

REVIEW REPORT

ON

THE RETAIL ENFORCEMENT PILOT (REP)

NB. This report relates to a review undertaken by OGC CIMS, and cannot be construed as an OGC Gateway™ Review Report.

PROJECT BACKGROUND

The Retail Enforcement Pilot has been running since November 2004, testing a new method for regulatory enforcement for retail businesses. The initial project brief and overarching policy objectives of the Pilot were to promote partnership between enforcement agencies (central and local government) concerned with the retail sector in order to:

- agree common standards across local authorities;
- set up a one stop shop to ensure visits to retailers are planned to avoid multiple visits, that conflicting requirements are resolved between enforcers

Currently, there are several regulatory organisations that undertake routine planned inspections of retailers ie trading standards, fire, environmental health officers covering food safety, and health and safety inspections. These disciplines have a common “client” base and undertake similar regulatory visits but in isolation from each other and with little sharing of knowledge.

The pilot, that pre-dated but is consistent with the Hampton Report, aims to promote efficiency gains and has worked with two Local Authorities and a number of other stakeholders to develop and trial a more effective approach to the delivery of regulatory enforcement.

TERMS OF REFERENCE

The terms of reference are to carry out a Healthcheck on the Regulation Enforcement Pilot at the time of its transfer from DTI to Cabinet Office, and to propose how best to take the pilot forward. The output of this work will be a written report conforming to the template Healthcheck Report.

ADMINISTRATIVE DETAILS

The Healthcheck was carried out by OGC consultants Ted Pearson and Rob Stephens in the Cabinet Office (22 Whitehall) during the period 8-26 Jan 07.

The CO point of contact was:

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EVIDENCE EXAMINED

The documentation on which the Healthcheck was based was not available before the Healthcheck started and was forwarded to the team by Sally Armstrong in the following e-mails:

10 Jan	0924
11 Jan	1256 – 1424
12 Jan	1434, 1528

A list of the interviewees, and their role in the project, is at Annex A.

THE BUSINESS CASE

The objectives of the pilot were adjusted after the Hampton Report was issued and at a strategic level reflect the Report's recommendations. However, the strategic vision of benefit realisation has not been developed at the lower levels and relevant interviewees remarked on this deficiency.

The pilot has no existing business case, although work has been carried out on some elements of the case. There was no common or holistic view of the benefits of completing the pilot and rolling out a solution (if deemed viable). True costs (including financial) and real benefit allocations had not been agreed with stakeholders.

- **Recommendation 1. The existing Business Plan (Phase II – From Pilot to Pathfinder) needs to be developed into a more comprehensive Business Case relating to Phase 2 and beyond.**
- **Recommendation 2. A comprehensive statement of intended benefits and associated costs need to be developed.**

GOVERNANCE AND MANAGEMENT

The pilot originated in DTI, which appeared to have had some difficulty in allocating it to an appropriate work area. This led to a noticeable lack of Departmental direction and little senior management oversight. We believe the transfer of the pilot to BRE placed it in a more appropriate functional location and our perception is that it will fit well within the BRE Regulatory Services Programme (RSP).

During Phase 1 a lack of resource and project management skills resulted in an ad hoc approach to managing the pilot. The Steering Group and Project Board appeared to act more as information exchanges than directing bodies. While this proved adequate for the early design stage of the work, a more formal governance structure, supported by appropriate methodologies, should be put in place for Phase 2.

An example of the problems introduced by the paucity of governance is that, while several potential objectives have been identified (see below), there is no consensus on what the prime objectives of Phase 2 of the pilot should actually be.

- Concept proving
- Concept development
- Concept extension
- Solution comparison
- Preparation for rollout
- Development of a procurement strategy
- Demonstrating sustainability
- Marketing and educating the community

There was no evidence to indicate a formal approach to budget management was used in Phase 1. Similarly, we have seen no evidence to suggest that an equitable financial arrangement has been agreed between HMT, DTI and BRE relating to the transfer of the project and the implementation of Phase 2, although we have been assured all is well. In addition, there is no clear view of how any subsequent rollout would be funded. *[Reviewers' Note: After the Review was completed, written evidence was provided which indicated there were indeed no funding issues relating to the pilot.]*

Phase 1, possibly reasonably, lacked a visible structured plan, although progress and objectives could be monitored on an ad hoc basis. However, there is a need to ensure a comprehensive, agreed plan is used to manage the larger populations of Phase 2. To ensure the project moves forward as directed by the governance structure, independent checks should be made at appropriate points in its lifecycle eg by instigating Gateway Reviews, Healthchecks, or episodes of constructive challenge by appropriately experienced BRE staff who are not involved in the pilot.

- **Recommendation 3. A senior, smaller, more focused and more representative governing body needs to be established. To reduce the complexity of the programme wide governance mechanisms, a single board could be established for the whole RSP.**

RISK MANAGEMENT

There was little evidence of a formal approach to risk management during Phase 1. Interviewees identified a wide range of potential risks to us, but with no particular one standing out as the major risk. It would be timely now to develop a comprehensive register of risks.

Several interviewees expressed doubts on the quantitative conclusions enunciated in the Phase 1 Report, and the necessity for Phase 2 to involve 70 LAs. As these figures were quoted in the Implementing Hampton report and elsewhere, there may be a reputational risk that will need addressing in Phase 2.

- **Recommendation 4. A risk aware culture should be encouraged, and supported by the introduction of a risk management regime. A risk manager should be appointed to run the process, with ownership of individual risks allocated to specific individuals.**

PREPARATIONS FOR THE NEXT STAGE

The management of the complex and wide ranging stakeholder community in Phase 1 relied significantly on the personal initiative of the charismatic project leader. He was able to achieve much in launching the pilot by this approach, but a more formal, consistent and structured approach to stakeholder management is needed as the pilot community significantly increases in size during Phase 2.

