

SUBMISSION TO COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY)

COMMITTEE

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Agenda Item: 6

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**REPORT BY THE CABINET MEMBER FOR HOUSING, HEALTH AND ENVIRONMENTAL
PROTECTION**

Supporting business growth through Better Regulation – A local view

1. Purpose

- 1.1 The purpose of this report is to advise Members of the work undertaken taken to date and planned for the future in promoting business growth through **Better Regulation** in Lichfield District.
- 1.2 The report will provide Members with examples of how the work of our Environmental Health Team helps **support businesses** throughout their 'life cycle' of operation, **from start up to growth then maturity**.

2. Background – To Better Regulation

- 2.1 Members will be aware that within the District Council, several teams provide regulation and enforcement of business as part of the Council's statutory duties, particularly the commercial team within environmental health and the planning, licensing and revenues teams. For some time now the term '**Better Regulation**' has been in use and in essence this means regulation that is proportionate, accountable, consistent, targeted, transparent and based on a comprehensive assessment of risk.
- 2.2 The Government has made a commitment to cut red tape to lift the "regulatory burdens on businesses" and locally we have been able support this agenda by reducing the regulation of health and safety in accordance with a report by Lord Young in 2010 '**Common Sense, Common Safety**' (2010). Efficient and effective local regulation will play a key role in ensuring that the reduction of regulation really does translate into a reduction in the burden on businesses at a local level. However, we mustn't lose sight of the positive impact that that the regulatory role brings in the form of support and advice to businesses.
- 2.3 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.
- 2.4 '**Better Regulation**' helps avoid creating a burden of red tape, as it can actually drive prosperity and also support protection for both citizens and businesses. Prosperity or protection are not mutually exclusive; businesses which are well regulated can often be more prosperous whilst delivering a better service for customers
- 2.5 For some time, it has been a key priority for the government to enable economic recovery as part of bringing the country out of recession. One key driver towards this will be the introduction in April 2013 of a new way of financing local government, the 'business rates retention scheme'; this means that the success of local government in supporting business growth will in future be critical to the resources available to fund local services . To assist business growth, all elements of the regulatory system need to be recognised for the role they have in enabling businesses to create wealth and jobs.

3. Better Regulation – Our work to date

Ratemyplace

- 3.1 After research by 'Which' showed there was a demand for local authorities to publish the results of food safety inspections online, Lichfield District Council's environmental health and communications teams had the vision to create a local online solution, www.ratemyplace.org.uk was born.
- 3.2 Launched in 2007, the website helps visitors across Staffordshire make an informed decision about where they want to eat or buy food, based on a simple hygiene star rating system and a transparent view of inspection reports. In 2012, ratemyplace was aligned with the national food hygiene rating scheme (www.ratings.food.gov.uk/)
- 3.3 The website is well regarded by local people and local food businesses. This brand recognition and profile has been built through a handy mobile phone application, star rating door stickers access to inspection reports, and high volume media coverage. The website www.ratemyplace.org.uk welcomes over 4,000 visitors a month .
- 3.4 The site continues to be developed and will soon include the opportunity for businesses to place menus on the site in addition to web addresses, telephone numbers and e-mails already available. This option will allow access to the web to businesses that might not have the finance or means to develop their own sites, thereby helping them establish a wider customer reach.
- 3.5 Overall, the system is helping to improve standards in food businesses across Staffordshire, is easy to understand and use and is helping to direct local authority resources to target those premises that need the most improvement. It thereby creates that 'level playing field' for a good business that complies with the law to compete fairly, grow and develop. It also encourages businesses to improve their hygiene standards through competition, rather than regulation.

Primary Authority Partnerships –

The Midlands Co-operative Society; Busy Bees Nurseries; The M6 Toll Road

- 3.6 **Primary Authority Partnerships** were introduced through the Regulatory Enforcement and Sanctions Act 2008 as a statutory scheme to ensure consistency in local authority regulation.
- 3.7 Before its introduction, businesses that traded across council boundaries were being subject to differing requirements from different local authorities. This undermined consistency and increased unnecessary burdens for business. Through **Primary Authority Partnerships** businesses are provided with assured regulatory advice and guidance that has a legal standing. This advice comes from one regulatory body rather than many.
- 3.8 **Primary Authority Partnerships** have been established with some of the largest companies based in Lichfield District including The Midlands Co-operative Society; Busy Bees Nurseries; and the M6 Toll Road
- 3.9 The coalition government is fully committed to the **Primary Authority Partnerships** and its ability to deliver a genuinely risk based regime based on pragmatism, competence and trust, that reduces the regulatory burden on business.
- 3.10 **Primary Authority Partnerships** represents an important support service to locally based business. As part of our commitment to ensure that local businesses flourish and are able to take advantage of economic opportunities, it is essential that the council is in a position to offer this service to all businesses that will benefit. This enhances our business support offer to existing businesses located in the district and to those seeking to locate here.

