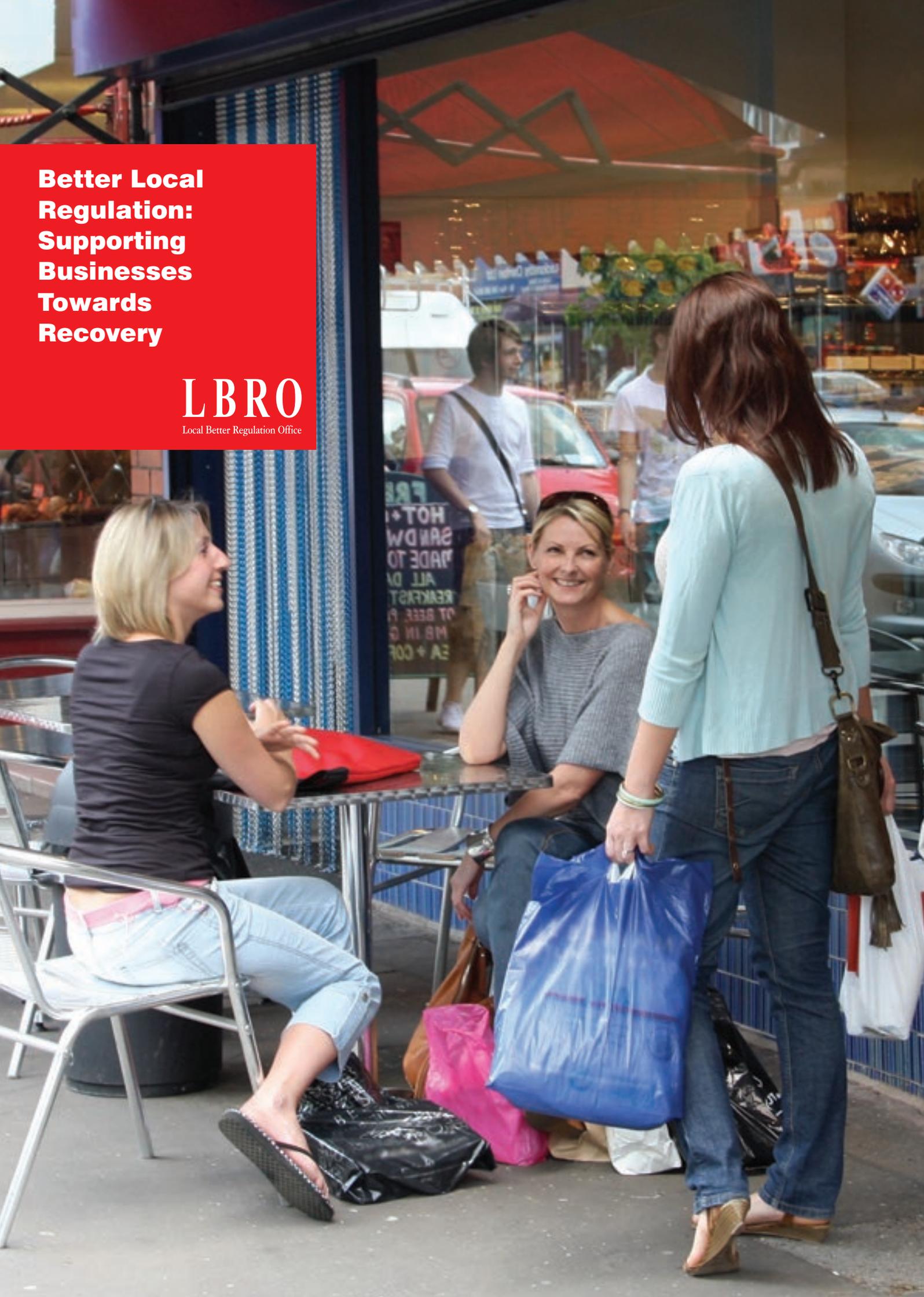


**Better Local
Regulation:
Supporting
Businesses
Towards
Recovery**

LBRO

Local Better Regulation Office





Local authority regulatory services – environmental health, fire safety, licensing and trading standards – are often the visible face of local authorities in the business community. They have an important role to play in supporting businesses towards recovery and growth.

This advice and guidance, prepared by the Local Better Regulation Office (LBRO), encourages local authority leaders, elected members, chief executives and service directors to maximise the contribution of local authority regulatory services to local, regional and national initiatives to improve economic prosperity.

Better regulation means regulation that is proportionate, accountable, consistent, targeted, transparent, and based on a comprehensive assessment of risk. Not only does it avoid creating a burden of red tape, it can actually drive prosperity and also support protection both for communities and for compliant businesses. However, it is not a matter of either prosperity **or** protection – business which is well regulated can often be more prosperous while delivering a better service for customers. Thriving businesses create vibrant high streets and support the wider prosperity of local communities through employment and investment, while regulatory activity that targets high risk and deliberate non-compliance can protect businesses by creating a level commercial playing field.

Delivering better outcomes through effective regulation relies on an intelligent understanding of the relationship between government, regulators, business and consumers to make effective and appropriate interventions and together achieve greater compliance. This advice and guidance encourages a more innovative and collaborative approach to regulation underpinned by the better regulation principles, a drive for continuous improvement and the need for efficient use of resources.

A handwritten signature in black ink, appearing to read "Clive Grace".

Clive Grace
Chair
Local Better Regulation Office

A handwritten signature in black ink, appearing to read "Graham Russell".

Graham Russell
Chief Executive
Local Better Regulation Office

June 2009



We wish to thank all our partners and colleagues who have worked with us in producing this advice and guidance, including those who responded to the consultation.

In particular we wish to acknowledge the contributions made by the Local Authorities Coordinators of Regulatory Services (LACoRS), the Improvement and Development Agency for Local Government (IDeA), the Local Government Association, the Society of Local Authority Chief Executives (SOLACE), the Welsh Assembly Government, and the Welsh Local Government Association.

The following organisations have welcomed LBRO's initiative in preparing guidance for local authorities on some appropriate ways to exercise their regulatory roles in order to assist businesses and consumers towards recovery:

- ❖ **British Chambers of Commerce**
- ❖ **British Retail Consortium**
- ❖ **Confederation of British Industry**
- ❖ **Federation of Small Businesses**
- ❖ **Chartered Institute of Environmental Health**
- ❖ **Institute of Licensing**
- ❖ **Trading Standards Institute**
- ❖ **Food Standards Agency**
- ❖ **Health and Safety Executive**
- ❖ **Office of Fair Trading**
- ❖ **Consumer Focus**
- ❖ **Better Regulation Executive**



We are grateful to the local authorities that have contributed the examples of good practice in our advice and guidance.

