



Department  
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Innovation & Skills

Better  
Regulation  
Delivery Office

## Review of Primary Authority: quantitative surveys

June 2015



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## Executive Summary

### Context

- 1 This is one of two studies into Primary Authority undertaken by acl consulting in the early months of 2015<sup>1</sup>. It is based on telephone surveys of:
  - 275 businesses in a primary authority partnership with a local authority covering one or more regulatory area(s)
  - For comparison, 103 businesses eligible for Primary Authority but not at present in a partnership
  - 100 local authorities who hold primary authority partnerships with businesses.
- 2 The first and last samples were independent (in other words, the businesses in Primary Authority and the primary authorities were not necessarily from the same primary authority partnership).
- 3 The aim of the studies was to provide information about the development of Primary Authority, and its value to participants, (broadly) five years after it had been introduced. The combination of the quantitative analysis possible from this present study, and the more qualitative data obtained from the parallel study just referred to, is intended to guide the further development of the programme.

### Findings

- 4 The interview questionnaires covered many areas in great detail, and it is difficult to summarise the varied responses in a few words without running the risk of misrepresenting the data. However it is fair to say that overall the research demonstrates support for Primary Authority from both businesses and their primary authority (local authority) partners. For example, over 90% of businesses intend to renew their Primary Authority agreement annually for the foreseeable future.
- 5 Readers unfamiliar with Primary Authority may be surprised at how many partnerships were quite “small” – both in terms of the fees charged annually by the local authority partner and also in terms of the levels of activity reported. As the report notes, nearly a quarter of businesses did not pay anything for Primary Authority, and of those that did the median fee was just over £1,800. But these smaller partnerships are just as prized by the

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<sup>1</sup> The other study, *Review of Primary Authority: qualitative fieldwork with enforcing authorities*, is being published simultaneously.

businesses concerned – arguably more so – and represent an important part of now those businesses approach making regulation work for them.

- 6 While it should be noted that many of the businesses not in Primary Authority we contacted had not heard of the programme before we contacted them, a proportion of these businesses were keen to learn more about it once we had explained (albeit very briefly) what benefits it provided – 30% asked for their details to be passed to BRDO. If it is valid to apply this proportion to the large number of businesses eligible to benefit from Primary Authority<sup>2</sup> then it suggests there is the potential to help substantial numbers of businesses with their regulatory environment in the future.
- 7 Comparing the business surveys, improvements on the six “dimensions of regulation” explored across both businesses in Primary Authority and those outside it<sup>3</sup> are reported by a greater proportion of businesses in Primary Authority than of businesses outside it.
- 8 There are however no “open and shut” cases where matters are improving for the majority of businesses in Primary Authority while getting worse for the majority outside; the effect is more nuanced than that and businesses not in PA are more likely to report “no change” than that their position is actually deteriorating.
- 9 However on most of our measures, businesses in Primary Authority are between two and three times more likely to “agree” with the proposition that matters are improving than businesses not in the scheme (the most marked effect is in the resolution of instances of non-compliance). Almost four in five businesses in Primary Authority attribute positive changes in their regulatory experience to being in Primary Authority rather than to any other changes in the regulatory environment. Two thirds attribute improvements fully to the scheme, a third do so partially. Businesses in Primary Authority also have a slightly higher chance of seeing decreasing costs of regulation than those not part of the scheme.
- 10 Taken together, these (and other findings covered in the report) suggest that it may be possible to ascribe considerable systemic benefits to Primary Authority. However it should be pointed out that the report relies on

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<sup>2</sup> To be eligible for a Primary Authority direct partnership a business must operate within the ambit of a regulated area (see Annex 4) and must also operate within more than one local authority area. However this still includes a significant number of UK businesses, of whom only a small proportion are currently within Primary Authority. Eligibility for Primary Authority has recently been extended considerably with the introduction of coordinated partnerships in October 2014: this was too recent a development for businesses in coordinated partnerships to be included in this research.

<sup>3</sup> These are: time spent on regulatory matters; the quality of the regulatory relationship with local authorities; the number of inspections; the frequency of instances of non-compliance noted; how readily resolvable any instances of non-compliance are proving to be; and the number of times enforcement notices are issued.

businesses' self-analysis of their circumstances and not on an externally objective evaluation of these circumstances.

- 11 Such an evaluation would also be in a better position to draw formal comparisons between businesses' circumstances pre- and post-Primary Authority, and also between member and non-member businesses matched in a more formal way. In particular, it would be interesting to look for comparative purposes at businesses that had not joined Primary Authority but were nevertheless progressively adopting risk-based approaches to their regulatory activities.



# 1 Introduction

## A brief outline of Primary Authority

- 101 Primary Authority was introduced through Part 2 of the Regulatory Enforcement and Sanctions Act 2008 [RESA] as a means of securing, by statute, greater coordination across and consistency of enforcement by local authorities of certain regulated areas of activity than had proved possible under voluntary arrangements. Part 2 of RESA came into force on 6th April 2009 and was an element of the then Government's commitment to implementing policies to address the findings of the Hampton Review. The Review concluded that significant variations and inconsistencies in the application of what were supposed to be national regulatory standards resulted in conflicting advice, uncertainty and unnecessary administrative burdens for businesses, and wasted effort for both businesses and the enforcing authorities concerned.
- 102 Prior to the introduction of Primary Authority ostensibly similar arrangements operated on a voluntary basis – the Local Authorities' Coordinators of Regulatory Services [LACORS] "Home Authority" scheme, the Health & Safety Executive's "Lead Authority Partnership Scheme" which ran until April 2011, and the Retail and Fire Key Authority Partnerships [RAFKAP] are the prime examples. Many early adopters of Primary Authority were either switchers from or had previous experience of these voluntary schemes.
- 103 Key differences between Primary Authority and the voluntary arrangements, which at least in part explain why the latter were not seen by Hampton as the solution in most cases, are that Primary Authority:
- Is set up on a statutory basis – amongst other things, this means that the existence of an agreement cannot be ignored by other local authorities not directly party to it and that there is a limit to the liability of the primary authority should its advice prove deficient
  - Allows for cost recovery by the primary authority
  - Has provision for the primary authority, as the lead organisation on the local authority side, to draw up an inspection plan and/or Primary Authority Advice that has an impact on the regulatory activities of other ("enforcing") authorities
  - Has a formal referral and appeals process to resolve disputes between primary and enforcing authorities
  - Extends the previous Home Authority arrangements (which focused on trading standards and food safety). Although devolution complicates the picture to some extent, in broad terms a total of (at the time of the

research) twenty areas of local regulation are in scope for Primary Authority.

104 Further background information on Primary Authority is included as Annex 5 to this report.

105 In June 2011 there was a BIS consultation on *The Future of the Local Better Regulation Office [LBRO] and extension of the Primary Authority scheme*. Following the consultation the Better Regulation Delivery Office [BRDO] was created on 1 April 2012 as an independent unit within BIS and took over responsibility for Primary Authority from LBRO.

106 Primary Authority continues to evolve with refinements to the process, additional regulatory areas being brought in scope for partnerships and extensions to the type of partnerships that are available.

### The basis of our study

107 At the time Primary Authority was launched a commitment was made to review the scheme after five years. In 2014, BRDO commissioned that review to evaluate the first five years of operation and to look at how the scheme should develop in the future. It wished to look at all parties affected by the scheme, which includes:

- Businesses in primary authority partnerships with one or more local authorities
- Businesses eligible to join Primary Authority (broadly, those businesses which operate in more than one local authority area and are covered by areas of local regulation currently in scope for the scheme), but who have not (yet) done so
- Local authorities who are in primary authority partnerships with businesses
- Local authorities more generally, who will encounter Primary Authority when they interact with a business that has a primary authority partnership in place when carrying out their regulatory functions. This effectively includes all local authorities,

108 Accordingly, as part of the review process, in November 2014 BRDO commissioned a consulting firm to carry out two research projects:

- A piece of primarily qualitative research focused on the impact that Primary Authority has had on enforcing authorities (completed through face-to-face interviews) – reported on separately.<sup>4</sup>

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<sup>4</sup> *Review of Primary Authority: qualitative fieldwork with enforcing authorities.*

- A quantitative research project focused on the impact that Primary Authority has had on businesses and primary authorities (completed through a total of three telephone surveys) – the project reported on here.

