



Lessons Learned: Moving Towards Good Practice

The Better Regulation Executive

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Lessons Learned: Moving Towards Good Practice

- Regulatory reform
- Hampton Review
- Overall findings
- Areas for further investigation
 - Risk and advice
 - National standards, local delivery
 - Form-filling and paperwork burdens
 - Penalties and positive incentives
- Final thoughts

Focus on regulatory reform

- The UK has been very active on improving regulatory effectiveness
 - Consolidation and streamlining of regulatory landscape
 - Institutional support and leadership
 - Better Regulation Commission
 - Better Regulation Executive
 - Small Business Service
 - Panel for Regulatory Accountability
 - Hampton Review – Inspection and enforcement
 - Macrory Review – Regulatory Sanctions

The Hampton Review

Terms of reference:

“To consider, with business, regulators and in consultation with the BRTF, the scope for promoting more efficient approaches to regulatory inspection and enforcement while continuing to deliver excellent regulatory outcomes.”

Review considered 60 national regulators and 486 local authorities

Focus is on administrative burdens related to the enforcement of regulation:

- form-filing
- inspections
- penalty regimes
- advice

Overall findings

UK appears to do well comparatively but still faces significant challenges

Good

- International benchmark
- Flexible
- Legal independence
- Professional competence

Not so good

- Complex
- Inconsistent delivery
- Overlaps
- Ineffective penalties

Two major themes - business experiences

1. Overlap of regulators

Multiple national regulators visit the same business and conduct similar inspection visit – e.g. chemicals storage facility – both health & safety and environmental regulation apply.

Business experiences inconsistency between inspectors representing the same agency – fire inspector in year X suggests a swing door and different fire inspector in year Y suggests a sliding door.

2. Geographical variation

National automotive chain experiences inconsistency between numerous local authorities – outlet in region A has different requirements from outlet in region B.

Areas for further investigation

4 broad themes for further consideration:

- risk and advice
- national standards, local delivery
- form-filling and paperwork
- penalty system

Risk and advice

Inspection should be focused on:

High risk premises/businesses

Achieving understanding of compliance or
outcome levels

Routine inspections should be minimised

Role of advice versus inspection

- Can tailored and targeted face-to-face advice achieve better compliance/outcomes than audit/inspection?

National regulators should work together in
delivering better regulatory outcomes

National standards, local delivery

Local authorities are important regulators, but:

- Evidence of inconsistency in the current system
- Provision of regulatory services sometimes seen as
an ‘optional luxury’
- Central government can improve co-ordination of key messages
- National standards need to be delivered consistently across the country, but with scope for local knowledge and presence

Form-filling and paperwork burdens

Many regulators with many information requirements

Heavy burden on smallest businesses

Much duplication of information requested

Work programme on sharing best practice and moving towards a single data set.

- Whole Farm Approach (Defra)

Penalties and positive incentives

Current penalty regime ineffective – fines low and slow to be imposed

Stronger, quicker penalties needed as a deterrent

Exploring the possibility of modernising the penalty regime to include a role for option such as restitutive penalties as well as positive incentives
– to reward compliant businesses

Case Study

Defra (Department for Environment, Food and Rural Affairs)

Institutional simplification

- 21 Bodies - to merge into four by 2009
- 5 mergers already complete
- the remaining bodies are under consultation

Risk based regulation

- Defra – Whole Farm Approach

Final thoughts

All governments under pressure to do more to protect citizens, the environment, etc.

- more laws and controls
- more costs for business and government
- economic costs need to be minimised

UK is proactive in ensuring effective and efficient regulatory system – support of key ministers is essential – PM and CX.