Basingstoke and Deane Borough Council

Bedford Borough Council and Central Bedfordshire Council

Brighton and Hove City Council

Business Regulation Solutions (established by a partnership between Greater Manchester Fire and Rescue Service, Bolton Metropolitan Borough Council, Bury Metropolitan Borough Council, Manchester City Council, Oldham Metropolitan Borough Council, Rochdale Metropolitan Borough Council, Salford City Council, Stockport Metropolitan Borough Council, Tameside Metropolitan Borough Council, Trafford Metropolitan Borough Council, Wigan Metropolitan Borough Council, Warrington Borough Council and Manchester Solutions)

Central England Trading Standards Authorities (Birmingham City Council, Coventry City Council, Dudley Metropolitan Borough Council, Herefordshire Council, Sandwell Metropolitan Borough Council, Shropshire Council, Solihull Metropolitan Borough Council, Staffordshire County Council, Stoke-on-Trent City Council, Telford and Wrekin Council, Walsall Council, Warwickshire County Council, Wolverhampton City Council and Worcestershire County Council)

East of England Regulatory Services Partnership (Bedfordshire County Council, Cambridgeshire County Council, Essex County Council, Hertfordshire County Council, Luton Borough Council, Norfolk County Council, Peterborough City Council, Southend-on-Sea Borough Council, Suffolk County Council and Thurrock Council)

Kirklees Metropolitan Borough Council

Oldham Metropolitan Borough Council

South West Regulators Forum (Bath and North East Somerset Council, Bournemouth Borough Council, Bristol City Council, Cornwall County Council, Devon County Council, Dorset County Council, North Somerset Council, Plymouth City Council, Poole Borough Council, Somerset County Council, South Gloucestershire Council, Swindon Borough Council, Torbay Council and Wiltshire Council)



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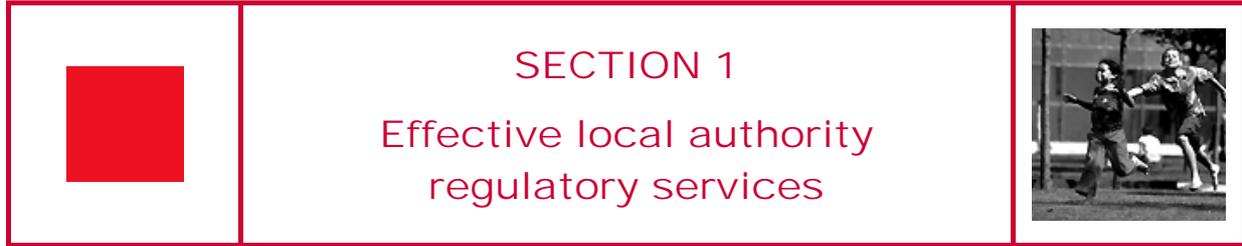


Under the Regulatory Enforcement and Sanctions Act 2008, the Local Better Regulation Office (LBRO) has been set up to secure the more effective performance of local authority regulatory services.¹ This guide for local authority leaders, elected members, chief executives and service directors outlines principles to help maximise the contribution of local regulatory services to local economic prosperity and business growth.

It is set out in two sections and illustrated by good practice examples from local authorities. Section 1 introduces the principles of better regulation and approaches to support service improvements geared to both prosperity and protection. Section 2 proposes ways for local authorities to harness the potential of regulatory services alongside other business-facing services during difficult economic circumstances.

This guide should help local authorities and regulatory services to support businesses towards recovery and future growth.

	<h2>Quick start guide</h2>	
<p>Effective local authority regulatory services</p> <p>In line with principles of better regulation, local authorities should consider the following approaches to improvement in regulatory services:</p>		
<p>Performance management to secure continuous improvement</p>	<p>Apply the practice and principles of continuous improvement to local authority regulatory services in order to embed a culture that moves beyond enforcing statutory obligations to securing compliance and better outcomes.</p>	
<p>Outcome-focused partnership and collaboration</p>	<p>Maximise the effective use of resources by concentrating local authority regulatory services on delivering better outcomes, for example through local, regional and national partnerships and greater collaboration.</p>	
<p>Delivering better regulation in recovery and growth</p> <p>Local authorities should consider four approaches when looking to maximise the contribution their regulatory services can make in moving towards recovery:</p>		
<p>Signposted assistance</p>	<p>Take advantage of the direct relationship between local authority regulatory services and local businesses in order to improve signposting to support and guidance available to business from a wide range of sources.</p>	
<p>Engaging to understand business needs</p>	<p>Build on the face-to-face engagement that local authority regulatory services have with local businesses in order to understand the diverse issues and challenges faced by business communities, and use this information in local economic assessments.</p>	
<p>Effective targeting</p>	<p>Target regulatory activity using a comprehensive assessment of risk. Taking an intelligence-led approach, local authority regulatory services should use the information contained in local economic assessments to focus activity on the particular opportunities and threats faced by their local economy and communities.</p>	
<p>Delivering local priorities</p>	<p>Develop collaborative approaches to the delivery of local authority regulatory services that match shared national and local priorities and the needs of businesses and communities.</p>	



There is a clear shared commitment between local authorities and central government to deliver further improvement in public services. The Central–Local Concordat sets out the role for local government to lead improvement, focusing on innovation, strong leadership and partnership, within a framework of national policies and priorities. Using dedicated resources, tools and techniques, local authorities should self-assess their progress and identify the improvement challenges they face.

The following approaches can help local authorities to improve their regulatory services using the principles of better regulation.

Principles of better regulation

Local authorities should take account of the principles of better regulation to support improvement in regulatory services. Since April 2008, all local authorities in England have been under a statutory duty to have regard to the better regulation principles² and the Regulators' Compliance Code. The five principles of better regulation provide the basis for a risk-based, proportionate and targeted approach to enforcement by regulators and a new relationship between regulatory services and business:

- **Targeted** – resources should be focused on higher-risk enterprises, reflecting local need and national priorities. The aim is to ensure that rogue traders are identified and compliant businesses and consumers are protected.
- **Proportionate** – enforcement action should reflect the level of risk to the public and penalties should relate to the seriousness of the offence.³ This increases compliance without creating unfair burdens on businesses.
- **Consistent** – advice to business should be reliable and robust and applicable in different parts of the country. Where circumstances are similar, authorities should act in similar ways. Improved access to expert advice about regulatory issues that businesses can trust gives them more confidence to invest and grow.
- **Transparent** – businesses should be able to understand what is expected of them by local regulators and what they can anticipate in return. This builds trust between regulators and the regulated, increasing efficiency and improving outcomes.
- **Accountable** – activities should be open to public scrutiny, with clear and accessible policies, and fair and efficient complaints procedures. This allows businesses and communities to shape the services they receive.