### This research

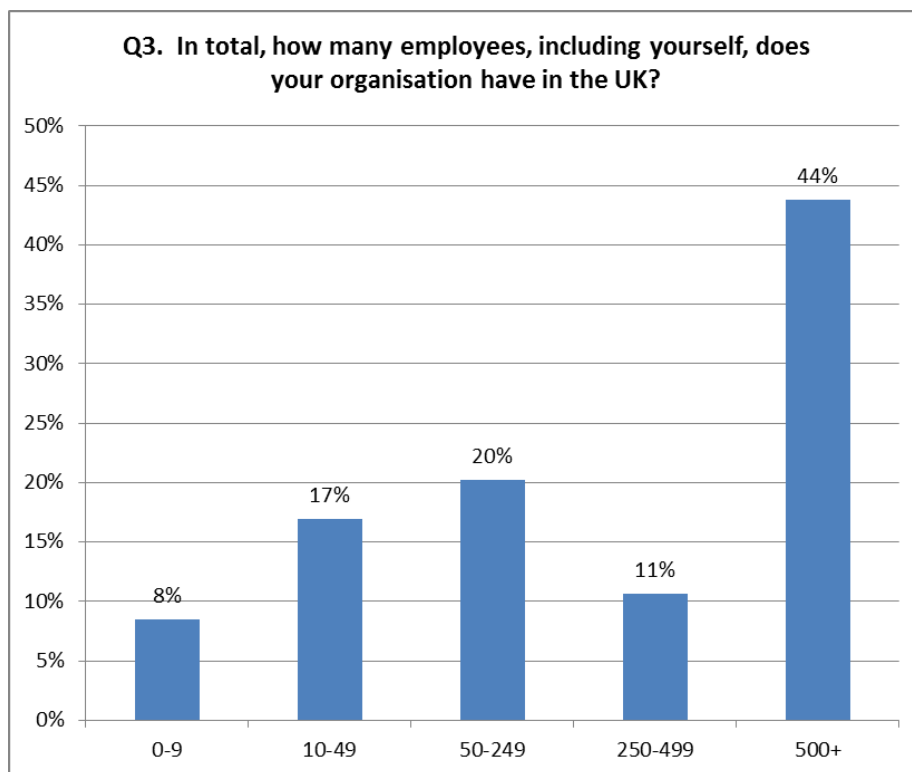
- 109 This is the latest in a number of research projects that acl consulting has carried out for BRDO into Primary Authority.
- 110 In almost all impact research, a balance has to be struck between large-scale surveys (by questionnaire or telephone) of large samples of affected parties, and smaller scale “case study” approaches, usually based on face-to-face interviews. The larger scale surveys can potentially provide quantitative information that can (within reason) be “scaled up” to support conclusions about cost per participant, value for money, return on investment and other quantitative measures of a policy’s impact, while the smaller scale interview programmes unpack the underlying issues behind a policy’s success (or indeed its weaknesses). Both are therefore important.
- 111 The research described by this present document falls more into the first of these two categories. It is based on a telephone interview programme covering three of the four constituencies of interested party listed above:
- Businesses already in a primary authority partnership with a local authority (275 telephone interviews)
  - A group of businesses eligible to join Primary Authority, but who had not (yet) done so (103 telephone interviews)
  - Local authorities in a primary authority partnership with one or more businesses (100 interviews).

The businesses not yet in Primary Authority were not a formal “control group” as such, but (as we mention below) our interview schedules were designed so that wherever possible we could draw comparisons between the responses given by businesses in Primary Authority and those who were not.

- 112 The businesses in Primary Authority and the primary authorities were not necessarily from the same primary authority partnership. While comparing responses from “both sides of the same partnership” would certainly yield interesting insights – and indeed we have previously adopted this methodology in earlier Primary Authority projects we have carried out for BRDO – trying to accomplish these comparisons in a project based on telephone interviews sourced from a database would be excessively complex, and it was agreed at the start of the project it would not be attempted.
- 113 Steps were taken to ensure that interviewees came from as wide a geographical range and covered as great a variety of business sectors (and thus regulated areas) as practicable. However it is in the nature of a telephone interview survey – which, as will be appreciated, sits between a

very large scale paper based questionnaire survey and a much smaller face-to-face qualitative interview programme – that true statistical stratifying of the sample without extensive screening questions is difficult, and we would not want to make exaggerated claims that the sample of businesses here is absolutely representative of UK businesses in terms of geographical location, industrial or commercial sector, etc.

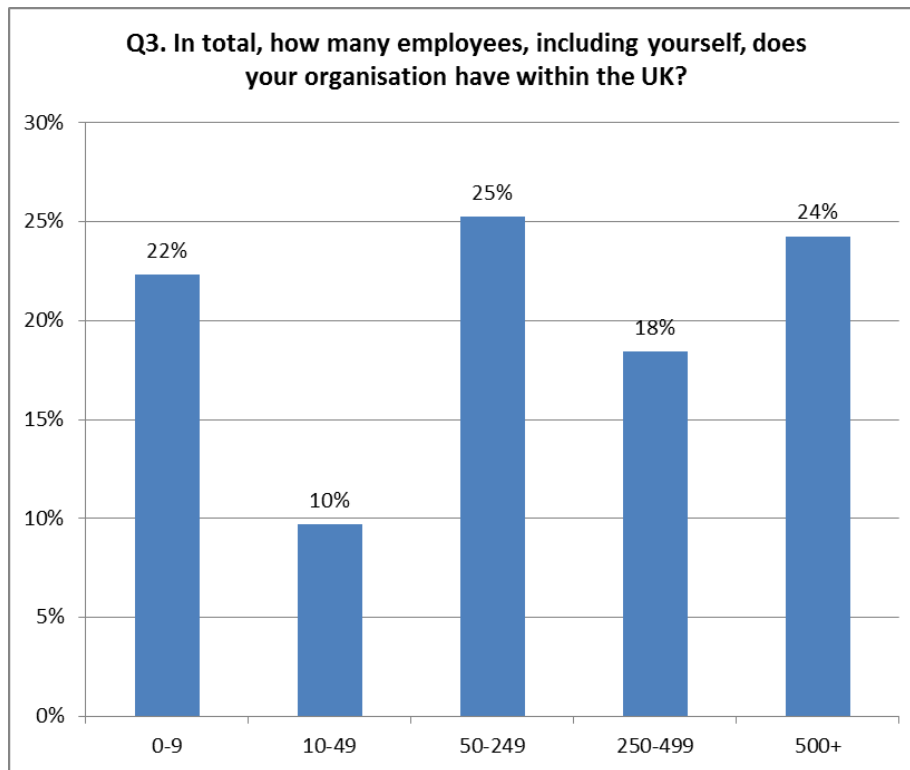
114 Efforts were made to ensure that businesses of a range of sizes (measured by employee headcount) were sampled: the figures below show the distribution by business size for both business samples. However, at the time of the research Primary Authority had considerably less relevance to most small employers – there are a number of way in which this has subsequently changed, which are not relevant to this report – so it would not have been helpful or desirable (if indeed even possible) to mirror the national distribution of employees by size in our research.<sup>5</sup>



**Figure 1. Businesses participating in PA: employee headcount**

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<sup>5</sup> The samples do not, therefore, model the distribution of UK businesses by employee size: in 2015 just under 82% of UK businesses with employees employed 9 people or less. (Almost four fifths of UK businesses have no employees at all.)



**Figure 2. Businesses not in PA: employee headcount**

- 115 We therefore cannot and do not make any claim that our samples were fully representative of the underlying populations in each case: we are not even sure that it is possible to achieve this. For example, it is not necessarily self-evident what aspects of the underlying populations (of businesses in Primary Authority, those not, and local authorities, respectively) one would model in order to assess the representativeness of the samples.
- 116 Neither the businesses nor the local authorities we approached were obliged – or indeed under any pressure – to consent to take part in our research. The possibility of “volunteer bias” – namely, that interviewees with strong views (positive or negative) were more likely to agree to take part than those without such strong views – therefore cannot be discounted (though, as noted below, rejections from businesses in PA were rare – as were rejections from LAs).
- 117 The points made above notwithstanding, we believe that the samples on which we base our analysis are sufficiently large, and draw upon a sufficiently different range of interviewees, for the conclusions we draw from our analysis to be of interest.
- 118 Business interviewees were usually senior staff at manager or director level; in local authorities staff involved in the day-to-day administration of Primary Authority were interviewed.
- 119 BRDO maintains a database from which the first and third groups of interviewees could be drawn; the second (nonparticipant) group were selected from various commercial business databases. When selecting

nonparticipants from the database, their eligibility for Primary Authority – in other words, whether they were impacted by any of the regulated areas and whether they operated across more than one local authority – was always checked.

- 120 The telephone interviews were carried out by Qa Research Ltd of York, between January and March 2015, using computer-aided telephone interviewing techniques. Qa staff were fully briefed about PA so they understood its context, terminology, purpose etc. – some had been involved in previous PA-related research projects for a/c/l.
- 121 Annex 1 to this report includes copies of the questionnaire texts used. It is important to note that the “hit rate” for the businesses not in PA survey was 0.2 (i.e. it took five contacts to identify a business that was PA-eligible *and* willing to complete the survey); the equivalent rate for businesses in Primary Authority was 0.8.
- 122 It will be seen that the questionnaires include a mixture of “closed”/ quantitative questions and more open, qualitative questions to which interviewees could give a “free text” response. The closed/quantitative questions were analysed graphically using (mainly) bar and pie charts, while the open questions were summarised on an “emerging categories” basis, under which answers given by different interviewees that covered essentially the same ground (though in different words) were grouped together. Annexes 2 to 4 set out our analysis of the three questionnaires for businesses in PA, businesses not in PA and local authority partners respectively.
- 123 Although the three questionnaires were conducted separately, they were designed as far as possible to cover similar areas. Thus businesses in PA and local authorities in primary authority partnerships were asked similar questions about the benefits of Primary Authority, so that their answers could be compared. Similarly, businesses not in Primary Authority were asked (effectively) about their experiences of local authority regulation outside the scheme so that their answers could be compared with the participant businesses’ answers to equivalent questions.
- 124 This project thus delivered important “raw material” to the Department for Business, Innovation and Skills [BIS] and BRDO to contribute to the ongoing development of Primary Authority. The original datasets (anonymised) were shared with BIS at the time of the research.
- 125 In view of our experience of researching into Primary Authority we were also asked to supply a commentary on our research findings, and in particular to draw out the parallels between equivalent answers from our three constituencies, which the separate analyses in Annexes 2 to 4 cannot do. Each sub-section in the report therefore includes a “Commentary” on the findings reported in the preceding text, tables and graphs.

