

1 March 2007

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## LACORS report – Decisions and Actions Required

### Decisions

1. To support the strategy that LACORS are undertaking to deliver the 'Transforming Regulatory Services' policy intervention on behalf of the LGA
2. To note how this strategy closely aligns with the LGA's priorities for 'People and Places' and the new 'Raising our Game' initiative.

### Actions Required

3. For LACORS to deliver on the strategy noted below
4. To receive in the autumn of 2007 a progress update on the implementation of this strategy

**Action by:** LACORS

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# LACORS report

## Summary

1. The following report outlines the core areas of work that LACORS have undertaken and continue to undertake to deliver on our policy intervention of 'Transforming Regulatory Services' on behalf of the LGA.

## Background

2. Following recent reporting on our key work areas in 2006, LACORS continues to lead on a series of projects to help modernise and transform Council Regulatory Services.

The LGA's Transforming Regulatory Services policy intervention is being led on behalf of the LGA by LACORS and has been built around a number of thematic areas within the organisation

1. The Hampton and Better Regulation Agenda
2. Improving Regulatory Services and leading the debate on its future
3. Raising the Profile of Regulatory Services and addressing recruitment and retention issues

LACORS corporate work has included a strong focus on addressing the outcomes of the Hampton Review including the establishment of the Local Better Regulation Office (LBRO) now planned for 2007 as well as engaging directly with Peter Rogers' review<sup>1</sup> regarding prioritisation for local trading standards and environmental health services. Further work around improvement of services, engagement with national priorities such as Local Area Agreements and the evolving performance framework have been developed in tandem with new initiatives to raise the profile of regulatory services and address the recruitment and retention issues currently prevalent within these services.

During 2006 LACORS has worked to ensure that there is a resonance between its goals and objectives and those of the LGA. Collaboration within the joint business planning process across the central bodies has allowed LACORS to align its work with the key themes in the LGA's 'People and Places' vision ensuring that our work supports and develops local regulatory services in having a positive impact on local communities improving their safety, health and well being.

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<sup>1</sup> The Government has commissioned a review to examine more than 60 policy areas that local authorities' regulatory services currently enforce and to recommend by spring 2007 around 5 high-risk national priorities. Clear prioritisation will help councils to provide improved enforcement activity in key areas and to review their practices in areas considered to be of lower priority. Peter Rogers, Chief Executive of Westminster City Council and head of the review, has been asked to consider risk, impact of regulation, business and consumer perception and the Government's political priorities in making his recommendations

In addressing these issues, LACORS have identified a number of priority work streams that support our policy intervention and which make up the structure of this report;

1. Redesigning Regulatory Services for greater effectiveness and efficiency
2. Local economic development and better regulation
3. Addressing the new performance framework

### **Priority Work streams**

#### **1. Redesigning Regulatory Services for greater effectiveness and efficiency**

Central to LACORS work is the firm belief that local authority regulatory services should and are able to provide effective services to support and protect the communities they serve. This should be achieved whilst supporting businesses in securing regulatory compliance and tackling those businesses that deliberately flout the law and or who commit serious or serial offences. LACORS has been engaged in a number of high level strategic projects aimed at advancing these goals which include;

**The Home Authority Principle (HAP):** This is a key priority for LACORS, which started as a voluntary arrangement between authorities focusing on coordinating enforcement action and ensuring that local authorities were not duplicating effort.<sup>2</sup>

Current achievements to date in this area include;

- Development of a template home authority agreement for those businesses and local authorities that wish to have formalised arrangements.
- Development of a fast track arbitration process and continuing to promote HAP via LACORS website and other communications networks.
- Regional seminar provided for local officers on HAP with more to be offered during 2007
- Lobbying of the Better Regulation Executive Office to ensure the Local Better Regulation Office (LBRO) when it is created towards the end of 2007 takes on a voluntary but binding arbitration role between businesses and local authorities.

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<sup>2</sup> A local authority acting as a home or originating authority will place special emphasis on the legality of goods and services originating within its area. It aims to prevent the law being broken by offering advice and guidance at source in order to maintain high standards of public protection at minimum cost.

**Large Organisations and Partnership Pilot (LOPP):** LACORS continues to work with the Health and Safety Executive (HSE) to test the most effective approach for health and safety regulators to partnership working with large organisations.

The objectives of the LOPP will include presenting a more coherent customer-focused face to large organisations (those who employ more than 10,000 people), including coordination of inspections of multi-site premises, securing improvements in health and safety outcomes and exploring how to use large organisations influence to effect change and improvement more widely.

**Retail Enforcement Pilot:** This is a DTI sponsored project which will allow the better joining up of fire safety, environmental health and trading standards inspections on the ground, with officers from one discipline acting as “eyes and ears” for others where appropriate to maximise efficiency and reduce the inspection burden.

