



**MOVING TOWARDS THE LOCAL
BETTER REGULATION OFFICE**

The way ahead

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Moving towards the Local Better Regulation Office

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“The LBRO is key to DTI’s vision of a regulatory environment that reduces burdens on business, supports strong local delivery and maintains public protection.”

Gerry Sutcliffe, DTI Minister for Employment Relations and Consumer Affairs

“The BRE is committed to delivering the Government’s vision of a risk-based regulatory system whereby burdens on law-abiding businesses are reduced and regulatory energies can be redeployed to target criminal or dangerously negligent firms.”

William Sargent, Executive Chair, Better Regulation Executive

“Local authorities are best placed to deliver our shared ambition of thriving and sustainable local economies. The time has come for local regulatory services to be valued for their contribution to economic success, well regarded trading environments and consumer support and protection.”

Councillor Sir Sandy Bruce-Lockhart, Chairman, Local Government Association

1. The Vision

The DTI is dedicated to creating the conditions for business success and helping the UK respond to the challenge of globalisation. We want to encourage a business climate where honest companies can operate unhindered by over-regulation and free of excessive administrative burdens. Where regulation does exist, it must be fair and effective.

It is in this spirit that DTI, HM Treasury and the Cabinet Office's Better Regulation Executive are working together, in partnership with local authorities and others, to set up the Local Better Regulation Office (LBRO). This new body will oversee the delivery of local business regulation in trading standards and environmental health.

Evolving from the Hampton Report and the Government's better regulation agenda, the LBRO will be central to our objective of reducing burdens on business. It will promote risk-based, proportionate enforcement of trading standards and environmental health, learning from the achievements of the Retail Enforcement Pilot in Warwickshire and Bexley, and will help ensure resources are joined up and focussed on priority areas. It will secure improved consistency and coordination for all businesses, while ensuring that public and worker protection are maintained by a fair regulatory framework.

One of the problems local authority regulatory services face, as recognised by the Hampton Report, is the differing and at times conflicting priorities and demands placed on them by government departments and agencies. The LBRO will ensure that Government has a single set of priorities for these services, with one cohesive performance framework and a co-ordinated risk assessment scheme. This will generate a more coherent approach to local regulatory services and reduce bureaucracy on councils to enable the freeing up of resources for front line regulatory services.

The benefits are clear:

For business

- Clearer risk-based approach to inspection and greater consistency
- Local contacts kept - delivery remains at the local level
- Easier to understand regulatory requirements - better advice
- A better service for businesses operating across local authority boundaries
- A healthy, competitive marketplace with better targeting of rogue traders and criminal activities

For local authorities

- A co-ordinated framework for enforcement of regulation in trading standards and environmental health
- Clarity on national priorities and consistency of guidance and support
- A clearer basis for prioritising the resources available to them
- Freedom to pursue issues of local interest

For everyone

- More compliant businesses meaning a safer, fairer market
- Consumers benefit from lower regulatory costs on business
- Better protection - risk-based inspection focuses on those most liable to do harm

2. What is the LBRO and what will it do?

On 5 December 2005 the Chancellor published his Pre-Budget Report, announcing plans to set up the Local Better Regulation Office, a single body overseeing and supporting local authority regulatory services within the areas of trading standards and environmental health. This follows on from initial plans to set up the Consumer and Trading Standards Agency (CTSA) and builds on the work of the Local Authority Better Regulation Group (LABREG).

The LBRO will focus explicitly on reducing the regulatory burden on businesses, large and small, through promoting intelligence-led, risk-based enforcement. It will co-ordinate help and support from local enforcers to make compliance easier for businesses, working to minimise the burdens from form-filling and inspection.

This emphasis on compliance rather than bureaucracy will help bring more businesses, the vast majority of which aim to comply with the law, into regulatory compliance and thus ensure high levels of public and worker protection. It will also enable more targeting of resource at investigating and enforcing against the small minority of businesses who deliberately disregard the law, preventing real damage to the public, workers and other businesses.