## The plan of this document

- 126 This document discusses, in its five subsequent sections:
- The impact of PA on enforcement activity
  - The costs and benefits incurred by participating parties
  - Factors contributing to the “quality” of a partnership
  - How fees and charges are assessed and administered
  - How PA might (in the views of its participants) develop in the future.
- 127 Each section begins with a short summary of what PA was *expected* to achieve or facilitate, followed by a summary of the data drawn from the detail relating to one or more groups of respondents (as contained in Annexes 2 to 4), followed by a short commentary. We have taken care to distinguish our commentary from the summary of findings: readers can therefore judge for themselves the extent to which the commentary is supported by the data.
- 128 We have not felt obliged to comment on every single question in each questionnaire in the same level of detail (or indeed, at all). To do so would have produced a report of unmanageable length. Interested readers will therefore find further detail in Annexes 2 to 4 on which to base their own conclusions.

## Acknowledgements

- 129 We would like to acknowledge the support and assistance we have had from our Project Manager in BRDO and from all of her colleagues who have contributed to our thinking on this project.
- 130 We would also like to thank Qa Research Limited for their skill and expertise in carrying out the telephone interviews.
- 131 Most of all, we acknowledge the support from our interviewees, from all groups, whose patience and (in many cases) enthusiasm for Primary Authority maximised the benefit we received from what were quite long and complex questionnaires.

## 2 Impact on Enforcement Activity

### The original objectives of PA

- 201 It was envisaged that Primary Authority would lead to the following beneficial consequences as far as enforcement activity was concerned:
- Improved levels of compliance, that is a reduction in the number of incidents of non-compliance (whether formal enforcement action was taken or not)
  - A reduction in inconsistencies in the interpretation of regulations; such inconsistencies have the potential to arise when businesses operating in more than one local authority area receive inconsistent advice on how they should comply from equivalent enforcement officers in two different local authorities
  - A new channel of communication between the business's partner local authority (i.e. their primary authority) and other local authorities [LAs] throughout the country, under which discussions between the primary authority and other LAs might to an extent replace the other LAs' "needing to trouble the business".

To what extent were these objectives realised?

### Improved levels of compliance

- 202 Businesses in PA were asked five questions<sup>6</sup> probing whether levels of compliance had improved. The responses to these questions are shown in the following table:

Issue	Finding	%
The frequency with which instances of non-compliance occur <i>n=59</i> <sup>7</sup>	<ul style="list-style-type: none"><li>• PA has no impact</li><li>• Matters improved (i.e. fewer cases)</li></ul>	54% 46%

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<sup>6</sup> In fact, many of these were all sub-questions of a single multi-part "do you agree with the following" question, number 19 in the businesses in PA questionnaire.

<sup>7</sup> As a convention in this report, values for sample size "n" relate to the number of respondents to whom the question could logically refer. In this instance, only 69 businesses in PA respondents (of the 275 interviewed) had experience of instances of non-compliance so clearly the remainder could not be asked to comment on whether Primary Authority had reduced the number of instances of non-compliance. More generally, "don't knows" are excluded from the tables so as to make them easier to read: exceptions to this are specifically highlighted.



Issue	Finding	%
The way in which instances of non-compliance are resolved <i>n=63</i>	<ul style="list-style-type: none"> <li>• Worse</li> <li>• No change</li> <li>• Better/much better</li> </ul>	2% 24% 75%
The speed with which instances of non-compliance are resolved <i>n=62</i>	<ul style="list-style-type: none"> <li>• Worse</li> <li>• No change</li> <li>• Better/much better</li> </ul>	3% 29% 68%
The clarity of advice received in instances of non-compliance <i>n=63</i>	<ul style="list-style-type: none"> <li>• Worse under PA</li> <li>• No change</li> <li>• Clearer/much clearer</li> </ul>	2% 17% 81%
The business is now more confident that it is compliant <i>n=270</i>	<ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul>	3% 13% 84%
<i>Business in PA questionnaire questions 19, 11.</i>		

203 These responses were analysed by size of business, dividing businesses into “small/medium” (up to 499 employees) and “large” (500 or more)<sup>8</sup>. There were no particular differences in the responses between these two groups. (Similar analyses will recur in various places in this report.)

204 As a “check question”, businesses not in PA were asked for their views on the advice about regulatory matters that they were receiving, and on their perception of their own compliance:

Issue	Finding	%
The advice we (businesses not in PA) are receiving about matters of non-compliance is improving <i>n=99</i>	<ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul>	14% 61% 25%
We (businesses not in PA) are becoming more confident that we are	<ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> </ul>	6% 18%

<sup>8</sup> For an explanation of why 500 was chosen as the cut-off, see the footnote to paragraph 5 in Annex 2.

Issue	Finding	%
compliant <i>n=103</i>	<ul style="list-style-type: none"> <li>• Agree</li> </ul>	76%
<i>Business not in PA question 6.</i>		

205 Finally, both businesses in PA and LA staff with a primary authority partnership responsibility were asked whether in their view Primary Authority demonstrably improved “their” business’s compliance:

Issue	Finding	%
Primary Authority has demonstrably improved the business’s compliance	<i>Local authorities</i> <ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul> <i>n=98</i>	12% 25% 62%
	<i>Businesses in PA</i> <ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul> <i>n=272</i>	13% 30% 57%
<i>LA question 14a. Business in PA question 15.</i>		

### *Commentary*

206 Businesses with a primary authority partnership are reporting significant improvements in the frequency of issues of non-compliance (i.e. that they are reducing). They are also reporting significant improvements in the way in which issues of compliance that are identified are resolved (including in the clarity of advice given). Overall, they are increasingly confident that they are compliant.

207 Both businesses and local authorities attribute improvements to PA in a clear majority of cases, though a significant minority are not so certain of this.

208 By the same token, business not in Primary Authority are also reporting increasing confidence, and (in some instances) improvement in advice given. This may reflect a change in emphasis among enforcing officers in local authorities away from “prosecution” or other statutory intervention and in

favour of more “encouragement to do the right thing”: this change in emphasis was certainly something that many of our interviewees for the other project<sup>9</sup> were keen to emphasise.

## Reductions in regulatory inconsistency for businesses

209 As noted above, reducing inconsistency in advice given to businesses (or indeed requirements laid on them) is a major objective of Primary Authority. Businesses in PA were asked directly whether they were receiving more consistent advice, while the group of businesses eligible to join PA but not currently in a Partnership were asked a similar question. This latter group were also asked whether they did indeed receive contradictory advice on regulatory matters.

Issue	Finding	%
We (businesses in PA) are receiving more consistent advice on regulatory matters <i>n=273</i>	<ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul>	<p>4%</p> <p>23%</p> <p>73%</p>
We (businesses <b>not</b> in PA) are receiving more consistent advice on regulatory matters <i>n=101</i>	<ul style="list-style-type: none"> <li>• Disagree</li> <li>• Neutral</li> <li>• Agree</li> </ul>	<p>11%</p> <p>53%</p> <p>36%</p>
We (businesses <b>not</b> in PA) receive contradictory advice on regulatory matters ... <i>n=101</i>	<ul style="list-style-type: none"> <li>• ... never</li> <li>• ... sometimes</li> <li>• ... frequently</li> </ul>	<p>57%</p> <p>27%</p> <p>16%</p>
<i>Businesses in PA question 11. Business not in PA questions 6 and 4.</i>		

## Commentary

210 Both businesses with a primary authority partnership and those without are overall more likely to report that advice has been getting more rather than less consistent (or at least, for businesses not in PA, to report matters are not getting worse). However businesses in PA are significantly more likely to report matters have improved; nearly three-quarters take this positive position.

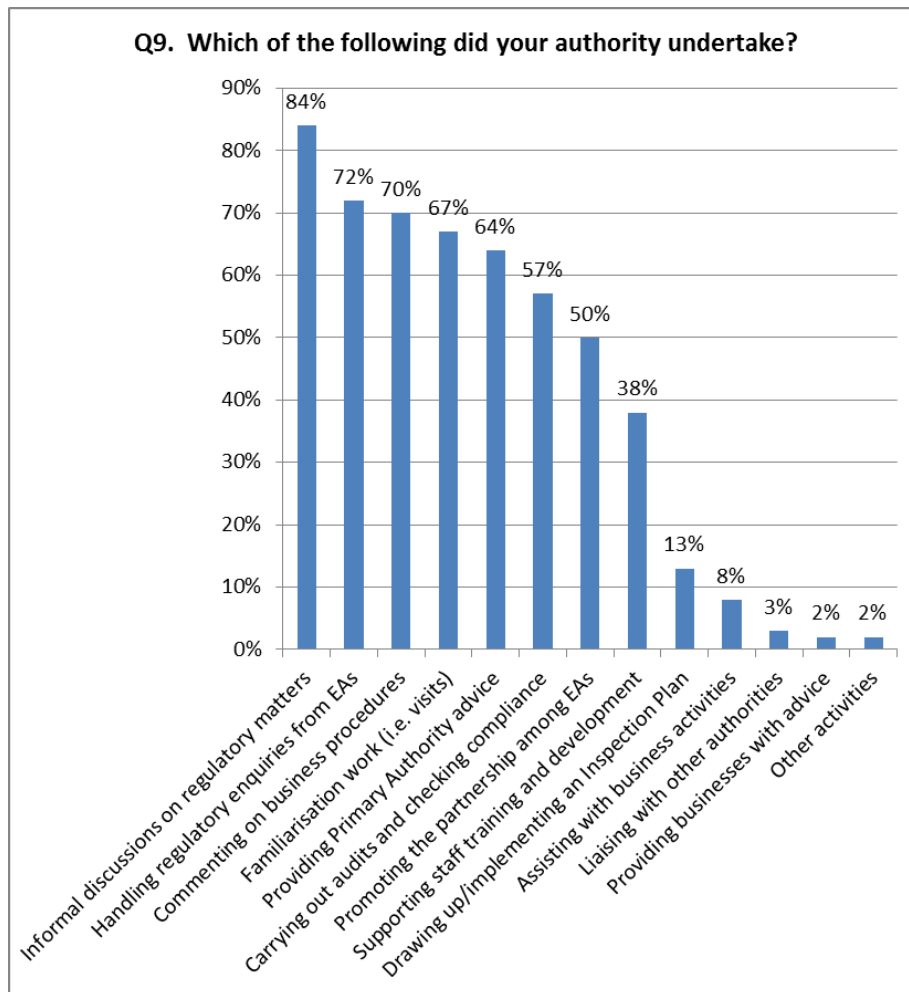
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<sup>9</sup> *Review of Primary Authority: qualitative fieldwork with enforcing authorities* (being published contemporaneously with this Report).