These principles should underpin how local authority regulatory services work with businesses. Regulatory services should see businesses – whether compliant or not – as customers of the service, and build appropriate relationships. Advice and support should be authoritative and accessible, focusing on the needs of specific business sectors. The following examples demonstrate how local authorities are doing this.

Cutting costs for business through better regulation in Oldham

Oldham Metropolitan Borough Council carried out a comprehensive review of its taxi and private hire licensing in 2008 in order to establish how it could better meet its objective of ensuring safe passenger journeys, in safe vehicles with safe drivers. As a result of this review, it has launched a 'star rating' scheme which provides valuable consumer information and brings clear financial benefits to those businesses that improve their compliance. While the scheme is in its early stages, there is already strong evidence that it is motivating businesses to improve their standards.

Under the scheme, all private hire operators are awarded up to four stars on audit. This star rating must be displayed on all the operator's vehicles, giving customers a clear indication of which vehicles are run by the best operators. While the scheme was designed for the private hire market, the authority is allowing hackney carriage operators, who have seen the potential benefits for their business, to participate in the scheme on a voluntary basis.

Those firms that achieve three or four stars benefit from reduced costs and lighter-touch regulation. The charge for an operator's licence now reflects both the size of the business and the star rating achieved. For a firm that is awarded four stars on audit, the cost of an annual operator's licence has been cut by at least 20 per cent, with the smallest operators seeing a potential saving of 73 per cent. A four-star operator also benefits from a reduction in the frequency of routine compliance audits, from six monthly to once every 18 months.

Within a few months of the scheme being introduced, all businesses had been audited at least once and an estimated 40 per cent of businesses had already achieved a higher rating than they would have been entitled to on the basis of audits conducted the previous year. A business that was initially awarded just one star acted quickly to improve its rating and was awarded two stars on re-audit. While the majority of businesses have been rated at two or three stars, there have already been a number of businesses that have sought advice on improving their rating and have put the necessary steps in place to achieve this.

The authority has relaxed its rules on advertising for three- and four-star firms, allowing them to place advertising inside their vehicles, and on the exterior of purpose-built hackney carriages, opening up a valuable source of revenue for these businesses, and providing a further incentive for operators to improve their compliance.

At the other end of the scale, firms that are awarded no stars face higher charges for their operator's licence and monthly compliance audits, which the local authority is able to fund through resources released by the reduced checks on compliant businesses.

For further information on this scheme, contact John Garforth on 0161 770 5026 or email John.Garforth@oldham.gov.uk

ERWIN – A targeted advice and guidance resource

The basic concept of the 'ERWIN' ('Everything Regulation, Whenever it's Needed') Project is simple – to provide regulatory services information in an innovative way that will make it more accessible and useful for businesses. The project, which addresses many of the recommendations of the Anderson Review⁴, aims to provide consistent guidance which will:

- simplify and interpret the legislation;
- provide sector specific advice and information for businesses, so they have appropriately targeted advice;
- assist businesses to prioritise the work they need to do in order to meet the legal requirements;
- be tailored to include all of the legislation that is applicable to the particular activities of the business;
- be easy to access, timely, easy to understand and use simple checklists;
- give clear instructions on how to comply; and
- increase transparency about the likely outcome if the business fails to comply with particular requirements.

This approach will reduce the amount of time that a business has to spend checking legislation to see whether it is relevant, and then understanding the legal requirements and how they apply to their activities. Businesses will be able to prioritise the allocation of resources to those compliance activities that require the most immediate action.

The ERWIN project, which was initially championed by Trading Standards Services in the East of England⁵, has received the support of all of the English and Welsh regional groups. It seeks to respond to the needs expressed by business by providing a collaborative web based regulatory advice resource which will allow local authorities to provide consistent, co-ordinated, targeted and prioritised regulatory advice and information to businesses from any sector.

The development of the project is informed by regional consultation with a wide range of businesses and aims to address business concerns about overly complex information on legislation; about difficulties identifying applicable legislation; and about a lack of consistency in the advice provision by different local authorities. Extensive consultation with business will continue as the project develops, to ensure that the original intention of the project is upheld – to deliver business advice and information in the way that businesses want. The project will generate efficiencies for local authority regulatory services and will significantly reduce duplication of effort.

Further information on the ERWIN project is available at www.everythingregulation.org.uk⁶

Performance management to secure continuous improvement

Sector-led improvement will address the challenges faced by local authorities in delivering effective regulatory services that meet the needs of businesses and communities. Although each locality is different, these services face common challenges of effective leadership, democratic engagement, robust prioritisation, performance management, and demonstrating relevance among the competing priorities of the local authority. Addressing these challenges requires a culture of continuous improvement.

A clear sense of purpose for local authority regulatory services that is focused on local needs involves a cultural shift from statutory enforcement obligations towards effective use of regulation to secure compliance and deliver outcomes. This means working closely with businesses, partner organisations, local communities and elected members to tune services to local needs.

Many local authorities have already begun to develop local regulatory services using approaches taken from programmes of local public service reform. LBRO, working with LACoRS (the Local Authorities Coordinators of Regulatory Services), national regulators and local government bodies, is supporting local authorities by providing tools and techniques to allow local authority regulatory services to self-assess their progress and identify the improvement challenges they face.⁷

Outcome-focused partnership and collaboration

Place-shaping provides a dual focus on both prosperity and protection, and there are various examples of local authority regulatory services contributing to national and local priorities contained within local area agreements and the national indicator set.

Working with partners at a national and a local level, including primary care trusts, national regulators and crime and disorder reduction partnerships, regulatory services are delivering shared national and local outcomes that support community protection and economic prosperity. These include reducing the number of working days lost through ill health while protecting the safety of workers, reducing alcohol-related violence, delivering sustainable and affordable housing, reducing health inequalities and rates of childhood obesity and reducing carbon emissions in order to protect the natural environment. Local authority regulatory services are contributing to the most commonly selected national indicators in local area agreements.⁸

Increasingly tight financial settlements for local authorities mean it is essential to optimise the use of local regulatory resources, in line with the National Improvement and Efficiency Strategy⁹ and the Wales Programme for Improvement. The resources deployed through councils' regulatory services need to be balanced with the risks faced by local communities, and this will mean differences in resource levels according to local conditions.

The information currently available (which is, however, incomplete) indicates wide variation in local authority expenditure on regulatory services, and merits consideration to ensure that differences are soundly based on local priorities and local needs.¹⁰ To ensure efficient and effective services, it is important to achieve an appropriate balance between the responsibilities entrusted to local authority regulatory services and the resources required to deliver against them.

