

Assessment of broad compliance with regulatory requirements for all but ‘high risk’ businesses will lighten the burden of multiple inspection regimes for the business, and allow regulators to direct their limited resources to high risk and non-compliant businesses, where we can have most positive effect.

The problem

The Better Regulation Executive and LBRO have worked for the last few years to promote the goals identified by the 2005 Hampton Review. As expressed in the Regulators Compliance Code, these goals are:

- fewer inspections, fewer forms
- joined up risk assessment, information sharing
- better advice for compliant businesses
- quick, effective sanctions on those that do not comply.

These goals are as important now as they were in 2005. Locally enforced regulation (such as food safety, consumer protection, fire safety, health and safety and licensing) is essential but it can have a significant impact on business growth. The way local regulation is enforced is just as important as the rules.

Around half of businesses don’t think that local authorities understand their sector well enough to regulate them, according to the LBRO Business Perceptions Survey 2010. And inconsistency of enforcement adds to the cost of regulation for business. The survey showed 38% of businesses are not confident that local councils would take a consistent approach to enforcement. 31% of businesses think that different local councils do not take a joined-up approach.

Small businesses create a huge proportion of the country’s wealth yet are most vulnerable to inconsistency in regulation. For them, the cost of complying with regulation is significant, with a quarter of businesses employing at least one person to deal with a specific area of locally enforced regulation.

The solution

This was, in a nutshell, the context and driver for Greater Manchester’s Public Protection Partnership in developing a new approach to business compliance.

In 2008, the Partnership’s vision for the future identified (amongst others) two important principles:

“We will support local businesses to help them to succeed. We will achieve higher levels of compliance by enabling and supporting extensive self-regulation, focused on the business activity rather than our internal, traditional professional disciplines. We will work with businesses as facilitators of compliance and will have confidence in their management of risk.”



“We will target our enforcement activity at the ‘real’ criminals, using shared intelligence to effectively deal with them. Honest businesses will trust us as partners and self-regulation will be the norm. We will not focus inspection or enforcement activity on honest businesses except for the highest risk ‘problem’ premises.”

The Partnership had a solid base upon which to build:

- Strong established working relationships across 10 unitary authorities and the city region's Fire & Rescue Service;
- A long term vision for regulatory services including:
 - Developing a new approach to compliance, supporting businesses and working to support economic development;
 - Common standards and some shared services for consistency and efficiency;
 - Drive towards **real transformation** rather than refinement of existing ways of working.
- Governance & programme management arrangements in place.

Business Compliance Model

The Business Compliance Model is based on the understanding common to compliance regimes for a wide range of regulatory purposes (food hygiene, health & safety, fire safety, fair trading & other trading standards, licensing) that the majority of businesses are broadly compliant.

A small proportion (up to 20%) are “high risk” (i.e., either inherently hazardous or repeatedly found to be non-compliant). To manage the risk these businesses may always need to be targeted for monitoring and enforcement activity, and are outside the scope of the model.

In this model, the Partnership has developed an approach which, along with the wider programme, will achieve what we set out to do. Through a series of workstreams, we used the knowledge and experience of Environmental Health, Fire Safety, Licensing and Trading Standards Officers across Greater Manchester to develop a unified process which would assess the ability of a business to achieve broad compliance across the whole range of regulations.

Through extensive piloting, with support from the Better Regulation Executive and LBRO, we have worked towards some key objectives for the Partnership:

- Deliver services in line with Better Regulation (‘Hampton’) principles and to work within the Regulators’ Compliance Code;
- Use intelligence. Focus resources on businesses that need most attention (i.e. non-compliant businesses);
- Support the majority of businesses by a means of service delivery other than a visit or inspection (fewer visits, better support);
- Business compliance assessment that can be done **once**;
- Use of technology to e-enable and simplify the process of recording and communicating assessment information;
- Harmonisation of risk rating systems.



The pilot programmes included visits to over 1,600 businesses, and proved in practice that around 80% of businesses are likely to be broadly compliant and can be assessed by non-specialists, with the remaining 20% being either

- inherently high hazard or high risk business activities (which may or may not already be complying with regulatory requirements)
- or
- businesses which should be part of the 80% but are not broadly compliant and need either support or regulatory intervention.

Assessors and assessments

Business Compliance Assessor visits :

- fulfil a monitoring role to provide information to assist regulatory services collate the information they need to direct services, and improve public protection and to help businesses to succeed within the wide ranging regulations they must comply with;
- focus on the management competence within a business, and report on key indicators of public protection, including issues of environmental health, trading standards, licensing and fire risks;
- use mobile technology to record information on site about the business details, type of premises and to give an indication level of competence within the business using information about the key indicators.

Officers carrying out this role are not regulators: They have no statutory powers and no responsibilities to enforce legislation. So the skills and competencies involved have much in common with businesses' own management of the internal monitoring arrangements common to good businesses to ensure their own compliance.

To equip Business Compliance Assessors for this new role, a new qualification and competence framework is necessary. This has been designed and we are working towards accreditation through appropriate national bodies, to ensure that the role remains recognised and consistent as the business compliance approach develops and is adopted more widely.

What next ...?

This potted introduction to the Greater Manchester Public Protection Partnership's new Business Compliance Shared service is necessarily brief. However, it hopefully serves to provide an overview of the service, its development and the aims & objectives it has been designed to serve.

The service has a website which will, over time, include a full range of detailed information about the service at <http://www.BusinessComplianceService.org.uk>

Also look out for further information on the communities.idea.gov.uk website

<http://www.communities.idea.gov.uk/comm/landing-home.do?id=3778704>

as well as through LBRO, LG Regulation, CIEH, TSI and other routes on the many aspects of the services' development.

