

Improving the Effectiveness and Efficiency of Inspections

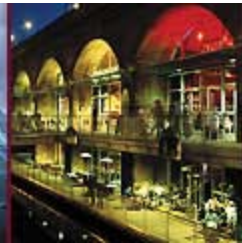
Questions of design & delivery

Graham Russell

Better Regulation Delivery Office

BRDO

Better Regulation Delivery Office



BIS | Department for Business
Innovation & Skills

What are the factors in deciding how to organise regulatory structures?

- Technical and Operational – based on human capital (skills) and equipment
- Outcome basis – based on policy areas normally narrow at national level and broader at local
- Customer basis – based on sectors in the economy and offering a business focus

Benefits of Local Delivery

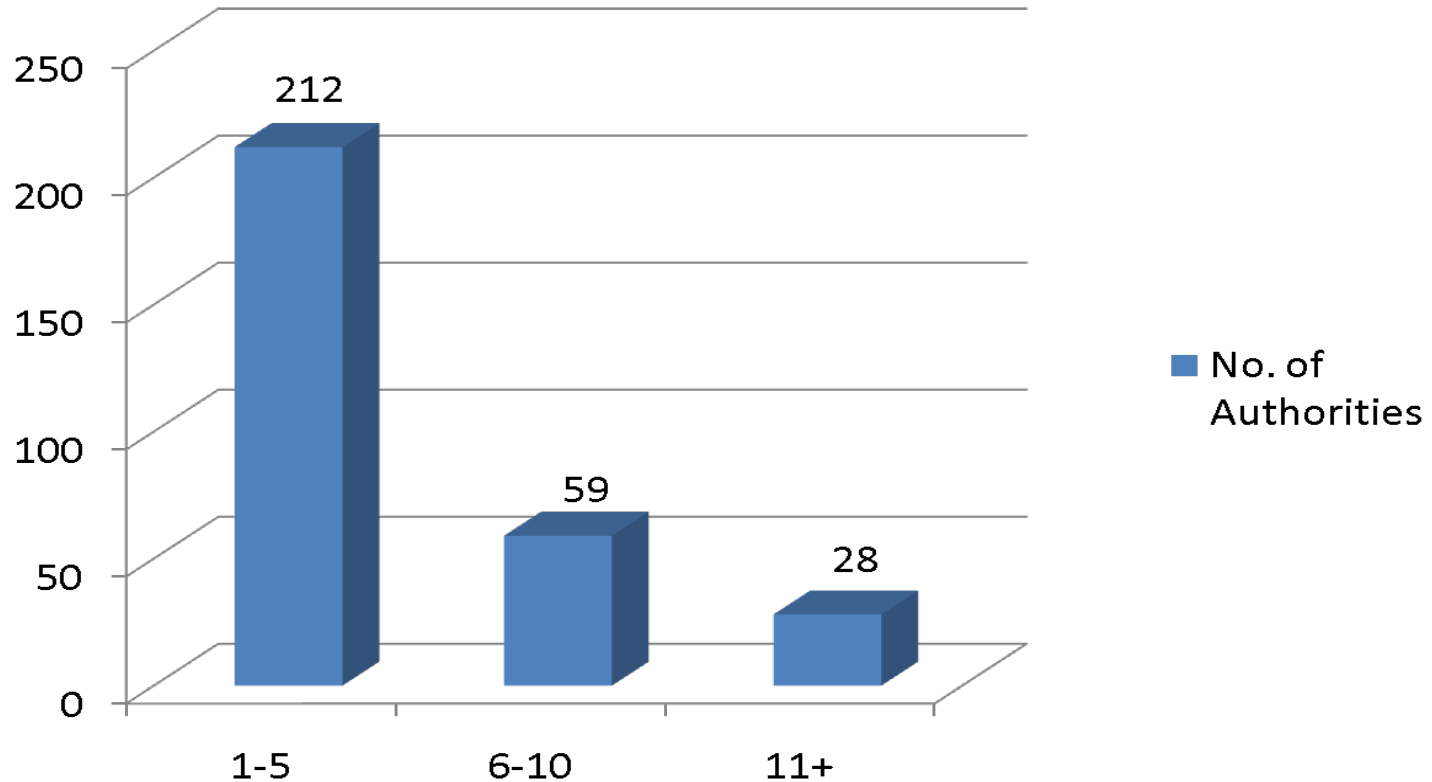
- Cross cutting so lower business costs
- Multiple outcomes (creating 'place')
- More flexible to priorities/needs
- More accountable to (small) business
- Lower operating costs
- Less susceptible to political change?