- 211 On the other hand, a majority of businesses not currently in PA do not report contradictory or inconsistent advice as a problem. It is of course conceivable that receiving contradictory or inconsistent advice is for some businesses a particular *spur* to joining Primary Authority and this is what we might be seeing reflected in the results for businesses in PA (72% now receiving more consistent advice).

#### A new communication channel with local authorities

- 212 As noted above, one of the advantages claimed for Primary Authority is that it provides a new channel through which local authorities (other than the primary authority partner) can raise regulatory or enforcement concerns. The idea is that “routine” regulatory issues can be raised by an “enforcing authority” with the primary authority, rather than with the business; for its part the primary authority can then address and hopefully resolve the issue speedily and efficiently, possibly without needing to refer it to the business concerned.
- 213 More proactively, it was hoped that the primary authority might “promote the partnership” with other local authorities, disseminating information in a way that might perhaps avoid local authorities needing to raise some issues in the first place.
- 214 Q 9 in the local authority survey asked about the extent to which primary authorities undertook these two roles, and also about a more general range of roles that primary authorities might undertake. Figure 3 shows the responses.



**Figure 3. Roles undertaken by primary authorities. n=88**

- 215 As will be seen, handling regulatory enquiries is the second-most popular “function” of a primary authority partnership; promoting the partnership among enforcing authorities is however further down the list, with “liaison” (as always, possibly an undefined term) lower still.
- 216 Figure 3 also, of course, provides a general survey of what primary authority partnerships “do”.
- 217 Note also that “n=88” implies that 12 of the partnerships sampled were, effectively, inactive from the local authority perspective – that is, they did nothing. This is consistent with the finding we report later [Businesses in PA survey, Q 16] that 13% of businesses in PA recorded no partnership activity in the most recent period. (Small and medium businesses were more likely than large businesses to report inactivity.)

### *Knowing about a primary authority partnership*

- 218 For this new channel of communication to work, enforcing authorities must know there is a primary authority partnership in existence, and must agree to contact the primary authority first before contacting the business if this is what

is specified on the Register (except, of course, where urgent action is required). Three questions in the business in PA survey, and one in the local authority survey, addressed these issues.

- 219 The first questions asked whether businesses in PA had noticed any changes in their interaction with enforcing authorities.

Issue	Finding	%
Since we (a business in PA) joined Primary Authority, have we noticed any changes in the way enforcing authorities deal with our business? <i>n=271</i>	<ul style="list-style-type: none"> <li>• No</li> <li>• Yes</li> </ul>	63% 37%
<i>Business in PA question 24.</i>		

- 220 This last result varied significantly by size of business, with larger businesses being more likely than small/medium ones to have noticed changes: this result is consistent with small and medium businesses being more likely to report their partnership was inactive.

- 221 The next question was only put to the 100 businesses (37%) who believed there had been some significant changes:

Issue	Finding	%
Do enforcing authorities appear to know that we (businesses in PA) have a PA partnership? <i>n=95, from the 100 who answered "yes" to question 24.</i>	<ul style="list-style-type: none"> <li>• No</li> <li>• Sometimes</li> <li>• Yes</li> </ul>	11% 21% 68%
<i>Businesses in PA question 26.</i>		

- 222 Again, larger businesses were more likely to have answered "Yes"/"Sometimes" to this question. Again this is consistent with small and medium businesses being more likely to report their partnership was inactive. It is also consistent with the way in which many of the enforcing authority staff that we spoke to identified whether or not a partnership was in place (i.e. "We look on the Register if we think the business might have one."); they are less likely to look on the Register if the business is not a recognised national name.

223 However, it is difficult to see how a business could have noticed changes in the way enforcing authorities deal with it (i.e. answered “Yes” to Q 24) if the enforcing authority staff do not (ever) seem to know that the primary authority partnership is in place, so this 11% “no” statistic for Q 26 must be treated with caution. A better way of summarising these two questions might be as follows:

Finding	%
<ul style="list-style-type: none"> <li>Enforcing authorities do not treat us (businesses in PA) any differently now we are in Primary Authority; they may or may not know about our partnership but it doesn't appear to make any difference</li> </ul>	64% - 68%
<ul style="list-style-type: none"> <li>Some enforcing authorities treat us differently; clearly staff from these authorities know there is a partnership in existence</li> </ul>	8% - 11%
<ul style="list-style-type: none"> <li>As far as we can tell, staff from all enforcing authorities know there is a partnership in existence, and treat us differently as a result.</li> </ul>	24%

224 Q 15 from the businesses in PA survey provides a check to these figures:

Issue	Finding	%
Are enforcing authorities routinely contacting the primary authority first? <i>n=211</i>	• No/Neutral <sup>10</sup>	50%
	• Yes	50%
<i>Businesses in PA question 15.</i>		

225 Primary authorities, asked a similar question, responded more positively:

Issue	Finding	%
Are enforcing authorities routinely contacting you (the primary authority) first? <i>n=89</i>	• No/neutral	45%
	• Yes	55%

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<sup>10</sup> Although ‘neutrals’ are normally shown separately, here they are included with ‘No’.

Issue	Finding	%
<i>Local authority question 14a.</i>		

- 226 As we have already noted, not contacting the primary authority first may be what the partnership has asked for (so a “No” here is not necessarily the “wrong” answer).

### *Impact of feedback from enforcing authorities*

- 227 An enforcing authority knowing that there is a primary authority partnership in place, and, if asked, contacting the primary authority first before contacting the business is all very well. But the real test of the new channel of communication is whether it makes a difference to the impact that feedback from enforcing authorities has on the business concerned. Three questions from the businesses in PA survey addressed this.

Issue	Finding	%
Has the <i>quantity</i> of feedback from EAs increased? <i>n=259</i>	<ul style="list-style-type: none"> <li>• Decreased</li> <li>• No change</li> <li>• Increased</li> </ul>	17% 70% 13%
Has the <i>quality</i> of feedback from EAs increased (i.e. improved)? <i>n=261</i>	<ul style="list-style-type: none"> <li>• Decreased</li> <li>• No change</li> <li>• Increased</li> </ul>	10% 64% 26%
Does EA <i>feedback</i> have more impact on the business? <i>n=264</i>	<ul style="list-style-type: none"> <li>• Decreased</li> <li>• No change</li> <li>• Increased</li> </ul>	11% 52% 37%
<i>Businesses in PA question 27.</i>		

### *Commentary*

- 228 These are not overwhelming figures. Not only were 12 out of 100 partnerships, from the local authority perspective, “inactive” but in 171 out of 271 cases businesses in PA had seen no changes in the way in which enforcing authorities dealt with their business. (There is no difference by size of business in these issues.)



- 229 Yet (to anticipate) we will go on to argue later that the vast majority of businesses in primary authority intend to renew their partnership (and pay the associated fee, where there is one) for the foreseeable future.
- 230 Our suggestion (backed up by earlier qualitative work on primary authority we have carried out for BRDO) is that in at least some of these instances businesses are regarding Primary Authority as partly an “insurance”, to be turned to in the case of difficulty, and partly as a source of paid advice, and not actually experiencing – or, it appears from the commitment to renew, particularly bothered about – whether it affects their relationship with enforcing authorities either in general or in instances linked to feedback/enforcement. This suggestion is backed up by the graphic in Figure 3 above. On the basis of our previous qualitative work it is consistent with the way in which smaller businesses tend to use the scheme.
- 231 Where feedback from enforcing authorities to the business (mediated by the primary authority or not) is significant, and has changed in *quality* or *impact*, then these changes are between two and three times more likely to be positive than not.
- 232 Nothing conclusive can be said about the *quantity* of feedback from enforcing authorities. The lack of any change here may be attributable to the way in which enforcing authority-business interactions have changed in recent years (i.e. in most regulatory areas away from regular inspections and towards only investigating consumer complaints and reported incidents).
- 233 Clearly “signposting” through the primary authority is not happening sufficiently routinely, and this suggests it might be helpful to encourage both businesses and primary authorities to “police” this, perhaps routinely referring enforcing authority communications that do not appear to have come through the primary authority partner back to the EA concerned. On the other hand, we have come across examples in our qualitative research into Primary Authority of businesses that *wanted* EAs to contact them directly in the first instance, and there is also the “urgent cause” defence.
- 234 Equally, if business and primary authority partner are happy about an interpretation of Primary Authority that is mostly around “insurance” and “advice”, and does not (in the minds of these participants, at any rate) have a more proactive role *vis a vis* enforcing authorities, then there is arguably no harm in this (though see our other report for some reservations we have about such “small” partnerships failing to meet enforcing authorities’ expectations).