Better Health at Work in Kirklees

The Kirklees Better Health at Work project is an innovative approach to addressing work-related ill health and has demonstrated that the provision of carefully tailored support services to both businesses and workers can have a significant impact on working days lost and claims for incapacity benefit.

During an initial pilot period, the project helped employers to increase productivity by reducing sickness absence and associated costs and improved understanding of health and safety legislation among employers and employees. The project aimed to deliver significant reductions in new Incapacity Benefit claims and working days lost due to work-related ill health. Targets of a 2 per cent reduction over two years and 3 per cent reduction over three years respectively were negotiated under a local Public Service Agreement with the Department for Work and Pensions and both of these targets have been exceeded.

Better Health at Work was established as a pilot project in 2004 by Kirklees Metropolitan Borough Council, working in partnership with the local primary care trusts,¹¹ Jobcentre Plus and the Health and Safety Executive, to provide a comprehensive occupational health and safety (OHS) support service for local businesses and workers. The project provides the following services, all of which are confidential and free to clients:

- a telephone advice line providing OHS support and guidance to employees and businesses;
- occupational health advice to workers, and signposting to other local services such as ACAS and Citizens Advice; and
- on-site delivery of occupational health and safety support and advice to small and medium-sized enterprises (SMEs) and their employees.

The Better Health at Work team has worked closely with a wide range of partners to establish a referral network and to encourage use of the service. Independent evaluation of the pilot project on behalf of the Health and Safety Executive¹² identified the importance of the team's working relationship with the local authority's enforcement officers, both in terms of providing valuable contacts with SMEs and potentially as an additional driver to encourage less motivated businesses to use the service.

The team also benefited from links with the Kirklees Business Partnership, a well-established partnership of local and national regulators, and was able to take advantage of the good working relationship that the partnership has developed with local businesses in order to promote its services.

For further information on the project, contact Stewart Horn on 01484 416778, email stewart.horn@kirklees.gov.uk or visit www.betterhealthatwork.org.uk

Achieving both efficiency and effectiveness through collaboration can take a number of forms including:

- shared working with one or several local authorities in a local area;
- shared working with other local authorities on a regional or sub-regional basis, including sharing of resources, specialist staff or equipment; and
- shared working internally within a local authority through organising regulatory services into multi-skilled teams with a single budget or service plan.

The potential of shared services for local authority regulatory services and regional collaboration and coordination should be explored, including through the Regional Improvement and Efficiency Partnerships. Shared working can deliver increased efficiencies and improved services as well as wider advantages, such as sharing best practice and expertise, and offering career development opportunities. Regional collaboration brings benefits by improving coordination and consistency, providing a stronger local voice to government, and identifying and exploiting alternative funding sources.

Improving compliance through training provision: shared services in Greater Manchester

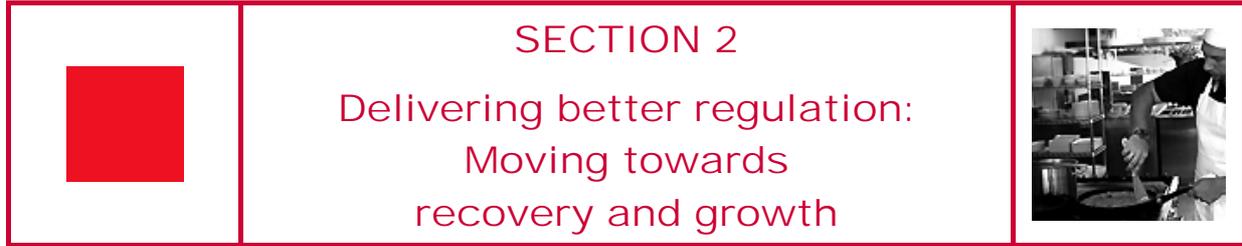
Business Regulation Solutions (BRS) is a not-for-profit business support company established by local authority regulatory services¹³ in October 2007 in order to assist businesses in the Greater Manchester area in improving their compliance with a range of regulations. The strengths of this approach include the following:

- Training is provided on a commercial basis, delivering cost savings for the local authorities and the Greater Manchester Fire and Rescue Service.
- The company is well placed to attract funding for the whole conurbation. For example, a successful bid to the Food Standards Agency in 2008 for £100k is allowing BRS to provide free support to 400 hard-to-reach SMEs as part of the 'Safer food, better business' initiative.
- While operating on a not-for-profit basis, BRS generates surplus income from certain activities that can be used to develop new services to business, and which will in the future be used to subsidise activities where a particular need is identified.
- The company is able to provide local businesses with improved access to training. In its first year of trading, it delivered over 200 training courses to 2,400 employees from more than 300 local businesses.
- As part of the Manchester Solutions group of companies, working in partnership with the Greater Manchester Chamber of Commerce, BRS has an extensive customer base, and the opportunity to work closely with particular sectors through the groups' sector-based relationship with businesses.
- Training can be delivered on behalf of national agencies in a cost-effective, efficient and coordinated manner across a wide area. For example, BRS hosted an Office of Fair Trading event for estate agents from across Greater Manchester.

BRS works on a sectoral basis and customises its services to meet specific business needs. For example, a focus on the needs of the care sector has allowed BRS to develop a cost-effective training package which combines face-to-face training delivered in short sessions at business premises with CD-ROM based and online materials, concentrating on those areas of regulation that are the highest priority for this sector.

Satisfaction levels with the training provided are very high, with all delegates rating the training as 'excellent' or 'good' at the end of their course. Businesses agree that the services received offer value for money and follow-up surveys have established that 97 per cent of businesses felt that the support provided had a positive effect on the overall safety of their workplace. BRS and the Greater Manchester Public Protection Partnership are committed to evaluating the impact of delivered training on business compliance and risk rating over time.

For further information on this project, contact Sally Mansfield on 0161 875 2343, email sally.mansfield@business-regulation-solutions.co.uk or visit www.business-regulation-solutions.co.uk



This section helps local authorities and their regulatory services to support business at the local level by providing tailored advice on regulatory matters, targeting areas for vigilance, suggesting deterrent activity, and developing solutions to local priorities. To be fully effective, local authority responses to the economic situation need to be collaborative, and matched to local needs and circumstances.

This section focuses on four key approaches:

- **signposted assistance;**
- **engaging to understand business needs;**
- **effective targeting; and**
- **delivering local priorities.**

Signposted assistance

Local authority regulatory services are often the visible face of local authorities in business communities. Where SMEs have face-to-face contact with their local authority, most of the time this is with regulatory services officers.¹⁴ They liaise with companies on an ongoing basis, applying professional expertise to key issues such as workplace safety, fire prevention, licence applications and consumer protection. The Hampton Review¹⁵ encouraged regulatory services to consider businesses as customers and to help them comply with the law by providing practical advice and guidance. Authorities should take advantage of the face-to-face contact between regulatory officers and individual employers in order to provide the support that businesses find most useful.