Phase 1 of the project was under resourced, which inhibited the development of a project management structure. With the addition of a third FTE person in BRE, the continuing services of the 2 FTE super-users, and the use of project methodologies, Phase 2 of the pilot appears to be adequately staffed from April 07. The planned use of interims and consultants before that date should ensure momentum is maintained and the shape of the programme and pilot are established quickly.

In Phase 1, DTI used rather ad hoc processes both to acquire the services of LA staff, and to procure PDAs, software services and licences. As the project moves towards the larger volumes associated with Phase 2 and rollout, we were concerned that continuing on this ad hoc basis could leave BRE open to formal challenge under EU procurement regulations. We understand there are a number of software systems in the market place that, with development against a set of BRE data standards, could meet the requirements. This variety of alternative software solutions would enable a normal competitive procurement regime to be adopted for Phase 2 and beyond. The procurement position is further complicated by the plethora of back office systems in use amongst the LA community with which PDAs will have to interface.

The need to arrange training for LA participants in Phase 2 is already recognised and is likely to necessitate some form of outsourcing arrangement to provide it within the tight timescales required. There is a concomitant need to ensure all BRE staff associated with the programme have a basic understanding of the concepts of project management.

To ensure project success, it will be necessary to demonstrate to LAs the efficacy and sustainability of the new approach in order to persuade them both to adopt it, and to encourage them not to take any additional resource availability thus generated as a cashable saving. LAs must be convinced that the new process will improve the experience of the business community in their efforts to comply with regulatory requirements, provide at least the same level of safety for the local population, help LAs to meet relevant performance targets and be compatible with potential EU regulatory changes, all at a cost that can be sustained by LAs in the long term.

- **Recommendation 5. A stakeholder management strategy and a communications plan (relating to both Phase 2 and any rollout phase) needs to be developed and implemented, covering the whole LA community, the senior stakeholders who will act as business and LA champions, and other interested parties. The**

mechanisms used might take the form of newsletters, workshops, and other aggregated forms of information dissemination.

- **Recommendation 6. A procurement strategy should be drawn up incorporating a competitive regime.**
- **Recommendation 7. A form of agreement (eg a Memorandum of Understanding) should be drafted for use between BRE and LAs.**
- **Recommendation 8. The provision of training for the Phase 2 LAs should be addressed as a matter of urgency.**
- **Recommendation 9. All project (and programme) staff should be given a basic course on project management.**

CONCLUSION

Phase 1 of the pilot, although under-resourced and run on an ad hoc basis, launched the concept effectively and raised its profile amongst a wide and diverse group of stakeholders. However, such an approach will undoubtedly fail if exposed to the larger communities associated with Phase 2. The introduction of a more structured approach to governance and project management is essential, and in our view it is worth taking a short time now to establish appropriate project and other structures before moving forward.

ANNEX A

REP HEALTHCHECK INTERVIEWEES

Date	Time	Name	Organisation
8/1/07	1000- 1100	Karen Hill	BRE SRO
8/1/07	1145- 1245	Mark Hammond	BRE, earlier REP Project Board member
8/1/07	1500- 1600	Rachel Holloway	BRE RSP Programme Manager
9/1/07	1200- 1300	Jane Swift	DTI SRO
9/1/07	1400- 1500	Robyn Fairman	BRE (risk specialist)
10/1/07	1115- 1215	David Statham	FSA
10/1/07	1300- 1400	Allan Davies	HSE
12/1/07	1000- 1100	Janet Matthew	DTI (REP support)
12/1/07	1400- 1500	Chris Nuckey	TSOL
15/1/07	1100- 1200	David Fisher	OFT
15/1/07	1530- 1630	Hugh McNeal	BRE – LBRO
17/1/07	0930- 1030	Wendy Martin	LACORS
17/1/07	1430- 1530	Will Straw	HMT
17/1/07	1630- 1730	Jitinder Kohli	BRE CE

18/1/07	1000- 1100	Mitchell Leimon	DTI (better regulation coordination)
18/1/07	1230- 1330	Ron Gainsford	TSI
22/1/07	1230- 1330	Graham Jukes	CEIH
24/1/07	0930- 1300	David Bryce-Smith Clive Cain Adrian Cole	Bexley DC
25/1/07	0915- 1015	Gordon Maddon	Member Steering Group (ASDA)
25/1/07	1030- 1130	Stuart Grice	Camden Council

Note:

We were disappointed that the Phase 1 Project Leader was unable to make himself available for interview.

ANNEX B

REP HEALTHCHECK RECOMMENDATIONS

Ref No	Recommendation
1	The existing Business Plan (Phase II – From Pilot to Pathfinder) needs to be developed into a more comprehensive Business Case relating to Phase 2 and beyond
2	A comprehensive statement of intended benefits and associated costs need to be developed
3	A senior, smaller, more focused and more representative governing body needs to be established. To reduce the complexity of the programme wide governance mechanisms, a single board could be established for the whole RSP
4	A risk aware culture should be encouraged, and supported by the introduction of a risk management regime. A risk manager should be appointed to run the process, with ownership of individual risks allocated to specific individuals
5	A stakeholder management strategy and a communications plan (relating to both Phase 2 and any rollout phase) needs to be developed and implemented, covering the whole LA community, the senior stakeholders who will act as business and LA champions, and other interested parties. The mechanisms used might take the form of newsletters, workshops, and other aggregated forms of information dissemination.
6	A procurement strategy should be drawn up incorporating a competitive regime
7	A form of agreement (eg a Memorandum of Understanding) should be drafted for use between BRE and LAs
8	The provision of training for the Phase 2 LAs should be addressed as a matter of urgency.
9	All project (and programme) staff should be given a basic course on project management