LACORS has been impressed with the initial findings from the two pilot areas of London Borough of Bexley and Warwickshire and are keen to see this rolled out to the five new cluster areas. It should be noted that many local authorities have volunteered to take this forward. This next phase should provide robust outcomes which can be properly evaluated to ensure that the focus stays on the areas that deliver benefits to businesses and local authorities and that these can be rolled out further.

This is now being managed by the Better Regulation Executive (BRE) who has asked the Office of Government Commerce (OGC) to do an informal health check on the project. The findings of this report will then help inform how Phase 2 of the project is to be taken forward. LACORS is fully engaged in and having positive dialogue with the BRE on all of these issues and is pleased with the positive working relationship that exists between our two organisations.

## **2. Local economic development and better regulation**

The various initiatives currently underway and being planned by LACORS to support the outcomes of the Hampton and Better Regulation agenda will allow local business to operate more efficiently and with greater ease while protecting consumer interest and needs. Our work to help Councils more effectively tackle rogue traders will enable legitimate businesses to compete against fair competition while ensuring that an appropriate level of public protection remains in place.

**Development and Engagement with the Local Better Regulation Office – LBRO:** The LBRO has the objective "to deliver a significant reduction in burdens on business imposed by local authority regulatory services without compromising regulatory outcomes". It will have programme money to support good and best practice. It will be initially set up as a company limited by guarantee and will be up and running by December 2007. Its board will comprise independent members with experience of business and local authority regulatory services

LACORS will, on behalf of local government, work with the Better Regulation Executive to influence what the LBRO will look like and try to ensure that this new Government body adds value and not unnecessary bureaucracy to local government regulatory services. LACORS has identified and addressed a series of key lobbying points including the retention of key regulatory services within local Councils and a risk based approach by Council regulatory services that focus enforcement on the businesses that put the public, consumers, workers and the environment at greatest risk.

LBRO will have the power to issue guidance to which local authorities shall have regard. It will have a future role in determining central governments' priorities for regulatory services and an arbitration role between local authorities and those they regulate. This will link closely to the findings of the work stream on business interaction which focuses on how local authorities work with multi site business and improvements in the Home and Lead Authority Schemes. BRE have stated that they plan to put these schemes on a "statutory footing" but as yet it is unclear how this would be achieved.

**Food Standards Agency - New Enforcement Strategy:** The FSA have drafted a new enforcement strategy which focuses enforcement on risk areas on compliance not numbers of inspections. LACORS will continue to support and help drive the change in local authority performance indicators to reflect the compliance the local authority achieves with its local businesses, as opposed to the number of inspections it carries out.

**HSE Enforcement Strategic Enabling Program (STEP):** LACORS will work with HSE as part of its Enforcement STEP to contribute to the recognition of HSE and councils as modern regulators. The programme is seeking to gain widespread understanding, recognition and support for the role of "formal enforcement activities" in promoting sensible standards of health and safety. A significant work stream is developing a clearer understanding of who is a "rogue" in relation to health and safety offences.

**The Proceeds of Crime Act:** LACORS will continue to increase its focus on helping local authorities support the government's agenda of seizing criminal assets under the Proceeds of Crime Act. Local authorities are training their own financial investigators and LACORS has set up and will continue to support national networks to share best practice.

### **3. Addressing the performance of Regulatory Services**

A further key theme of LACORS work is the drive to ensure that regulatory services continue to perform and improve year after year. Central to this has been our research project with the Tavistock Institute titled 'Regulation for Excellence' which has allowed LACORS to better understand the improvement environment for regulatory services both currently and in the next ten years.

**Regulation for Excellence: leading the drive for improvement:** In early 2006 LACORS commissioned the Tavistock Institute to look into the current and future improvement

challenges for local authority regulatory services. The rationale behind this exercise was to determine the major issues that LACORS and the regulatory services we support would need to consider and address to ensure they deliver high quality services to a growingly diverse set of public protection needs.

The major focus of the Tavistock proposal was to;

- Prepare LACORS to lead a debate about the future of regulation at a local level;
- Identify issues for councils and their partners to consider in improving the performance of their regulatory functions and preparing to meet the challenge of the next ten years;
- Inform the development by LACORS of a programme to support and drive improvement in local authority regulatory services as part of the wider local government improvement agenda.

As a consequence of the Tavistock project, LACORS were able to identify three major themes that needed to be taken forward to address our future role within regulatory services;

1. Leading the Debate
2. Supporting Improvement
3. Changing LACORS to meet this agenda

During 2007, LACORS will undertake a number of initiatives to address the issues of leading the debate which will include an identification of our current debates and the degree to which we need to be better engaged with them and with their environment, as well as consider the future environment in which we would want to dominate on behalf of regulatory services. In particular it will be essential that regulatory services are committed to and engaged with the localisation agenda and recognise the impact of services on local people and their communities.