### 3 Costs and Benefits

#### The original objectives of PA

- 301 To start with the obvious, it was envisaged that Primary Authority would generate benefits for business that outweighed its costs to them. Costs in this context should be taken to include both fees paid to primary authority partners and also “costs in kind” and opportunity costs of management time (etc.) incurred by the business itself.
- 302 At a deeper level, BRDO and BIS will be interested in whether it is possible to estimate the overall surplus of benefit over cost of Primary Authority as a whole, divided by the administrative and other costs incurred by Government in supporting the scheme, meet “Green Book” standards. This second question is beyond our immediate brief but our work (and this report) will provide some data to inform it.
- 303 It will be particularly interesting to see whether Primary Authority reduces the “costs of compliance” faced by a business (which may happen because expert advice stops a business “over-complying”, or through reductions in contradictory advice or because fewer enforcements actions are being contemplated by EAs), and also to see whether there are specific inspection plan-related benefits.
- 304 Under this general heading, we also review the one-off costs of *setting up* a partnership, and whether partnerships are subsequently extended.

#### The benefits of a primary authority agreement

- 305 Questions in the Businesses in PA survey explored the extent to which a number of possible benefits of holding a primary authority agreement had been realised by interviewees. The list covered:
- Reductions in the time spent on regulatory matters
  - A more positive relationship with local authorities
  - A reduction in the frequency of instances of non-compliance, including particularly the frequency of enforcement notices
  - A better way to resolve instances of non-compliance when these occur
  - A reduction in the number of inspections.
- 306 However, it was possible that structural changes in local authority enforcement (specifically, constraints on local authority expenditure and the impact these have on staffing levels and ways in which regulatory staff interact with businesses) might themselves contribute to these potential

benefits. Therefore the group of businesses not currently in PA were asked similar questions so the answers could be compared.

307 The six tables below show the outcomes from these questions. All questions are taken from businesses in PA Q 11 and business not in PA Q 6.

Issue	Finding	%
The time the business (in PA) spends on regulatory matters is reducing <i>n=266</i>	<ul style="list-style-type: none"> <li>Disagree<sup>11</sup></li> <li>No change</li> <li>Agree</li> </ul>	22% 39% 39%
<i>Comparison for businesses not in PA n=102</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	38% 44% 18%

Issue	Finding	%
The business (in PA) is developing a more positive regulatory relationship with local authorities <i>n=274</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	3% 21% 76%
<i>Comparison for businesses not in PA n=102</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	10% 53% 37%

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<sup>11</sup> “Disagree”, self-evidently, is shorthand for “positively *not* reducing”, i.e. increasing, in this context. Similarly for other questions in this section.

Issue	Finding	%
The frequency of instances of non-compliance identified by enforcing authorities is reducing in PA businesses <i>n=183</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	5% 42% 53%
<i>Comparison for businesses not in PA</i> <i>n=100</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	15% 62% 23%

Issue	Finding	%
The number of times a business (in PA) is issued with enforcement notices (etc.) is reducing <i>n=150</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	6% 42% 52%
<i>Comparison for businesses not in PA</i> <i>n=99</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	12% 71% 17%

Issue	Finding	%
Instances of non-compliance reported to local authorities (in respect of a business in PA) are proving to be readily resolvable <i>n=181</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	3% 22% 75%
<i>Comparison for businesses not in PA</i> <i>n=98</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	11% 63% 26%

Issue	Finding	%
The business (in PA) is subject to fewer inspections from enforcing authorities <i>n=232</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	10% 43% 47%
<i>Comparison for businesses not in PA</i> <i>n=99</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>No change</li> <li>Agree</li> </ul>	12% 59% 29%

308 To illuminate the comparison between PA and non-PA businesses, PA businesses were asked to comment on the extent to which any changes were attributable to Primary Authority:

Issue	Finding	%
To what extent do businesses in PA believe these changes are attributable to Primary Authority? <i>n=261</i>	<ul style="list-style-type: none"> <li>Not at all</li> <li>Partly</li> <li>Fully</li> </ul>	22% 32% 46%
<i>Businesses in PA question 13.</i>		

309 None of these responses varied by size of business, except that the group reporting fewer inspections had a higher proportion of small/medium businesses in it.

### *Commentary*

310 No great reduction is being consistently reported on time spent on regulation, though the proportion reporting a reduction is higher for businesses in PA than for those not in PA; conversely the proportion of businesses that believe things are getting worse is greater outside PA than within it. On the other hand, a very high proportion (three in four) of businesses in PA believe they are building a more positive relationship with local authorities; the corresponding figure for businesses not in PA is only just over one in three.

311 Similarly, the frequency of instances of non-compliance is reducing for just over half of PA businesses and just under a quarter of those not in PA. The number of notices issued is reducing for just over half of businesses in PA and just one in six of those outside it.

- 312 Three-quarters of businesses in PA report that instances of non-compliance are easier to resolve than they have been in the recent past; the figure for businesses not in PA is only one quarter.
- 313 Businesses in PA are more likely to be experiencing fewer inspections (nearly a half of businesses in PA, as opposed to just under a third of those outside it).
- 314 Assuming that all these represent “improvements”, which is no doubt how businesses would regard them, it is clear that:
- Matters are, on average, improving, though to a different extent in different businesses – indeed some are not reporting improvements at all
  - Improvements on the six dimensions explored in the surveys are reported by a greater proportion of businesses in PA than of businesses outside it. The most significant effect is in the resolution of instances of non-compliance; however on most of our measures, businesses in PA are between two and three times as likely to “agree” with the proposition than businesses not in PA
  - There are no “open and shut” cases where matters are improving for the majority of businesses in PA while getting worse for the majority outside; the effect is more nuanced than that and businesses not in PA are more likely to report “no change” than that their position is actually deteriorating.
- 315 It is also encouraging that four out of five businesses in PA believe that these changes are at least partly a consequence of Primary Authority.
- 316 Taken together, these represent considerable systemic benefits that can be ascribed to Primary Authority – though it should be borne in mind that whether any or all of the benefits analysed will accrue to any specific business is by no means certain.
- 317 It is also worth pointing out that this conclusion is based on businesses’ own analysis of their circumstances, and not on any formal, external comparison of these circumstances pre- and post-joining Primary Authority. Nor – by the nature of the project design – is a formal, “matched” comparison of businesses within Primary Authority and similar or equivalent businesses not in membership possible. Nevertheless, the responses we report are encouraging.

### The costs of a primary authority agreement

- 318 The most immediate cost of a primary authority agreement is the (generally annual) on-going fee that the business has to pay for it.

## *Businesses' reported fees*

- 319 It is significant in this context that 23% of PA businesses in the survey stated they did not pay anything.<sup>12</sup> Of those businesses that did pay:
- The annual fee paid varied between £40 [sic] and £30,000
  - The median fee paid was £1,809
  - The interquartile range [IQR] was from £459 to £5,063.
- 320 It is worth taking a moment to interpret these results, particularly as it is the first time in this report that medians and quartiles have been used. The median fee paid is (broadly) a fee level such that half the respondents paid less and half paid more<sup>13</sup>. The lower or “first” quartile is the fee level chosen so that a quarter paid less (and three quarters more) and the upper or “third” quartile is similarly defined. (The median is technically the second quartile, as will be appreciated.) We believe the median is a more appropriate measure to use than the mean (i.e. total fees paid divided by the number paying a fee) here because it is not distorted by extreme results (such as the £40 and £30,000 figures above), and gives a guide as to where a majority of partnerships lie.
- 321 Thus, to spell matters out (and rounding numbers a little):
- Half the businesses who paid fees paid £1,800 or less, and a quarter paid less than £500
  - Only a quarter paid more than £5,000.
- 322 It should also be noted that these figures exclude the non-payers. If these figures are included – in other words, if 45 zeros are added to the start of the list of fee payments made – then naturally the median and quartiles are far lower:
- Median £783 and interquartile range £90 to £3,000.
- 323 Having argued against quoting a mean (“average”) figure, we accept that there may be circumstances in which a total fee across all partnerships might wish to be estimated from our data. For this purpose, a mean is indeed the

