

12 September 2005

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Hampton Review – A Vision for Regulatory Services

Decisions

1. Members to discuss and agree a vision for regulatory services as a basis for future LGA/LACORS input into the Hampton Review and the work of the Local Authority Better Regulation Group.

Actions Required

2. As determined by the Board.

Action by: LGA and LACORS

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Summary

This paper:

- summarises the work already undertaken in meeting the challenges laid down in Philip Hampton's report on "Reducing administrative burdens: effective inspection and enforcement";
- makes proposals for the LGA vision for regulatory services for discussion and agreement by members.

Background and Context

1. In the Budget 2004, the Chancellor commissioned Philip Hampton to consider the scope for reducing burdens on business by promoting more efficient approaches to regulation. The LGA and LACORS were very involved in all levels of discussions with the Treasury team and a joint response to the interim report was made.
2. The final report was published on 16 March 2005 with the budget when Gordon Brown announced that the government welcomed the report, accepted its recommendations in full and would bring forward early legislation to implement them.
3. The Hampton report recognized that there is much good practice in regulation and advice giving by local councils and, in general, the LGA and LACORS were able to support the recommendations. In particular, we recognised the opportunity offered by the proposed Better Regulation Executive (BRE) and National Regulatory Forum (now renamed the Local Authority Better Regulation Group – LABREG), for ensuring that more consistent standards, monitoring regimes and reporting frameworks are applied to local regulatory services. However, we had a number of concerns regarding some of the recommendations, in particular the role of the proposed new Consumer and Trading Standards Agency and its relationship with local authority trading standards services.
4. Concurrently with the Hampton Report, the Better Regulation Task Force published its report to the Prime Minister "Regulation – Less is More; Reducing Burdens, Improving Outcomes" (the 'Arculus' report). This report recommended measuring administrative burdens and setting targets for reductions, getting businesses to be part of finding the solutions and suggesting processes to help simplify implementation of

legislation. This report was also accepted by the government and is reflected in proposals that are emerging.

Local Authority Better Regulation Group (LABREG)

5. LABREG is intended to be a partnership between national and local regulators and other relevant interests. Its key objective is to spread best practice and improve the performance of local authority regulatory services, consistent with the recommendations set out in the Hampton report. In its initial work programme, LABREG is addressing the priority issues set down for it by the Hampton Review and the government's Business Manifesto and will produce reports on:
 - prioritisation;
 - identifying, codifying and generalising best practice;
 - performance management;
 - risk; and
 - compliance incentives.
6. LABREG has been convened and is chaired by the Better Regulation Executive. Its findings will be reported to the BRE, Cabinet Office and policy departments by mid October in time for the Chancellors pre-budget speech in November. This is an intensive and fast tracked piece of work and requires considerable input from LGA, LACORS and advisers to ensure the local authority perspective is fully and clearly represented within the report.
7. LACORS and/or the LGA are represented on all working groups which have held their first series of meetings. Jeni Bremner, Programme Director for this Board, and Derek Allen, Executive Director of LACORS, sit on the LABREG plenary group. This body has the overarching responsibility for the work of the sub groups.

The LGA Vision for Local Regulatory Services

8. One of the Board's priority projects is to *develop a coherent approach to regulatory services*. The project has three strands: to resolve the recruitment and retention crisis in environmental health and trading standards; to raise the profile of regulatory services and to influence the recommendations arising from Hampton recommendations. As LABREG works towards developing a strategy to implement the Hampton recommendations it is crucial that account is taken of the ambitions that the LGA has for the future delivery of local services, including regulation. Following the publication of the report and the intensive developmental work that is now taking place, members may feel that the time is right to refresh and articulate our vision in more detail.

Principles

9. The following paragraphs outline the challenges and the checks and balances required to deliver services in a complex regulatory environment to meet the challenges of central government and businesses while delivering protection for consumers. Alongside this, during their discussion, members will also wish to take into account more extensive proposals emerging from the LABREG Best Practice sub Group, **attached** as confidential Appendix 1.

In planning and delivering regulatory services councils should:

- Establish a clear set of ambitions for the locality and community;
- Work with partners, including other authorities and business, to ensure that ambitions are achieved;
- Strengthen public accountability to local people and businesses; and
- Develop the capacity to lead, innovate and improve local services.

The primary objective of regulatory services is to ensure:

- the safety and protection of users of goods and services;
- necessary support to businesses in achieving compliance, wherever possible through cooperation rather than coercion; and
- an appropriate balance between the need for consumer protection and the viability of businesses.

10. In applying those principles we propose local authority regulatory services should be developed along the following lines:

A model that works for business that provides:

- a level playing field for business as enforcement is concentrated on highest risk businesses and offenders;
- tailored support for businesses in helping them to comply as well as an acceptance of the quid pro quo that support implies;
- local, sub-regional and regional co-ordination of local and national regulators designed to deliver coherent, joined-up services;
- a single inspection process, enabled by flexible legislation, based on shared principles backed up by access to technical and legal expertise (e.g. Haskins approach to whole farm inspection);
- a cost benefit analysis of individual regulations; and
- a consistent approach to large and small businesses.

A model that works for consumers that provides:

- transparent and accountable regulatory services, local and national, with easily understandable, relevant performance indicators;
- confidence that rogue traders and serial offenders are targeted;
- services open and accessible when service users require them; and
- good quality, compliant businesses providing value for money.

A model that works for service providers that provides:

- a single performance management framework, focussed on outcomes rather than outputs or processes, for local and national regulatory services;
- a single form for performance monitoring data;
- a national minimum standards framework to promote consistency in service delivery;
- a single set of national priorities based on a cross cutting and universal set of risk indicators that can accommodate local needs;
- collaborative working models that allow flexibility in allocating lead authorities;
- shared priorities for regulators and business giving, for example, greater clarity on the contribution of regulatory services to economic vitality;
- workforce flexibility;
- the potential for exploiting Local Area Agreements and Public Service Agreements as a means of introducing innovation and new funding streams for regulatory services; and
- a more central role for LACORS in encouraging liaison across professional boundaries.

Implications for Wales

None identified

Financial/Resource Implications

None identified other than an outline bid to the ODPM Capacity Building fund by the EO and LACORS for research funding to develop and explore future workforce capacity and competence needs.

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