Benefits of National Delivery

- Focus on single strategic outcomes
- Economics of scale in maintenance of expertise
- More accountable to national businesses
- Addressing national threats
- Lobbying government

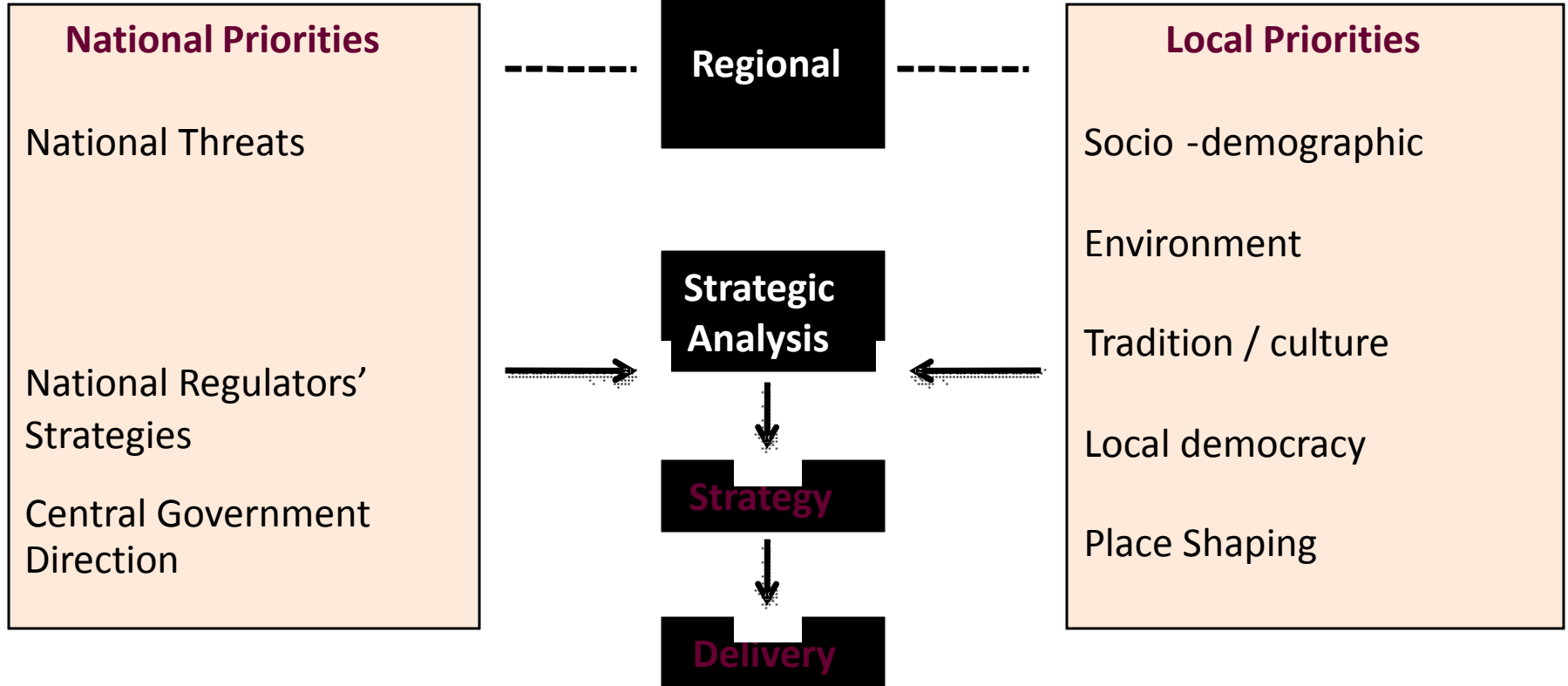
Meat Products England

Number of Approved Establishments per Local Authority



Prioritisation Local / National

Evidence Based
Perception v Reality



Primary Authority – some background

It's to stop this sort of madness that the LBRO has been set up

Primary Authority enables a **business** to form a statutory partnership with a **single local authority**, which then provides **robust and reliable advice** for other councils to take into account when carrying out inspections or dealing with non-compliance.



Jerry Blackett

Chief Executive-Birmingham Chamber of Commerce

Primary Authority some background

Primary Authority: the gateway to simpler, more successful local regulation.

- **A single point of contact** – ensures efficiency and consistency
- **Better information sharing** - secure IT system provides details on risks and systems
- **Feedback on compliance** – enabling collaborative work to adapt procedures
- **Inspection plans** - co-ordinate activity and standardise feedback