Business & Regulator Pathfinder

- 3.11 Lichfield District Council Environmental Health Team are actively involved in a national pathfinder initiative which focuses on developing a new **relationship between businesses and regulators to support business growth**. The project is a collaboration between business representatives, local authority regulatory services and national regulators including officers from, the Environment Agency, the Health and Safety Executive, HMRC and the Fire & Rescue Services.
- 3.12 The project is exploring how an effective and efficient regulatory system can support business growth through removing both real and perceived regulatory barriers. It is supported by the Better Regulation Delivery Office (BRDO was LBRO (Local Better Regulation Office)), which is working with the Local Enterprise Partnerships to identify regulatory approaches that support local enterprise and to share this learning.
- 3.13 Task and finish groups were established to take each of these strands forward. This work culminated into the launch of a '**Regulatory Charter**' that sets out a new relationship between regulators and business under the '**Better Business for All**' brand – and if successful it could be rolled out across the country; the Charter is attached at **Appendix A**.
- 3.14 The Charter features the following key elements:
- Businesses to have a single point of contact for local regulation via a web portal that has been developed and branded '**Talktoreg**'; this has been developed on behalf of the Greater Birmingham LEP by Lichfield District Council's Environmental Health & Communications Team.
 - Regulators to tailor advice and approach to match the business life cycle - e.g. from start-up, to growth and maturity of a business.
 - Regulation made simple - a straightforward explanation of the 'who, why and what' of regulation.

Talktoreg

- 3.15 In 2012, as part of work within the **Business & Regulatory Pathfinder**, we identified with the help of business, that they were having difficulty establishing what local authority regulatory services were available in the area they were located and how to access them easily. What they also wanted was to be able to talk to officers directly without going through plethora of different routes to access services. This was particularly true for new start ups. What was needed was a simple service (www.talktoreg.co.uk/) that pointed business customers to named services, named officers and telephone numbers based on location (postcode), who could give the advice and guidance directly.
- 3.16 **Talktoreg** is a web based one-stop route guide into accessing local authority regulatory services easily and quickly, based on location.
- 3.17 From starting up a new business to helping existing businesses develop Talktoreg is designed to help. It provides contacts into government services where expert help is available in business advice, trading standards, environmental health and more.

4. Better Regulation – Saving businesses money and supporting them to grow

- 4.1 The ethos of our team has always been to work with business to guide them, advise and help them succeed. Over the years, with just straight forward common sense and sensible interpretation of regulations, we have helped many businesses start, grow and flourish. The tools mentioned in section 3 have enhanced this straight forward approach to regulation. The following points exemplify this approach.
- 4.2 When a new business approaches us in the start-up stage, we are acutely aware that they require straightforward and simple help to succeed. Often the enthused business owners'

perception of what the law requires is very different to what is actually required. Without our input, money can be quite easily wasted by the business on 'gold-plating' for regulatory requirements that are just not needed. An example of this is a business using stainless steel on walls in a kitchen when painted, easy to clean walls are all that are required; or the use of stainless steel work surfaces rather than cheaper domestic kitchen surfaces.

