

## 1 - Executive summary

### Introduction

- 1.1 This is the report of the Quinquennial Review of the Local Authorities Coordinators of Regulatory Services (LACORS). LACORS is one of the local government central bodies which receive top-sliced funds from the Revenue Support Grant settlement for local government. The Memorandum of Agreement between the Local Government Association (LGA) and the Office of the Deputy Prime Minister (ODPM) which governs this requires a review to be carried out every five years.
- 1.2 Defining regulatory services is not in fact an easy matter, but generally the purpose is promoting compliance with legal requirements. This is achieved by some combination of six functions: defining standards, controlling entry, enabling compliance, monitoring, checking compliance, investigating complaints and enforcement.
- 1.3 Local authority regulatory services have a number of key features, some of which are inherent in the administration of national legislation by autonomous local authorities. Other aspects can be changed and indeed form a part of LACORS' agenda. The key features are:
  - They are administered by various combinations of the 468 local authorities.
  - Local authorities employ just under 20,000 staff in Trading Standards and Environmental Health departments, but most departments are small.
  - There are wide variations in the number of staff employed in different authorities and in the levels of activity undertaken.
  - Local authorities have responsibility for enforcing a very large number of Acts of Parliament and have interfaces with many central government Departments and their agencies on regulatory and related matters. Their requirements are not coordinated.
  - Many of the bodies which are regulated operate nationally – food retailers being the most obvious example. This inevitably raises the issue of consistency.
  - Regulatory services are often described as “Cinderella” services.
  - Regulatory services are not a separate service block within Comprehensive Performance Assessment (CPA) and measurement of performance is notoriously difficult.
  - There are problems of recruitment and retention.
  - Regulatory services only really attract attention when something goes wrong.

### Findings

- 1.4 Our findings are presented under three main headings:
  - How things are now and how well they work.
  - What customers and other key stakeholders say.

- What is happening in the environment which needs to be responded to.

1.5 Our main conclusions from reviewing the situation as it is now are:

- LACORS has grown in an evolutionary way which in large part reflects its success. However, the consequence is that the remit it now has lacks strategic coherence or a clear rationale. A surprisingly large amount of regulatory services activity is not within LACORS' scope.
- LACORS' vision is not very "visionary". It is more of a statement of purpose and does not link to an over-riding goal or purpose.
- The aims and objectives are for the most part a description of LACORS' activities and functions: they are not "SMART" and they say little about outcomes to be achieved.
- LACORS' role is a complex one which involves representation and bridging between multiple stakeholders, as well as a fundamental one of delivering services to LAs – but its language and mindset is one of service delivery.
- There is a fluid relationship with the LGA in which LACORS' role and the degree of delegation to it reflects the degree of maturity of the different policy areas. There are also different degrees of involvement with COSLA, WLGA and NILGA.
- LACORS is a member of the Performance Partnership with whom it coordinates its business plan, but it is not clear how much practical difference the Performance Partnership makes to LACORS' activities.
- LACORS has relationships with a large number of separate government departments and agencies – but this does not follow a single model. LACORS has had to adapt to a variety of different demands.
- There seems to be an effective infrastructure for communicating with and involving local authority practitioners.
- There is a risk of divergence between LACORS Board and LGA's Safer Communities Board.
- It is not clear whether resources are deployed against overall priorities – there is no formal process for this, although it is addressed as part of business planning and informally.
- There is no formal personal performance management for the Executive Director.
- Planned changes include the establishment of a new consultancy function, redeveloping the web site and applying for liP and Chartermark.

1.6 LACORS' own customer feedback revealed a high degree of satisfaction with its services and praise for its staff. The main area for improvement was the web site.

1.7 Our stakeholder interviews confirm this picture, but also go beyond it. Stakeholders identified LACORS' strengths as:

- Acting as an effective two way communication channel with government.
- Being a key delivery partner for central government.
- An effective infrastructure.
- Evidence based influencing.

- Effective working relationship with the LGA.
- High quality products.
- Good people.
- Sensitively handling the UK-wide aspect of what they do.
- A respected brand and a credible organisation.

1.8 The weaknesses identified by stakeholders were:

- The squeeze on resources is starting to impair performance.
- There is no clear rationale for LACORS' remit.
- An unclear boundary with LGA, in the perception of external stakeholders.
- Scope to do more on performance improvement.
- Too technical, reactive, defensive.
- Concerns about whether it is wholly representative.
- Tensions with the professional bodies.
- Limited engagement with elected members.
- Some staff discontent.
- The web site.

1.9 The key external development is the report of the Hampton review, "Reducing administrative burdens: effective inspection and enforcement". The review's aim was to identify ways in which the administrative burden of regulation on businesses could be reduced, while maintaining or improving regulatory outcomes. The conclusion in relation to local authority regulatory services is quite stark: "The review does not believe that the present approach to local authority regulation, in allowing such wide variations and inconsistencies in the application of national standards, is delivering what the regulations governing it require."

