed to coalition partners for their input so far. Please feel free to add any comments, by 16th April, by contacting:

Jane Martin, Director of Policy and Engagement

Tel: 0121 226 4010

Email: Jane.Martin@lbro.org.uk

5.2. The LBRO team will propose governance arrangements for the project and carry out detailed project planning upon receipt of the Scoping Report which is due at the end of April. Coalition partners will be consulted on the Report, proposed governance arrangements and project plan soon thereafter.

5.3. A follow up meeting of the coalition partners is proposed for September 2008.

Appendix 1: Workshop Attendees

Attendee	Organisation
Brian Lewin Chairman	Trading Standards Institute
Graham Jukes Chief Executive	Chartered Institute of Environmental Health
Philip Clarke Head of Better Regulation and Consultation	Food Standards Agency
Tony Hetherington Head of Local Authority Unit	Health and Safety Executive
Victoria Hawker Policy Advisor, Better Regulation	Environment Agency
Vicky Dawe Better Regulation Division	Department of the Environment Food and Rural Affairs
Peter Mason Chief Executive	National Weights and Measures Laboratory
Brian Jackson Trading Standards Partnership Manager	Office of Fair Trading

Appendix 2: Workshop Programme

LBRO – World-Class Local Authority Regulatory Services System Workshop

Venue: LBRO Office, 2nd Floor, The Axis, 10 Holliday Street, Birmingham. B1 1TG

Date: Thursday 27 March 2008

Time: 12.30 – 4.00

Time	Activity
12.30	Lunch
13.30	Introduction & domestics
13.40	Purpose of workshop
13.50	The common ground
14.10	What should the regulatory system include?
14.30	Timescale - how long have we got to achieve world class?
14.50	Comfort break
15.00	Language - is world class the right terminology?
15.20	Success - what does it look like?
15.50	Wrap-up
16.00	Close