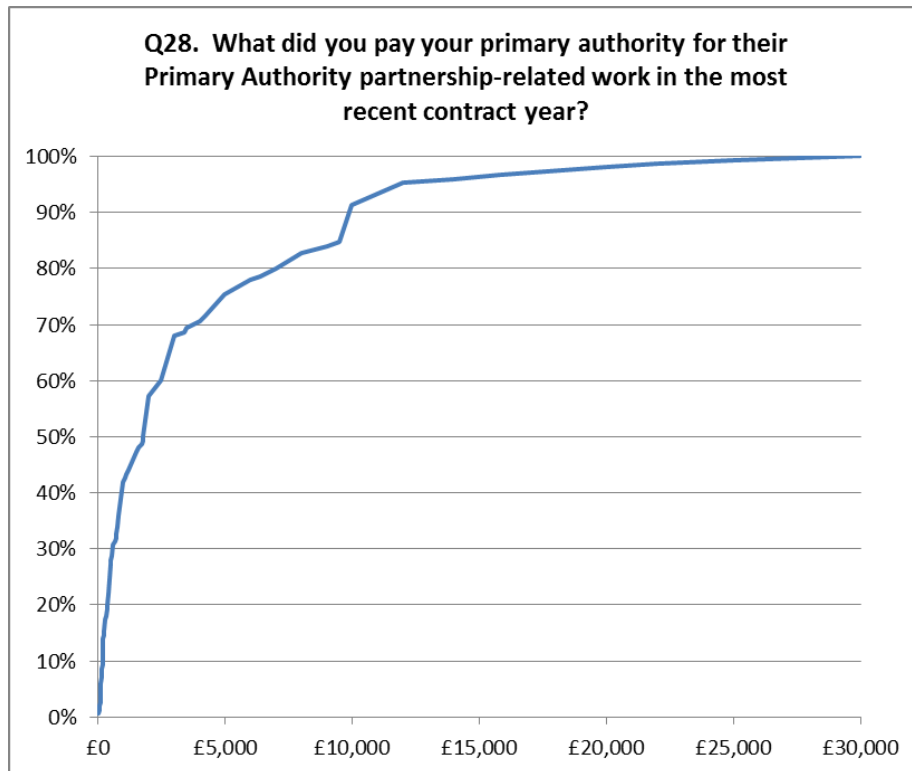
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<sup>12</sup> Business survey question 28: 150 out of 195 businesses. In the remaining 80 cases the interviewee did not know what fee had been paid (or necessarily whether a fee had been paid at all). It is logical to exclude these cases from the percentage calculation.

<sup>13</sup> There are subtleties in median calculation including odd vs. even numbers of data points, data points that cluster around certain values, etc. which need not concern us here; different interpretations of these subtleties lead to only slightly different numerical results.

best basis for an estimate, notwithstanding the above. Including zeros, the mean from our sample is £2,993. (Notice by how much the mean exceeds the all-values median of £783, and, to a lesser extent, the “no zeros” median of £1,809, showing how indeed the mean is skewed by a small number of high values.)

324 The diagram below shows (in cumulative frequency form) the fees paid by businesses. Information is taken from the Businesses in PA survey. The vertical scale shows the percentage of those businesses that do pay fees who pay less than the amount shown on the horizontal scale.



**Figure 4. Fees paid by businesses (cumulative)**

*Primary authorities' reported fees*

325 Primary authorities were also asked [Q 15d] whether fees were charged, and if so what these fees were.<sup>14</sup>

326 In 82% of agreements a fee was charged (not too different from the businesses in PA figure of 77%), and the fee had:

- Median of fees charged (excluding zero fees) £1,500

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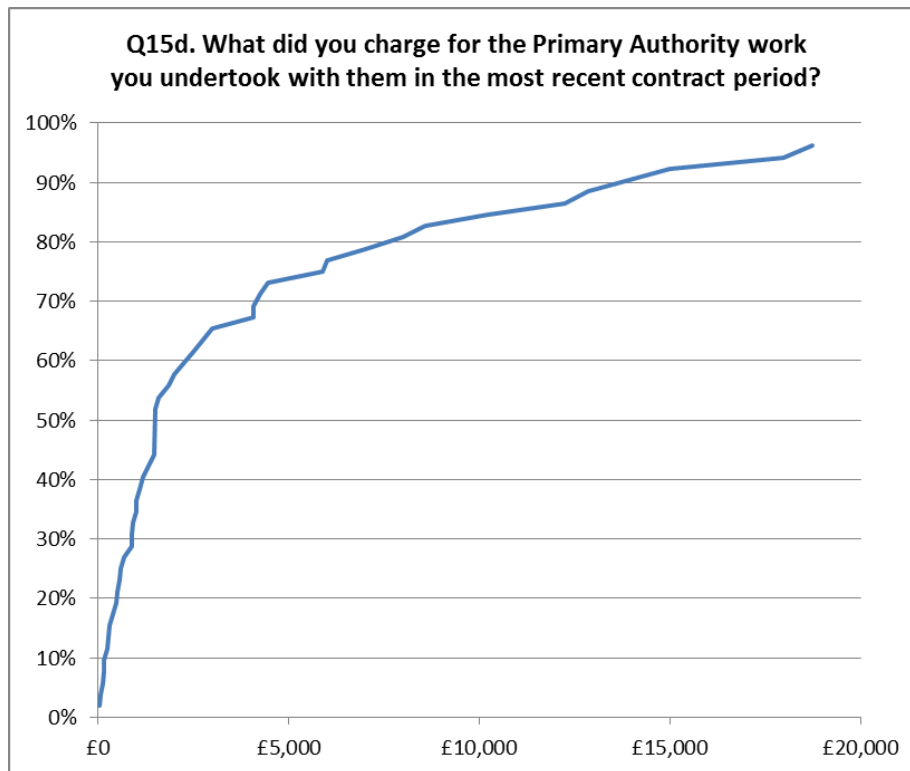
<sup>14</sup> It is worth noting again that the local authority samples and the business in PA samples were not linked, so different agreements were being reported on: one would not expect the reported fees to match precisely.



- Range £34 [sic] to £77,840
- Interquartile range £625 to £5975<sup>15</sup>

If a mean (“average”) is required, then the mean (including zero figures) is £4,688.

327 Local authorities’ reported fees are shown in the cumulative frequency graph below, which again omits a few very large values for clarity.



**Figure 5. Fees charged by local authorities (cumulative)**

*What non-PA businesses pay for advice*

328 Businesses not in PA were also asked what they pay annually for regulatory advice [Q 5]. 37% (39 out of the overall sample of 103) were able to state they paid something<sup>16</sup>; the median amount paid was £1750, the range £100 to £25,000 and the interquartile range £475 to £6,500.

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<sup>15</sup> Again, if the 18% of zeros is added in, the median is lowered to £1,200 and the interquartile range to £160 to £4,255.

<sup>16</sup> It is not possible to separate the 63% who did not volunteer a figure into (a) those that definitely knew nothing was paid (b) those who knew something was paid but did not know the amount (c) those who did not know whether anything was paid or not. To do so would have required unreasonably intrusive questioning.

## Trends

- 329 Businesses with a primary authority agreement, and also those without one, were asked whether they believed the costs of regulation were increasing:

Issue	Finding	%
The business (in PA) would say the annual costs of local authority regulation are increasing <i>n=252</i>	<ul style="list-style-type: none"> <li>• Agree</li> <li>• No change</li> <li>• No: decreasing</li> </ul>	<p>41%</p> <p>44%</p> <p>15%</p>
<i>Comparison for businesses not in PA</i> <i>n=77</i>	<ul style="list-style-type: none"> <li>• Agree</li> <li>• No change</li> <li>• No: decreasing</li> </ul>	<p>60%</p> <p>31%</p> <p>9%</p>
<i>Businesses in PA question 34. Businesses not in PA question 12</i>		

## Commentary

- 330 If we are allowed to draw on median data for fee payers (i.e. excluding zeros), the median fee and the interquartile range reported by businesses in PA and by local authorities as primary authority partners are similar. Moreover where businesses not in PA report paying for regulatory advice the figures are similar too.
- 331 However, none of the figures is particularly large. Readers might be surprised at the high proportion of primary authority partnerships where very little money seems to change hands. Setting to one side the question of what, if anything, a local authority can deliver in exchange for a fee of £200 or less,<sup>17</sup> a median figure among *payers* of only £1,800 – five days’ input from a local authority regulatory officer? – will be surprising to those who are only familiar with “flagship” primary authority agreements.
- 332 However – and again to anticipate a point made later – a vast majority of PA businesses appear happy with their primary authority agreement and intend to renew it.
- 333 It is also possible (indeed, likely) that many businesses paid significantly higher fees in the first year(s) of their agreement (businesses who had not completed their first year were excluded from our sample).

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<sup>17</sup> There were 21 such in our sample of 275 businesses in PA, in addition to the 45 that did not pay at all.

- 334 The comparison between fees paid for primary authority agreements and fees paid by non-PA businesses for other regulatory advice also suggest there is a further market for Primary Authority among the latter – which again will be confirmed later in this report.
- 335 Finally, the “trends” question does show some relationship between membership of Primary Authority and a slightly higher chance of seeing decreasing costs of regulation<sup>18</sup>, which again argues for a benefit from Primary Authority.