One-stop shops

A number of local authorities have demonstrated their commitment to providing guidance to support local businesses and to make it easier for them to comply with regulations by establishing and maintaining 'One-stop shops' for businesses. These often operate as local business partnerships, which bring together local authority regulatory services, national regulators, local businesses and business support agencies.

Research consistently demonstrates that businesses want information on compliance but can be frustrated by not knowing where to find the information they need. Most partnerships offer local businesses easier access to regulatory advice, through telephone helplines, newsletters, training courses and business events.

Basingstoke and Deane Borough Council operates a local business partnership which has built an effective relationship between local regulators, individual businesses and business groups over a number of years. The partnership offers:

- a free enquiries line for local businesses, saving the business the time that might otherwise be spent making multiple calls and explaining their query;
- quarterly meetings which address a wide range of regulatory issues. Businesses attending a meeting are invited to help the partnership to agree topics to be covered in the next meeting;
- a twice yearly newsletter which provides information on new or changing legislation, useful contact points, details of business events and information about the support that is available to businesses locally, such as business continuity planning and exporting;
- electronic updates, which can be widely circulated or targeted at particular businesses or groups of businesses; and
- mediation with local regulators.

The local business partnership has helped the authority's Economic Recovery Task Group to engage effectively with businesses in developing strategies for supporting local communities through the economic downturn. The partnership has also used the different communication channels at its disposal to ensure that its members receive information on the support available through the local authority and through organisations such as Business Link.

Further information on the Basingstoke and Deane Local Business Partnership is available at www.basingstoke.gov.uk/go/lbp, or from Andrew Dowling on 01256 845359, or email andrew.dowling@basingstoke.gov.uk

Firms can be signposted to local, regional or national organisations offering specialist support, including sources of advice on funding, financial management and employment. Information can also be provided on key local authority initiatives, such as improved procurement processes and small business rate relief.

The value of this face-to-face contact is maximised when there is a productive dialogue that delivers tangible benefits for companies. The owners of small businesses find visits a useful means of improving their profitability as well as their compliance, provided they are carefully planned and, if appropriate, pre-arranged.

Signposting business support

Central England Trading Standards Authorities (CEntSA) is working to demonstrate that a closer relationship between regulators and business support agencies such as Business Link can bring real advantages to local business.

CEntSA is a group of 14 authorities in the West Midlands¹⁶, a region that previously had a sub-regional structure of five Business Link franchises. In 2007 the Regional Development Agency launched Business Link West Midlands (BLWM), a single entity covering the whole region, with a remit to improve the productivity of existing businesses and to help with the formation and survival of new businesses.

CEntSA identified the creation of a single Business Link operator in its region as an opportunity to develop a close working relationship between trading standards and Business Link. In 2008 the two organisations signed a memorandum of understanding and began to formalise arrangements for working in partnership, with a strong focus on improving mutual understanding and signposting. Joint projects include:

- the introduction of referral cards which trading standards staff complete and send to BLWM on behalf of businesses which they identify as having a likely need for the support that BLWM can provide. BLWM's ability to track the support subsequently provided to these referred businesses will mean that trading standards will be able to quantify the benefits to business of the referral; and
- cooperation on the production of a newsletter that is produced for local businesses by CEntSA and is distributed by trading standards services across the region. BLWM helps to fund the newsletter and distributes it through partner agencies and to over 10,000 individual businesses in the region. A regular column in the newsletter presents a case study which highlights how support from Business Link has helped a local business to succeed, and how working in partnership can benefit business and regulators alike. This column has also been used to promote BLWM's Credit Crunch Hotline and other assistance that it is offering to help businesses survive the downturn. Recent editions of the newsletter are available at www.centsa.org.uk/news.php

Further information on CEntSA's partnership with Business Link West Midlands is available from Sarah Heath on 01922 652229, or email HeathSE@walsall.gov.uk

Engaging to understand business needs

Understanding the specific needs of business communities, including the particular needs of SMEs and ethnic minority businesses, is necessary in order to deliver effective tailored and accessible support. The relationship between local authority regulatory officers and traders, together with their local knowledge and investigatory skills, places officers in a strong position to understand and articulate the concerns of businesses to the local authority and partners. Information and informal intelligence gathered can be shared with local authority economic development and regeneration services and corporate policy departments to inform both corporate strategies and local economic assessments and action plans.

Trading Places

Officers now have the opportunity to step into their customers' commercial shoes via LBRO's Trading Places scheme. An intensive two-day study course held at leading UK companies, Trading Places offers a great practical learning experience, plus valuable insight into how businesses are run and the challenges they can face in abiding by the rules. This scheme is open to all environmental health, fire safety, licensing and trading standards officers working in local authorities, as well as businesses from any sector. It is endorsed by the Confederation of British Industry, the British Chambers of Commerce, the British Retail Consortium, the Chartered Institute of Environmental Health and the Trading Standards Institute. Trading Places was launched in Spring 2009 after extensive testing and evaluation, involving placements at Asda, B&Q, Sainsbury's, Tesco, Thomas Cook and Total. Further details can be found at www.lbro.org.uk

The new local authority economic assessment duty – the requirement for local authorities in England to consider the economic conditions of the local area – will ensure that local authorities have a clear understanding of the necessary conditions for business to flourish and take advantage of economic opportunities. Local authorities will be required to start preparations for new assessments from April 2010, with support available from Communities and Local Government¹⁷ and the Improvement and Development Agency.

Although formal data and evidence are vital for the creation of an economic profile, alternative sources are equally important, including business perceptions and 'on the ground' intelligence. Regulatory services are ideally placed to engage with local businesses, local trade bodies and business organisations to understand local business issues. This will include understanding the diverse needs and challenges faced by different business sectors.

Closer working between regulatory services and economic development services can support businesses in preparing for long-term growth. The Improvement and Development Agency has produced a diagnostic tool to assist local authorities in fulfilling their role in promoting economic prosperity.¹⁸ This tool helps to identify gaps in knowledge and assist local authorities to improve the performance of their local economy. This may include improving joint working across business facing services, both within an authority and across different tiers of local government.

Effective targeting

In difficult economic conditions, it is even more necessary for regulatory services to deliver focused and effective support to help business towards recovery. The information gathered for local economic assessments from a variety of sources, including regulatory services, will highlight the particular economic conditions and challenges in different localities. This will help local authorities and their partners to focus support in order to achieve the maximum benefit for businesses and the wider community, for example by providing tailored support to major local industries or investing in training and development to address skills shortages.