Towards a Customer Focused Approach

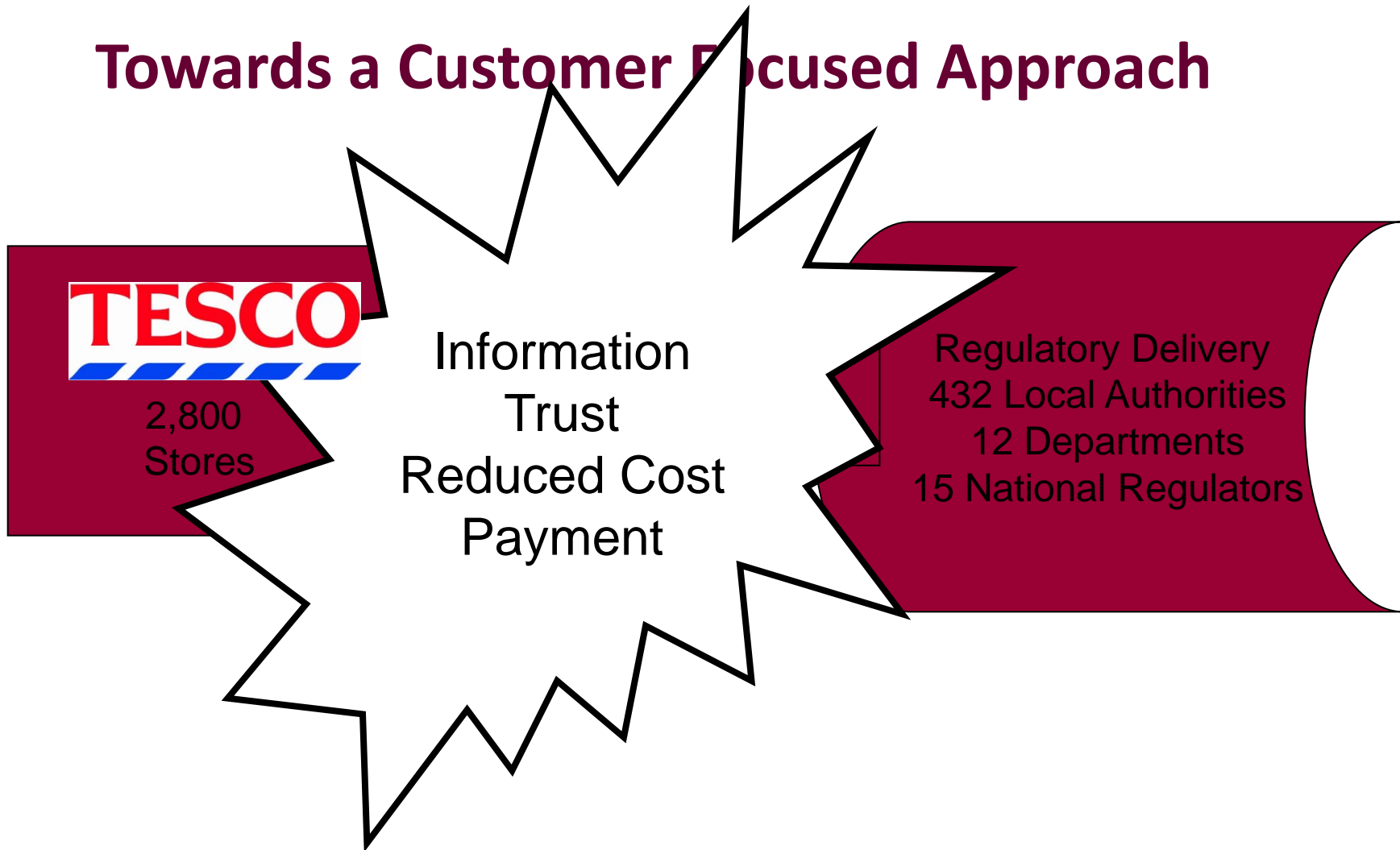


2,800 stores in the UK
250,000 staff

Confusion
Cost
Inconsistency
Mistrust

Regulatory Delivery
433 Local Authorities
12 Departments
15 National Regulators

Towards a Customer Focused Approach



Towards a Customer Focused Approach

Multi site retailer only?

Restaurants and pubs

Internet sales

Small manufacturer-internet sales

Multiple factories-import & export

Franchise operator



Towards a Customer Focused Approach

National Federation
of Retail Newsagents
38,000 Small Shops

Information
Trust
Reduced Cost
Payment

Regulatory Delivery
432 Local Authorities
12 Departments
15 National Regulators

Towards a Customer Focused Approach

Opportunities

- Risk Based Approach - Earned recognition
- New Culture - Based on trust
- Reduced Cost - Collect data once use many times
- Equitable Charging - Application
- Accountability - Key relationship
- Assess risks across sectors - Multi topic inspections

Risk Based Regulation

- a) Strategic Risk – recognising driver from policy and statute
- b) Prioritisation – synthesising national and local
- c) Operational Risk Assessment – selecting optimum intervention strategies
- d) Risk Based Targeting – maximising the value of inspection
- e) Sanctioning by Risk – ensuring a proportionate response

Risk categories

Likelihood of non-compliance

	Very low	Low	Medium	High	Very high
High	Lower Medium	Upper Medium	Upper Medium	High	High
Upper medium	Lower Medium	Lower Medium	Upper Medium	Upper Medium	High
Lower medium	Low	Lower Medium	Lower Medium	Upper Medium	Upper Medium
Low	Low	Low	Lower Medium	Lower Medium	Upper Medium

Inspections by risk

Decide most appropriate tool and frequency

- High risk
- Upper medium
- Lower medium – alternatives to inspection
- Low risk – alternatives to inspection

- Sector based approach
- Examples

Effective Inspections

Important to consider what you will do:

- Before the inspection
- During the inspection
- After the inspection

Why am I inspecting?

Every inspection should have a purpose

- Is inspection the best way to solve the problem or is there an alternative approach?
- What do I want to achieve by inspecting?
- What will be the outcome of the inspection?

During the inspection

- ***What should I check?*** Checklists can help inspectors focus on the areas of highest risk and carry out inspections in an effective and efficient way.
- ***Should I check goods or the paperwork?*** Checking goods or the premise will tell an inspector what *is* going on in a business, while checking records will tell an inspector what *has* been going on. Inspectors should check goods first, and then look at the paperwork. Are they consistent?

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