### Benefits versus costs

- 336 For those businesses (most) that had to pay a fee for Primary Authority, a key question is clearly whether the benefits they receive are worth the costs they incur. One measure of this (though only by implication) is whether businesses are happy to pay the fee charged – which we will infer later by asking whether they intend to renew their agreement in due course. However it is also instructive to ask businesses to compare benefits and costs directly.
- 337 Of course this requires businesses to put at least a notional financial value on the benefits they receive. This is difficult to do for those businesses for whom the main benefit of Primary Authority is “peace of mind”, or for those who regard it as “insurance” against a fairly unlikely adverse event that could (if it occurred) have major consequences. Businesses cannot be assumed to carry out accurate “expected value” calculations in these circumstances, any more than a householder would when contemplating home insurance.
- 338 Nevertheless, we did ask the direct question [Business Q17d] as to whether businesses could put a financial value on the benefits they received from Primary Authority.
- 339 In the event, 70% of businesses did not wish to commit themselves to a monetary equivalent for the benefit they received; a further 12% said the monetary value was zero. (It may be that this last group misunderstood the question, and assumed they were being asked for specific quantitative benefits in addition to the qualitative benefits they had just outlined in response to previous questions.)
- 340 This leaves just 18% of the sample who were prepared to ascribe a monetary value to the benefits of Primary Authority. As noted in Annex 2 (paragraph 37) the values they quoted varied widely, from £8.00 to £2m.<sup>19</sup>

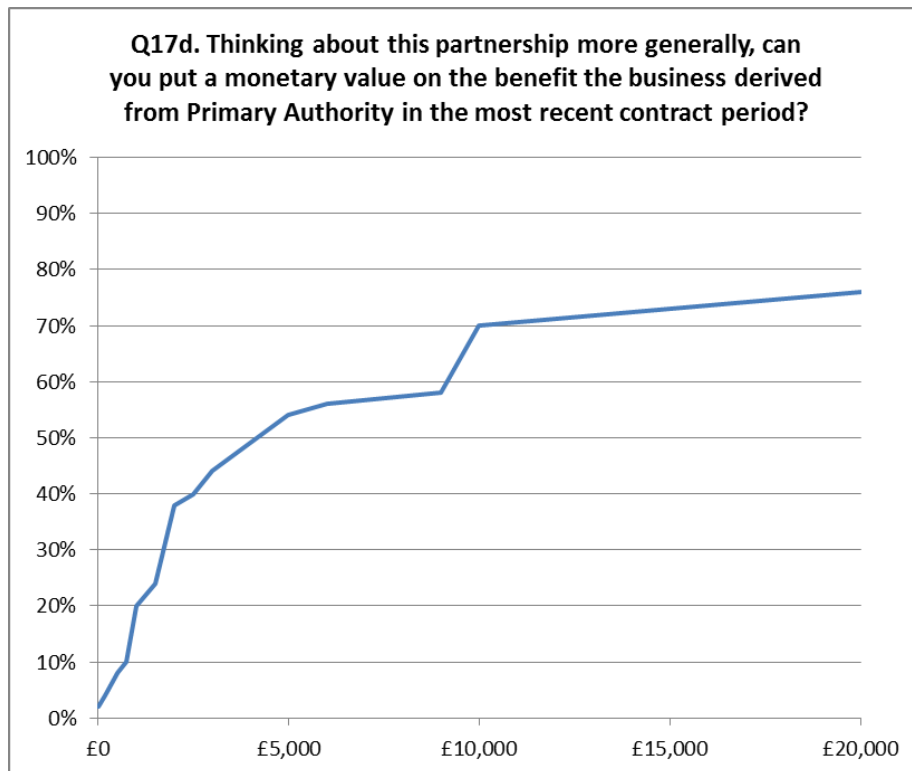
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<sup>18</sup> The  $\chi^2$  value of 8.1 (2 degrees of freedom) is “not great”, but is significant at the 5% level.

<sup>19</sup> As noted in the Annex, one business reported a benefit of -£5,000; possibly the interviewee here was simply referring to the annual fee.

341 Given such outliers, the calculation of a mean is clearly questionable (the single figure of £2m, quoted by one respondent, itself contributes £40,000 to the mean calculation). Thus it is preferable to quote the median monetary value (£4,400) and interquartile range (£1,553 to £20,625).

342 The first three quartiles of data are shown in the cumulative frequency graph below. The upper quartile is omitted since it overwhelms the horizontal scale (though see Annex 2, paragraph 41 for a “log scale” graph that overcomes this drawback):



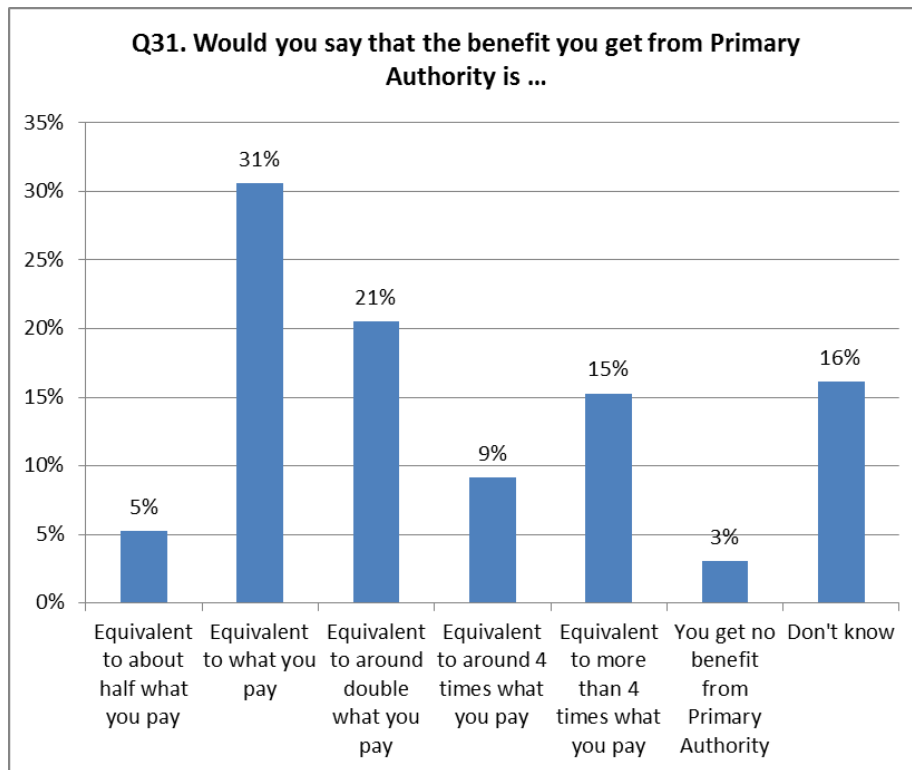
**Figure 6. Annual monetary value of primary authority partnership**

343 Anticipating the difficulty that questions about monetary value of benefits might cause interviewees, our survey also:

- Asked businesses a straight question on whether benefits exceeded costs
- Offered them a range of cost-benefit ratios from which they could choose.

344 The “straight question” [Business Q 17e] elicited the response that 75% of the businesses that expressed an opinion believed benefits exceeded costs.

345 When businesses were given a choice of cost-benefit ratios, the choices they made are shown in the following figure.



**Figure 7. Perceived cost-benefit ratios for business paying Primary Authority fees**

- 346 From this diagram, 76% of those who expressed an opinion chose a cost:benefit ratio of 1:1 or better, while 45% chose 1:2 or better. This still, of course, leaves 24% who did not know or believed the cost was currently greater than the benefit (though the levels of satisfaction with the scheme and intentions to renew the partnership – which we will report later – suggest they are still happy to pay).
- 347 Larger businesses were (slightly) more likely to give higher responses.
- 348 Primary authorities were asked a parallel question – namely, whether for their business they believed the benefits exceeded the fees charged. 86% believed this was the case.
- 349 Three “check questions” – two put to primary authorities, one to businesses in PA – sought to confirm these findings:

Issue	Finding	%
Primary Authority has definitely saved us [the business in PA] time and money <i>n=269</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	13% 22% 65%
The Primary Authority Advice we [the local authority] have given has definitely saved the business time and money <i>n=81<sup>20</sup></i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	3% 20% 77%
The informal discussions we [the local authority] have held have definitely saved the business time and money <i>n=97</i>	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	2% 14% 84%
<i>Businesses in PA question 15. Local authority question 14a.</i>		

### Commentary

- 350 Three quarters of businesses that expressed an opinion believed that the benefits of Primary Authority match or exceed its costs. However, the benefit is not overwhelming, and the most popular (“modal”) response (given by 31%) is that the costs and benefits match, more or less. This is slightly disturbing, given that one may not have complete confidence in local authorities’ abilities to set full “cost recovery” prices for their Primary Authority inputs: our earlier work for BRDO highlighted the presence of some really quite low hourly rates for officers’ time in some local authorities.
- 351 Although it is recognised that some businesses see a subscription to Primary Authority as an “insurance”, it is clear that businesses who actually receive advice – whether Primary Authority Advice or stemming from informal discussions – get the most out of Primary Authority. It is also clear that (from a local authority perspective) formal Advice and informal discussions are equally effective in saving businesses money.