Targeted activity in the South West

The Better Regulation in the Food Industry Project (BReIF) has been established by the South West Regulators' Forum (SWeRF) to focus on the local regulation of businesses throughout the food and drink sector in relation to food safety, health and safety, fire, trading standards and environmental protection legislation.

The BReIF project aims to:

- invite the views of both businesses and regulators on areas where improvements in regulation/enforcement could be made;
- gather examples of good practice;
- map current levels of regulatory activity in the sector;
- carry out in-depth consultation with small groups of businesses and gather the views of individual businesses through a questionnaire; and
- prepare proposals for a number of small-scale pilot projects, targeting sectors that have been identified as having the greatest potential for improved regulatory activity. The pilot projects will be designed to deliver real benefits to business and will be evaluated before final recommendations are made to SWeRF on actions for wider implementation.

SWeRF has developed the project given the following context:

- The food and drink sector plays a key role in the economy of the South West. Food and drink processors account for more than 100,000 jobs in the region and contribute some £3.25 billion to the local economy. They form an essential part of the way that the South West is perceived, both nationally and internationally, and they include a significant number of leading household brands. Food businesses at all points of the supply chain have contact with regulatory officers from a range of services. This provides significant opportunities for improving the coordination and effectiveness of regulatory activity.

For further information on this project, contact Sarah Knife 0117 988 6025, or email sarah.knife@hse.gsi.gov.uk

Intelligence, including an analysis of consumer complaints and enforcement data gathered by national regulators, should be used to embed comprehensive risk-based decision-making. Risk-based decision-making reduces unnecessary burdens on compliant firms and focuses on effective interventions. An informed risk assessment provides the basis for all decisions, extending to:

- **Strategic prioritisation** – identifying and addressing the issues that matter most to businesses and communities.
- **Effective interventions** – using an understanding of the relationships and behaviours of regulators, business and citizens in order to select the most appropriate intervention, including advice, education or targeted enforcement, to drive greater compliance.
- **Inspection planning** – targeting the premises that present the highest risk, arranging inspection visits with an emphasis on productive dialogue that maximises outcomes, and ensuring that practices that cause harm or hazard to consumers, workers or the environment are addressed.

Resources released can be targeted at rogue traders who harm vulnerable people and damage communities and who, through unfair competition, increase the costs faced by well-managed businesses.

Risk assessments need to be reviewed to reflect changing circumstances if they are to remain accurate and useful. This is particularly true in difficult economic circumstances where some authorities have seen reduced levels of compliance in some sectors in response to the harsh trading environment.

Delivering local priorities

Regulatory services and local and national partners can provide practical support to business that reflects national priorities and local circumstances, and delivers both prosperity and protection. This will include effective action to target rogue traders and protect the most vulnerable in society. Some of the approaches that are being used to support business to meet the particular challenges raised by the financial crisis include:

- **Ensuring fair trading**

Both competitiveness and consumer protection are threatened by the growth of the informal or 'shadow' economy. Working with police economic crime units and industry bodies, trading standards investigators can disrupt sophisticated criminal networks to reduce the supply of counterfeit and unsafe consumer goods and illegally imported cigarettes, alcohol and other products. The regional Scambusters teams are an effective resource for tackling large-scale and cross-boundary criminal activity.¹⁹

Trading standards also address issues of transparent pricing, fairness in consumer contracts and freedom from aggressive, misleading or deceptive sales practices. Through active market surveillance and targeted action against persistent offenders, local authority regulatory services can provide consumers with confidence and ensure a fair commercial playing field.

- **Stimulating business growth**

Effective regulatory services contribute to the confidence consumers feel in businesses – with a resulting impact on their profitability. Where businesses are looking for accessible, authoritative advice, the Primary Authority scheme²⁰ gives authorities a new opportunity to support them, providing regulatory assurance and reducing compliance costs. Support that regulatory services can provide to assist traders in achieving compliance and reducing their overheads includes staff training, product analysis and advice on quality systems. 'Approved trader' schemes, including the Environmental Health Scores on the Doors²¹ scheme for food premises and local schemes within the Local Authority Assured Trader Scheme Network²² (which is supported by LACoRS, the Trading Standards Institute and the Office of Fair Trading), improve consumer confidence and provide incentives to encourage compliance.

The potential benefits of an approved trader scheme: lessons from Bedfordshire County Council

The Trading Standards Approved (TSA) scheme was launched in 2002 by Bedfordshire County Council with the aims of:

- providing consumers with the information they were asking for;
- improving consumer protection and contributing to home security, particularly for the most vulnerable consumers;
- raising business standards and compliance with legislation; and
- supporting reputable traders and helping them to grow by allowing them to distinguish themselves from those businesses that are not operating to the standards set for the scheme.

The scheme initially focused on those sectors which were generating the highest levels of consumer complaints and enquiries – home improvement businesses and the motor trade – but it was subsequently extended to other sectors. The Bedfordshire scheme has achieved high levels of consumer recognition in the county, particularly among its target group of residents aged over 60 (63 per cent recognition in a 2008 survey).

It is evident that the scheme is having an impact on consumers' purchasing decisions and thus providing tangible benefits to member businesses:

- over two-thirds of businesses responding to a survey in 2008 felt that their business had grown as a consequence of their membership of the scheme; and
- over two-thirds of customers who returned feedback forms in 2007/8 stated that their decision to use the trader had been influenced by the trader's membership of the TSA scheme.

In addition to providing clear benefits to consumers and businesses, the scheme allowed Bedfordshire's trading standards service to develop a new vision of its relationship with business. Working in partnership with colleagues from other services, including the authority's economic development service and the learning disabilities team, the service was able to exploit its special relationship with members of the TSA scheme in order to deliver wider benefits, linking in to corporate themes such as employment and lifelong learning.

For example, in 2007 funding from the European Social Fund supported a successful pilot which placed unemployed participants on work experience with TSA members. Further ESF funding to 2011 is now being used to recruit additional traders to the scheme; to support emerging businesses; and, to provide unemployed participants with supported work experience placements and training, with a view to enhancing their skills, increasing their employability and progressing a proportion into sustained employment.

Since 1 April 2009, the TSA scheme has been operated by the trading standards services of the newly established unitary authorities, Bedford Borough Council and Central Bedfordshire Council.