1.10 Hampton recommends three key changes which will have implications for LACORS:

- The creation of a new Consumer and Trading Standards Agency on the model of the Food Standards Agency which would be responsible for coordinating most trading standards work. There is also to be a new Animal Health Agency
- The establishment of a National Regulatory Forum to improve consistency and spread best practice and, among other things, keep under review the boundaries between local and national operations and set indicative priorities for local authority regulatory work.
- The creation of a Better Regulation Executive.

1.11 Apart from this, the environment within which LACORS operates is highly turbulent and there are many changes which will require a response from LACORS.

1.12 Overall, the environmental drivers for change indicate:

- A significant and increasing amount of representational work for LACORS to ensure that the new arrangements operate in line with the interests and objectives of local authorities and to respond to other policy initiatives.
- A number of reasons for an increased emphasis on performance improvement.
- More active coordination of local authority activity by central government and its agencies, which may mean that LACORS eventually has less to do by way of its original task of coordination and the provision of day to day guidance and support.
- Several factors which may help to raise the profile of regulatory services and which offer opportunities to link LACORS' work to higher profile objectives and aspirations.
- Organisational and staffing changes consequent on the LGA's Collaboration Project.
- Pressure on resources and a need for efficiency.

## **Conclusions**

- 1.13 There is no doubt that LACORS plays a valuable and valued role. If it did not exist, its functions would still be needed. This reiterates the conclusion of the 1995 review, albeit in relation to a very different organisation.
- 1.14 The long list of strengths identified repeats comments from earlier reviews and feedback. LACORS has a record of achievement and an established reputation.
- 1.15 The recent expansion in LACORS' remit must be judged a success. The newer stakeholders it has come into contact with as a result are generally very positive in their assessment of LACORS contribution. The only downside is the suggestion from some that the expansion of remit has been at the expense of a reduced standard of performance in previous core areas.
- 1.16 LACORS' role involves dealing with a wide range of stakeholders with often conflicting interests. It does a very good job of steering a path between these.
- 1.17 It does offer value for money – it fights at or above its weight and does a lot for what it costs. It has been particularly effective at leveraging in funds from central government which directly benefit local authorities. It has also done well to find further funding sources beyond the top sliced and national LGA funds. However, it may now be beginning to struggle to meet a wider range of responsibilities.
- 1.18 Many of the weaknesses identified are the consequences of LACORS' strengths and success. For example, the charges of lack of proactivity and being too technical reflect strengths of being helpful and responsive and providing input grounded in practical experience.
- 1.19 Other aspects we have badged as weaknesses reflect LACORS' organic evolution. There is a sense that LACORS' presentation, language and structure and perhaps resourcing has lagged behind what the organisation now does. The implication is that it is time for LACORS to stand back from the immediate press of business and look afresh at some fundamental questions.
- 1.20 Six key issues require explicit attention now:
- Remit.

- Role and strategy.
- Structure and mode of operation.
- Prioritisation and resourcing.
- Performance management and business improvement.
- The impact of the Performance Partnership.

## Recommendations

- 1 The LGA and LACORS should together undertake a systematic review of the regulatory and related services which are currently outside LACORS' remit and make an explicit assessment of where there might be value in widening LACORS' scope to include them.
- 2 LACORS should develop a new statement of its core purpose which describes why it exists and links its activities to more fundamental purposes.
- 3 LACORS should develop a vision which describes the desirable future state for both local authority regulatory services and for LACORS itself as an organisation.
- 4 LACORS should develop a strategic plan to provide longer term guidance for the annual business planning process.
- 5 Within the plan, LACORS should address how to develop a role of "thought leadership" for local authority regulatory services.
- 6 There should be more explicit criteria to define underperformance and a more explicit process by which LACORS identifies the main target local authorities. There should then be a portfolio of potential interventions (from informal pressure through to offers of consultancy support) tailored to each target authority.
- 7 The working relationship with the LGA should be defined more clearly for external audiences, but not so clearly that it constraints the flexibility which is currently a strength.
- 8 LACORS should undertake a detailed review of its structure, addressing the issues of senior management capacity, the role of Team Leader, handling cross-cutting work and the provision of administrative support.
- 9 LACORS should monitor incoming requests for advice etc. on a sample basis and web site traffic continuously to understand the pattern of demand for its transactional services.
- 10 Resource deployment should be reviewed annually in the light of strategic objectives, an assessment of the external environment and trends in transactional demand.
- 11 LACORS should seek to persuade government departments and agencies and the new bodies to be set up following the Hampton review to do more of the work on coordination and support – or contract LACORS to do it in return for payment.
- 12 LACORS should define a smaller number of more focused outcome-based objectives as part of its strategic and business planning process. These should be used to measure its impact.
- 13 A process should be put in place for annual performance review for the Executive Director by the Chairman and possibly other members of the Board, supported by HR.
- 14 Future customer feedback should address local authorities' views on the whole of LACORS' functions, especially its representational and lobbying role and its performance improvement offerings.

15 The LGA should revise the way in which the members of the Performance Partnership coordinate their business plans. The focus should be on shared overall objectives for local government, derived from the LGA manifesto, and clear roles for the partners in seeking to achieve them. The business activities of the partners should be coordinated only to the extent that they are genuinely interdependent.