- 4.3 Sometimes businesses have great ideas that never get to be realised. Individuals may contact us without a clear business plan and we are able to provide them with information about the sector they are interested about, how they go about establishing themselves and the potential market for their service / product.. This way we can help ensure perfectly valid business ideas get to become established and individuals avoid disappointment and financial loss.
- 4.4 For a growing and even a mature business, cash flow is really important. Some businesses will overstock on products that take up space and essentially until used, are a non-productive use of the resource. The experience of officers enables them to give advice around stock control and stocking levels to help ensure efficient use of space, equipment and ultimately save money.
- 4.5 Some businesses over pay for services provided to them to meet with their regulatory requirements. A good example of this can be around the procurement of pest control or waste services. Through our advice and guidance, we help the business to ensure that the contracts they have are necessary for their needs and not over and above than what is required. An example of this, is a local hairdresser who had a contract for waste disposal of £550 per annum who after discussion with the officer about his needs, changed contractor and reduced his bill to £250.
- 4.6 Often we are conduit to guiding businesses through many regulatory areas not just own. Officers will often provide simple guidance on issues to do with planning, tax, trading standards and licensing, directing businesses quickly to other professionals who can help them if necessary. This could mean that a business will not need to buy in consultancy services and can do the work themselves with our help. For example, in the case of a local wine producer we guided them through the planning process, labelling of the wine through trading standards, the need to contact the tax office about duty and the wine standards board about permitted content.
- 4.7 The delivery of food hygiene training by Lichfield District Council provides local businesses and their staff with practical and real examples of how to conduct their operations. Feedback from these courses suggests businesses value the service and use this knowledge to make compliance with requirements easier.
- 4.8 Our Primary Authority work with the Midlands Co-operative Society and Busy Bees has helped these mature companies challenge their own practices and processes and review how they meet with their regulatory requirements. For the Midlands Co-operative Society and Busy Bees we have reduced large amounts of paperwork for them, shaped certain practices and processes, given them assured advice and dealt with other regulators' questions directly. Both companies are realising the benefits of this through large efficiency savings which ultimately equates to money.

5. Recommendation

- 5.1 That the contents of the report are noted relating to supporting businesses growth through Better Regulation at the local level.

6. Financial Implications

- 6.1 There are some costs to the District Council arising directly from this work in respect of officer time committed to date but some of the benefits to the local and wider economy are already being realised through direct monetary savings.

7. Plan for Lichfield District Implications

- 7.1 The provision of regulatory services and associated business support is a significant part of our statutory role and contributes to the achievement of one of the Council's key goal of *"Boosting Business and our Economy"*

Greater Birmingham and Solihull Local Enterprise Partnership

Regulator and Business Partnership Charter

Greater Birmingham and Solihull Local Enterprise Charter

Ground Floor, Baskerville House

Centenary Square, Broad Street

Birmingham

B1 2ND

27th June 2012

Partnership Charter

This is a charter agreed by local authorities, national regulators and the business community within the Greater Birmingham and Solihull Local Enterprise Partnership area.

The partners are committed to working together to provide a regulatory environment that promotes success in business whilst continuing to provide public protection. The charter sets out roles and responsibilities for both regulators and the businesses community to achieve this aim.

Local authorities and national regulators will work in collaboration and align their services to deliver the following commitments:

We will

1. Provide support for business through a programme of advice and through participating in Primary Authority¹.
2. Create an environment where businesses feel confident to seek advice from a regulator without fear of attracting enforcement activity.
3. Take ownership of any enquiry made to us by business until a satisfactory response is made. Make advice about regulation accessible to business through a website/phone app single point of contact
4. Ensure that all service delivery staff are competent and adopt a professional attitude when engaging with business. Consistency seminars will be provided to ensure that regulation is applied fairly and effectively across the LEP area, and to improve business understanding among staff.
5. Take a risk and intelligence led approach to all compliance and enforcement activities, ensuring protection of consumers, workers, public health and the environment whilst providing a level playing field for business. Recognition will be given to businesses that can demonstrate effective controls.
6. Improve transparency by publishing our approach to compliance and enforcement that explains what the regulator will do and why.
7. Consult with local businesses to shape service delivery and develop innovative regulatory approaches that promote business success.
8. Be accountable to business, giving them confidence to make comment and criticism through the proposed LEP feedback mechanism.

1 'Primary Authority' is a scheme run by the Better Regulation Delivery Office that allows businesses to work with one local authority to agree a consistent approach to regulation across the UK.

The Chambers of Commerce, Federation of Small Businesses and trade organisations will encourage the business community, through publicity, forums, emails and mail shots to:

1. Access regulatory advice by asking any regulator a question or through the one stop web/phone app.
2. Be confident in approaching regulators for advice without fear of enforcement activity.
3. Use the proposed LEP feedback mechanism to provide feedback, good and bad, after interactions with regulators.
4. Build a positive relationship with regulators that improves compliance amongst the business community and supports business growth within the LEP area.
5. Acknowledge the contribution made by regulators and support positive publicity when there are improvements in business engagement with regulatory services.
6. Help other businesses to succeed through participating in a business mentor scheme.
7. Engage in business and Regulator forums, and other opportunities, to shape regulation delivery in the LEP area.

Partnership Charter – Signatories

Solihull Metropolitan Borough Council

Birmingham Chamber of Commerce

Environment Agency

Lichfield District Council

West Midlands Fire Service

Cannock Chase Council

Partnership Charter – Signatories

Birmingham City Council

Worcestershire Regulatory Services