Further information on the scheme is available from:

www.bedford.gov.uk/business/trading_standards.aspx#TSA,
 from Alexandra Austin at Bedford Borough Council on 01234 228460,
 or email Alexandra.Austin@bedford.gov.uk, and from
www.centralbedfordshire.gov.uk/advice-and-benefits/trading_standards/trader_approval/default.aspx,
 from Anne Hornett at Central Bedfordshire Council on 0300 300 8136,
 or email trading_standards@centralbedfordshire.gov.uk

- **Managing money**

The credit crunch significantly reduced available sources of consumer borrowing, leading to a rise in illegal money lending or 'loan sharking'. Specialist regional trading standards teams target offenders who prey on vulnerable individuals, charge excessive levels of interest and subject victims to intimidation and violence,²³ while local officers ensure that licensed credit providers, debt collectors and debt management businesses are operated effectively to protect consumers from negligent or unscrupulous traders and increase consumer confidence.

- **Encouraging productivity**

Work-related injuries and ill health have significant consequences for workers and their employers alike. Health and Safety teams support businesses in their duty to provide a safe working environment that protects workers and improves prosperity by cutting business costs through the minimisation of absence and the retention of skilled employees. It also reduces the number of individuals claiming Incapacity Benefit as a result of a work-related incident.

- **Addressing anti-social behaviour and improving public spaces**

Many businesses depend on vibrant local high streets to encourage trade and consumer confidence. In addition to their work on planning, transport infrastructures and parking, local authorities use licensing and other regulatory services to help consumers feel safe when visiting town centres. Work with street wardens and street cleansing teams plays an important part in keeping streets clean and free of graffiti, while work with the Environment Agency and other partners helps to address fly-tipping and improve public areas. It also reduces anti-social behaviour and sales of alcohol to young people, contributing to safer communities.

Improving compliance through business support

Brighton and Hove City Council has successfully incorporated business advice and training into a multi-agency approach that is being used to tackle anti-social behaviour and disorder, street drinking, alcohol-related violence and the sale of alcohol to under-18s.

The project, which includes a number of complementary initiatives, is delivered by trading standards and the local Police Licensing Unit²⁴, with support from Environmental Health and Licensing and the Joint Community Safety Team. The project has a clear focus on reducing rates of, and fear of, crime and anti-social behaviour, with measurement against a range of local and national indicators, including NI 17 – Perceptions of anti-social behaviour, and NI 39 – Alcohol-harm related hospital admission rates.

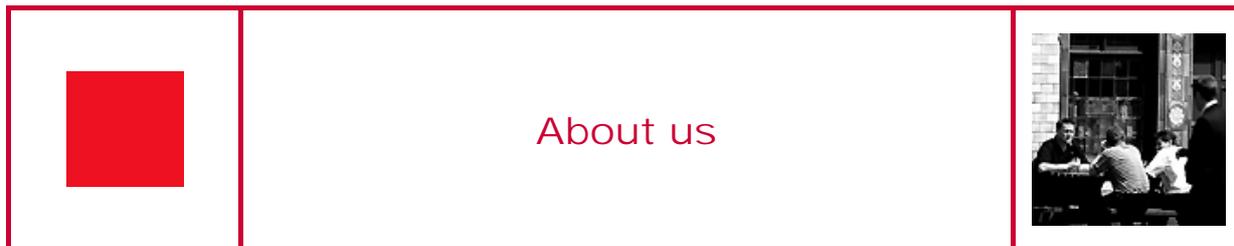
The support provided to local businesses includes:

- early meetings with new licensed premises considered to present a higher risk in relation to underage sales;
- business support visits to retailers who have failed a test purchase, and retailers identified as sources of alcohol for underage purchasers;
- targeted provision of training for retailers aimed at assisting them to identify and address the risks associated with selling alcohol and other age-restricted products;
- provision of practical training for retail sales staff which aims to give them the knowledge and confidence to undertake an effective challenge, identify fake IDs and prevent underage sales;
- a 'Train the Trainer' facility for those businesses that can provide their own training;
- provision of posters and other material relating to 'Think 21'; and
- risk assessments undertaken for individual retailers, addressing a wide range of factors that can influence the likelihood of children attempting to obtain age-restricted products from the business.

There is a strong focus on using intelligence gathered from a range of sources to identify both on-licence premises and off-licences that are selling alcohol to underage purchasers, and where they are able to obtain alcohol by other means. Increasingly, intelligence suggests that young people in Brighton and Hove are very responsive to changes in business behaviour and will displace to other retailers that might sell to them. This evidence has led to proactive targeting of new licensed premises, and premises with changes in licence holders or designated premises supervisors, or a high turnover of staff.

The effectiveness of the advice and training is measured by repeat test purchasing and there is strong evidence that the incidence of reoffending drops where a business support visit has been carried out. Evaluation forms are requested from those who receive training and these indicate a high level of satisfaction.

For further information on this project, contact Jo Player on 01273 292488, or email Jo.Player@brighton-hove.gov.uk



LBRO was incorporated as a government-owned limited company in 2007. Following the commencement of the Regulatory Enforcement and Sanctions Act 2008, we now operate as an executive non-departmental public body, accountable to the Department for Business, Innovation and Skills through the Better Regulation Executive.

The organisation is governed by an independent Board with extensive experience of business, consumer issues, national regulation, advocacy and local government. The nine Board members together provide leadership and act as ambassadors. Our executive, based in central Birmingham, numbers around 25 people, with diverse backgrounds in the public and private sectors. It delivers the Board's vision and strategy, and supplies the information required to inform its decision-making.

Our six key statutory functions are to:

- encourage innovation and best practice;
- operate the Primary Authority scheme;
- advise the Government on local regulation;
- issue guidance to local authorities;
- manage the list of national enforcement priorities; and
- develop formal partnerships with national regulators.

We are helping councils to equip their regulatory services officers with the skills and capabilities to lead and deliver change. This will focus on the nature of the relationship with businesses, and any capacity issues acting as barriers to improvement. Central to this programme will be our work on the Retail Enforcement Pilot. We are also supporting the sharing of good practice through the Beacon theme 'Cutting Red Tape', promoting innovation by local authorities in reducing the burdens on business.

While we have a remit that covers the whole of the UK, its extent varies, so we liaise with the devolved administrations to ensure that our work in Wales, Scotland and Northern Ireland is appropriate to the unique constitutional position of each.

Contact details:

For further information on our activities, please visit www.lbro.org.uk. Alternatively, contact Kate Cross, Policy Manager at kate.cross@lbro.org.uk or via our Birmingham office number, 0121 226 4000.

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The documents below provide a brief overview of the information and support available from local government bodies and other organisations on the topic of improvement in local authorities and regulatory services.