Existing work around Local Area Agreements will need further development to help councils get the most effective contribution from their regulatory services and we will need to work with those authorities already engaged in this process and promote best practice in this area. The work of the Rogers Review on government's national priorities will be very important in developing councils overall plans for their regulatory services and LACORS will continue to work hard to influence those priorities locally.

LACORS will this year also undertake a series of projects to support improvement within council regulatory services to better identify their performance against the identified characteristics in the Tavistock report for LACORS of competent, excellent and poor regulatory services. The current performance of the sector is not known nor properly understood. Much of the criticism from Hampton on council's environmental health and trading standards services has come from larger businesses, often backed up with individual

anecdotes. The difficulty for LACORS has been to challenge these assumptions without just using anecdotes of our own. However, what has become clear is that research and discussion with representatives of SME's in particular paints a much healthier and encouraging picture of performance of council regulatory services, indicating they are fair, helpful and support SME's in complying with regulations.

It will be important for LACORS in dispelling the myth of large numbers of poorly performing regulatory services, that we are able to rely on good data to argue our case. We will be discussing this with LGA Research and Analysis (LGAR), IDeA and the Improvement Service in Scotland on taking this forward. We will explore and build on the work we have already done on peer review for trading standards to develop an effective tool for council's to self assess their current performance and a toolkit to help with improvement plans.

**Public Protection Achievement Award:** LACORS created a new public protection achievement of the year category for the 2006 MJ (previously the Municipal Journal) Awards for local government. It has been co-sponsored by the Department of Trade and Industry and the Food Standards Agency. The category was very successful with 31 admissions and was won by Warrington Borough Council. It will run again in 2007. LACORS has also introduced and sponsored the "Safer communities" category of the LGC (Local Government Chronicle) Sustainable Communities Awards to help us raise the profile of Council regulatory services and identifying how they effectively support safer communities and promote that to a wider audience.

**Peer Review:** Since the publication of the Hampton report, LACORS has doubled the number of local authority trading standards services that have undertaken a peer review designed to improve their service delivery. LACORS has worked closely with the Trading Standards Institute and IDeA who provide councillor peer reviewers through the IDeA clearing house. In 2006-2007 LACORS plans to support further reviews across local authority regulatory services and subsequently share the best practice identified through them and address common areas of concern or barriers to delivering good quality services. Further consideration is being given during 2007 to expand the provision of peer reviews to other areas of regulatory services including Environmental Health.

**Local Area Agreements (LAA's):** In 2006, LACORS developed a rough guide to LAA's for council regulatory services providing a background and briefing on the key elements of this new initiative and its relevance to them. In January 2007 a further research paper was commissioned to identify the impact on regulatory services of LAA's and the involvement of those services in the negotiation and implementation of their LAA.

This research paper attempted to identify the extent to which regulatory services have contributed to the development of local area agreements as well as identifying the drivers and barriers to their involvement. Furthermore it considered the outcomes targets and success criteria used in the process as well as the perceived and real benefits to both the services and the wider community.

Some key conclusions learned from this process include;

- The perception of the LAA as something to which regulatory services can make a significant contribution is an essential element in effective engagement with the process.
- Those services that have not been involved in their LAA so far still can be, as the value of regulatory services involvement is chiefly found in their ability to see problems from a different perspective, and to turn worthy but vague targets into robust, measurable and meaningful performance indicators.

During 2007 LACORS will be following up the findings from the research paper as well as providing further advice and guidance to regulatory services on how to better engage with the LAA agenda as it becomes England wide from April 2007.

**Raising the profile of Council Regulatory services:** LACORS has successfully promoted the role of regulatory services through a series of high profile articles in national publications such as the MJ and LGC on a range of issues including better regulation and Local Area Agreements. We have also undertaken a series of high profile events including an improvement conference in November and a successful year-ahead conference on trading standards and environmental health. LACORS Chairman, Board members and officers have presented at many national events including recently the Better Regulation Conference, Gambling, Licensing, Animal Health and Welfare, Health and Safety and Civil Registration.

**Recruitment and retention:** During 2007 LACORS will be mapping out current recruitment and retention initiatives being developed across the service to identify a strategy for moving this agenda forward. LACORS are also investigating the development of short courses for aspiring managers from a Regulatory Services background to help them develop and acquire new skills to include negotiation, influencing, political awareness, project management and people management. A recent discussion with colleagues at the IDeA and LGE has taken place to explore this further and also with the Trading Standards Institute who have confirmed that this would be very important and add value to their professional officer development program.

#### **4. Implications for Wales**

A substantial element of our work within the 'Transforming Regulatory Services' intervention including our recent work with Tavistock has a direct overlap with Wales and partially with the other UK devolved administrations .

#### **5. Financial/Resource Implications**

This project is part of LACORS core business and will be funded through our standard top slice allocation and will therefore have no wider financial implications.



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