LBRO will not be a new regulator, or act as a Home Authority in its own right. It will be a strategic body working in partnership with local authorities and the existing national regulators to deliver a risk-based approach to local authority regulatory services within its scope – which is yet to be determined. Day to day enforcement remains at the local level.

LBRO will:

- Ensure a co-ordinated set of national priorities across trading standards and environmental health services, with sufficient flexibility to allow local priorities as well
- Help build best practice in risk-based delivery of services at the local level, co-ordinating support and guidance for local authorities on regulatory enforcement
- Drive a move from inspection to front-end advice, aiming to reduce burdens on business, thereby delivering Hampton recommendations
- Expand on the success of the Home Authority Principle, establishing a framework to ensure a consistent, risk-based approach to the delivery of trading standards and environmental health services for multi-site businesses.
- Drive up performance standards within the wider local government performance framework, helping trading standards and environmental health officers provide a high quality service in accordance with Hampton principles

3. The way ahead

Project governance

The DTI will lead in taking forward the Government's proposals to establish the new LBRO. A steering group, comprising central government departments, local government representative bodies, trading standards and environmental health organisations, regulators and business will consider issues and risks related to the project and help develop how LBRO can add value to the role of existing regulators.

A broader advisory group comprising other key stakeholders will feed into the decision-making process and will enable additional stakeholder input into LBRO policy and strategy.

Additionally, we will work with colleagues in Scotland, Wales and Northern Ireland to consider how LBRO can be most effective across the country.

Wider consultation

Throughout the process, we will be working with local authorities, trading standards and environmental health colleagues, government departments and agencies, business representatives and others to set up the LBRO. Much of the work will be developed in discussion with practitioners and business on the ground.

There is a great deal of work to be done before the LBRO can launch. We will hold a period of informal consultation with all interested stakeholders over the next few months, to discuss and refine policy.

This informal consultation will include:

- ***A Business summit*** giving companies, business groups and others the opportunity to provide their input to proposals. This will be in addition to ongoing discussion with business representatives on how LBRO can deliver real benefits for business
- ***Roadshows*** for local enforcers, strategic officers, politicians and other relevant interests, such as consumer groups and those providing on the ground advice

We will publish a statement detailing our conclusions towards the end of 2006 and will aim to publish a draft Bill for LBRO as soon as possible in 2007. All stakeholders will be invited to comment on the draft Bill, which we aim to introduce as and when Parliamentary time allows.

4. The role of OFT

While LBRO will have the roles described above, the Office of Fair Trading (OFT) will be strengthened to take on the other roles originally envisaged for the CTSA in the Hampton Report. These include merging with bodies such as the National Weights and Measures Laboratory (NWML) and acting as the champion for Trading Standards in Government.

OFT will implement these changes through collaborative partnerships with local authorities (in particular trading standards colleagues), other national regulators, business groups and the LBRO. DTI will work with OFT to help deliver the benefits of the better regulation agenda and enable easy input into the priority setting and other work co-ordinated by LBRO.

Work has already begun. For example:

- The OFT and NWML have set in motion the merger workstream, which will be managed by a joint project team. Initial work will involve identifying and assessing key strategic, structural, governance, funding and people issues.
- The OFT and trading standards will hold a series of workshops over the coming months, across the UK, to ensure that critical issues are identified and assessed. They include:
 - Developing a common vision for delivering better regulation
 - How, working together, the OFT and Trading Standards can begin to deliver the desired outcomes within the existing legal framework
 - The longer-term legal framework
 - Identifying priorities
 - Using best practice and guidance to help deliver better regulation

To take on these new roles OFT will need to continue to deepen its change programme. This will involve, among other things, strengthening its focus on regional delivery and delivery in Scotland and Wales; developing the expertise necessary for its new responsibilities for Trading Standards; and developing Consumer Direct.

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LBRO

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Updates

Regularly updated information on progress with LBRO can be found on the DTI website: www.dti.gov.uk/ccp/lbro/index.htm

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