Audit Commission

www.audit-commission.gov.uk

Comprehensive Area Assessment web pages

Final score: The impact of the Comprehensive Performance Assessment of local government 2002–08, March 2009

Crunch time? The impact of the economic downturn on local government finances, December 2008

Innovation report: *Seeing the light*, May 2007

Better Regulation Executive

www.bis.gov.uk

The Anderson Review: The Good Guidance Guide: taking the uncertainty out of regulation, January 2009

Code of Practice on Guidance on Regulation, July 2008

Regulators Compliance Code, December 2007

Department for Business, Innovation and Skills (previously Business, Enterprise and Regulatory Reform)

www.bis.gov.uk

Real Help for Businesses Now, available via Business Link at www.businesslink.gov.uk

Department for Communities and Local Government

www.communities.gov.uk

Local Democracy, Economic Development and Construction Bill: Local Economic Assessments, January 2009

Prosperous Places: Taking Forward the Review of Sub-National Economic Development and Regeneration, November 2008

Central–Local Concordat, signed with the Local Government Association, December 2007

Local Government Association Group (including the Local Government Association, the Improvement and Development Agency and the Local Authorities Coordinators of Regulatory Services)

www.lga.gov.uk

Available from **IDeA Knowledge**, good practice from the sector, at www.idea.gov.uk:

CPA: case studies of sector-led improvement

Looking back, moving forward: accounts of council improvement by leading politicians, February 2009

Partnerships and places resource library
 Shared services and collaboration
Driving Economic Prosperity, diagnostic tool, January 2009

Available from **LGA** at www.lga.gov.uk:

Regional Improvement and Efficiency Partnerships: A Councillor's Guide, February 2009
Changing places: Local Area Agreements and two-tier local government, September 2008
National Improvement and Efficiency Strategy, January 2008

Available from **LACoRS** at www.lacors.gov.uk:

Collaborative councils: Guidance on partnership working in regulatory services, November 2008
Leading by Listening: Summary Results, March 2008
The role of regulatory services in Local Area Agreements – A Councillor briefing, February 2008

Recession resources from the LGA group can be found at www.idea.gov.uk/recession, including:

Backing communities: local solutions, February 2009
No council of despair: positive local leadership in a recession, January 2009
Back to business: local solutions, January 2009
Global slowdown: local solutions, November 2008
From recession to recovery: the local dimension, November 2008
 Survey of the Impact of the Economic Slowdown on Local Authorities 2008
 Value for Money: Doing more with less, information from the Improvement Network

Local Better Regulation Office

www.lbro.org.uk

Research on the impacts and outcomes of local regulation, to be published in summer 2009
Local Capacity Building for National Enforcement Priorities: Lessons from an Action-Research Project on Local Authority Regulatory Service, June 2009
Mapping the Local Authority Regulatory Services Landscape: Towards a Common Understanding, November 2008
Are your regulatory services adding value?, October 2008



- ¹ Local authority regulatory services are trading standards, environmental health, licensing and fire safety.
- ² The Legislative and Regulatory Reform Act 2006 is an important part of the wider programme to reduce unnecessary burdens to business caused by regulation. Details of the act can be found at www.opsi.gov.uk/acts/acts2006/pdf/ukpga_20060051_en.pdf
- ³ Part 3 of the Regulatory Enforcement and Sanctions Act 2008 provides for use of a wider range of 'Macrory' sanctions as regulators prove their capability to follow better regulation principles
- ⁴ The Good Guidance Guide: taking the uncertainty out of regulation, January 2009, is available at www.berr.gov.uk/files/file49881.pdf
- ⁵ See Acknowledgements for the list.
- ⁶ Launch date of 08/07/2009 for the trading standards element of the project. Environmental health, licensing and fire and rescue elements will also be developed.
- ⁷ We have formed a coalition of partners to agree a common understanding of the environment and standards for world-class local authority regulatory services and to build consensus about the necessary systemic conditions for excellence. The necessary framework is currently being piloted through the Regulatory Services Peer Challenge. Up to 60 local authorities will use it to conduct self-assessment during 2009. We are part-funding this initiative, in tandem with the Department for Communities and Local Government (CLG).
- ⁸ The most commonly selected indicators within local area agreements can be viewed at www.communities.gov.uk/documents/localgovernment/pdf/505713.pdf. Examples of how regulatory services are contributing to the most commonly selected indicators can be found at www.lbro.org.uk.
- ⁹ www.communities.gov.uk/documents/localgovernment/pdf/649026.pdf
- ¹⁰ Information sources on resourcing in regulatory services include Chartered Institute of Public Finance and Accountancy and Audit Commission national studies. These data are incomplete and cannot be considered a robust and comprehensive evidence base. However, we welcome comments and views on this issue.
- ¹¹ Three primary care trusts in the area have now been amalgamated as Kirklees Primary Care Trust.
- ¹² www.hse.gov.uk/research/rrpdf/rr670.pdf
- ¹³ See Acknowledgements for the list.
- ¹⁴ The source is 'Business relations with local authority regulatory services', a survey commissioned by LBRO conducted in February 2009. This reported that 56 per cent of SMEs that have had face-to-face contact with their local authority in the last 12 months have had contact with a local authority regulatory services officer.

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- ¹⁵ Philip Hampton, *Reducing administrative burdens: effective inspection and enforcement* (HM Treasury) March 2005.
- ¹⁶ See Acknowledgements for the list.
- ¹⁷ Policy statements regarding local economic assessments from CLG can be found at www.communities.gov.uk
- ¹⁸ This can be accessed at www.idea.gov.uk/idk/core/page.do?pagelId=9325114
- ¹⁹ These are funded by the Department for Business, Innovation and Skills (previously BERR). Refer to www.berr.gov.uk/whatwedo/consumers/enforcement/trading-standards/scambust
- ²⁰ For further information refer to www.lbro.org.uk/Pages/Article.aspx?id=292
- ²¹ Promoted by the Food Standards Agency, 'Scores on the Doors' schemes aim to empower consumers so that they make more informed choices about the places from which they purchase food. Refer to www.food.gov.uk/safereating/hyg/scoresonthedoors
- ²² The Local Authority Assured Trader Scheme Network aims to bring greater consistency to local schemes, and to promote the value of local schemes to local consumers and businesses. Refer to www.offt.gov.uk/oft_at_work/consumer_initiatives/trader
- ²³ The Illegal Lending Project, funded by Business, Innovation and Skills, aims to help people gain access to affordable credit. The teams focus on providing support to victims as well as on securing convictions against illegal lenders. Refer to: www.berr.gov.uk/whatwedo/consumers/consumer-finance/overindebtedness/lending/illegal%20Lending%20Project/page37542.html
- ²⁴ With some funding support from the Home Office Police Standards Unit.



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