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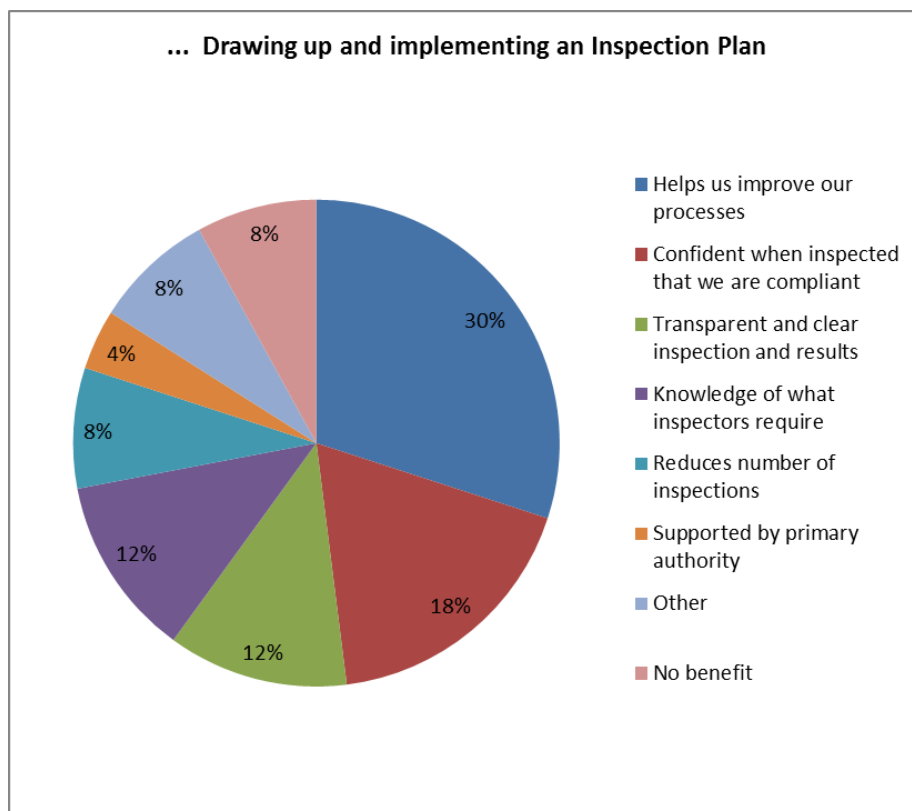
<sup>20</sup> The data implies that around a third of businesses have been given formal Primary Authority Advice by their primary authority; we find this surprising. Certainly it is not borne out by (e.g.) how frequently Primary Authority Advice appears to be reported on the Primary Authority Register (though we accept not all Advice is so reported). We discuss the potential for confusion between Primary Authority Advice and informal discussions between the primary authority and their business partner in the following section.

352 That businesses are unable (in the main) to ascribe a monetary value to the benefits they receive from primary authority is, from the point of view of the evaluation, regrettable – it would clearly be advantageous if a straightforward set of figures (and trustworthy average) could be quoted. However our business respondents could not reasonably be asked to calculate a binding cost-benefit ratio during a telephone questionnaire, and our “telephone only” methodology – rather than say face to face visits, made it impracticable to circulate the questionnaire in advance. What is more reassuring is that when asked to compare benefit to cost a sizeable majority of respondents believed that benefits exceeded costs, often by a significant amount.

### Inspection plans

353 We were asked to include a supplementary question about the value of inspection plans to businesses. 20% of our business sample reported activity relating to inspection plans, and the (qualitative) benefits that they ascribed to inspection plans are shown in the figure below.

354 [The question is taken from the Businesses in PA survey, Q 17b; n=54.]



**Figure 8. Benefits from the inspection plans**

355 One suggestion we were asked to consider was whether the presence of an inspection plan led to better interactions with enforcing authorities – as it might reasonably be assumed to do. We have discussed above (page 20) the extent to which Primary Authority sets up a new “channel of communication”

between enforcing authorities and businesses; did the channel work any better in the presence of an Inspection Plan?

356 To research this, we matched our business in PA sample to a known list of inspection plans. In fact, only nine of our sample had inspection plans in place (266 did not<sup>21</sup>) so any effect would have had to be major to be significant in the context of such a small sample. Nevertheless, businesses with an inspection plan in place *were* significantly more likely to state that the quality of feedback from enforcing authorities had improved: this is not particularly surprising as many inspection plans include a request that EAs provide feedback on what they have found (and in some cases provide a format for them to do this).

### Setting up a Primary Authority partnership

357 Businesses did not usually report any difficulty in setting up partnerships:

Issue	Finding	%
Was it easy to set up a Primary Authority partnership? <i>n=265</i>	<ul style="list-style-type: none"> <li>• No</li> <li>• Neutral</li> <li>• Yes, easy</li> </ul>	<p>5%</p> <p>9%</p> <p>86%</p>
<i>Businesses in PA question 5.</i>		

358 The time taken to set up a partnership varied between 0 and 650 days (presumably the latter was elapsed time rather than input time), with a median of 2 days and interquartile range of 5 hours to 10 days, so (notwithstanding a few extreme results) the process could be described as quick.

359 Apart from this time input, and any fees charged by the local authority (see below), businesses did not report any other significant setup expenses. [See business in PA Q 8 and 9a.]

360 Most primary authorities (62 out of the 100 surveyed) do not as a matter of policy make any charge for setup work. Of the remainder, 20 did make a charge – of between £120 and £6,000, with median £762 and IQR £196 to £1,999 – and spent between 0 and 108 hours on setup work to justify this

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<sup>21</sup> The disparity between the number of actual inspection plans in place (9) and the number of businesses just reported as seeing benefits from inspection plan activity (54) suggests that the process of drawing up an inspection plan is in itself helpful, even when (at the time of answering the questionnaire) the plan has yet to be formally adopted. The only other explanation, namely that a significant proportion of business respondents were confused about what an inspection plan actually is, cannot in our view account for the whole disparity observed.



charge (median 10.2 and IQR 2.6 to 22.5). 18 “would normally make a charge” but did not do so for the particular partnership in question for a variety of reasons. [See LA Qs 3 and 4.]

### *Extending partnerships*

- 361 Only 8% of partnerships had been extended to new regulatory areas since originally being set up. (See business in PA Q 9b and local authority Q 7c: both questions yielded broadly the same percentage.)

### *Commentary*

- 362 Nothing here suggests that it is either difficult or expensive to set up a new partnership. Indeed it is possible that some of the chargeable work reported under “setup” might in fact have been of direct “mainstream” value to the business, and thus arguably not really a setup cost at all<sup>22</sup>.
- 363 Equally, there is little evidence of “cross selling” being used to extend a partnership from an initial regulated area into other areas<sup>23</sup>.

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<sup>22</sup> For example, reviewing a business’s written policies and procedures. Frequently this is “front-loaded”, since all policies need to be reviewed initially and then only the occasional periodic review of individual policies is needed. Should this be regarded as a “setup” cost?

<sup>23</sup> Our qualitative research into LAs as enforcing authorities, being published separately, found that in one authority a business had two separate partnerships with two different departments of the local authority without any connections being drawn between the two. In fact, one relationship was a primary authority partnership while the other was a legacy Home Authority that was “being considered” for Primary Authority status. Even had this process been completed, the authority concerned saw no harm in two completely separate partnerships between the same business and the same primary authority partner.

## 4 The quality of the partnership

### Good practice within the partnership

- 401 In order to assess the quality of interactions that lie at the heart of partnerships, the questionnaires for businesses in Primary Authority and for primary authority partners each included an extended question asking for respondents' agreement (or otherwise) with a range of statements about ways of working.
- 402 Wherever appropriate, businesses and primary authorities were asked an equivalent question. The tables below compare business and primary authority responses directly.<sup>24</sup> Where business questions are marked with a star (\*), this signifies that larger businesses were more likely to be positive than small/medium ones (there were no examples of the reverse).

Issue	Finding	% Bus.	% LA
We set programmes of partnership activities at least annually (*)	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	27% 16% 57%	21% 11% 68%
We agree objectives for the partnership and review these at least annually	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>		8% 14% 78%
We discuss what we pay for PA at least annually (*)	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	19% 8% 73%	11% 5% 84%
We {give our primary authority partner/receive from our business} feedback on the primary authority's work, whether agreed service levels are met, etc. (*)	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	24% 17% 59%	12% 23% 65%
Now we [businesses] are in PA we get better information about changes to regulation	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	24% 24% 52%	

<sup>24</sup> It is worth reminding ourselves that the businesses in PA sample (n=275) and the LA sample (n=100) were not "matched" in any way, so it is not the same *partnerships* that are being talked about.

Issue	Finding	% Bus.	% LA
The primary authority responds quickly and appropriately to the business's needs	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	7% 7% 86%	1% 2% 97%
The appropriate pages on the PA Register are kept up to date by the primary authority	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>		11% 27% 62%
The business's staff are generally aware of PA and its implications for ... them	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	20% 17% 63%	
The business is likely to renew this agreement for the foreseeable future	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	3% 5% 92%	2% 5% 93%
<i>Businesses in PA question 15. LA question 14a. Numbers of responses (n) vary, but most are near 275 (business) and 100 (LA).</i>			

### Commentary

- 403 Mostly these responses are positive, and demonstrate that most partnerships are well-run and meet business expectations. It is particularly interesting that more than nine out of ten businesses intend to renew their primary authority agreements for the foreseeable future. This proportion must, logically, include some of the 24% of businesses that stated that the benefit of their agreement was worth less than its current cost (see above). Perhaps this confirms the “insurance” point or simply reflects the fact that the partnership is more active in some years than in others.
- 404 In some instances – for example, on the question about responsiveness – it might be possible to suspect primary authorities of simply giving the “correct” answer. However in these instances businesses’ responses, where available, largely confirm the primary authority position.
- 405 There are areas where the Primary Authority community as a whole “could do better” – or, more accurately, could do better more often:
- Advance planning of partnership activities occurs in only around two-thirds of partnerships

- Feedback from business to primary authority also occurs in only around two thirds of partnerships (not necessarily the same two-thirds, but this may be the case!)
- Primary authorities could give better feedback to businesses about changes to regulation (currently around half of partnerships facilitate this)
- Primary authorities are not particularly good at updating the PA Register (not even two thirds)
- Businesses' staff are not sufficiently aware of Primary Authority, sufficiently often (again less than two thirds).

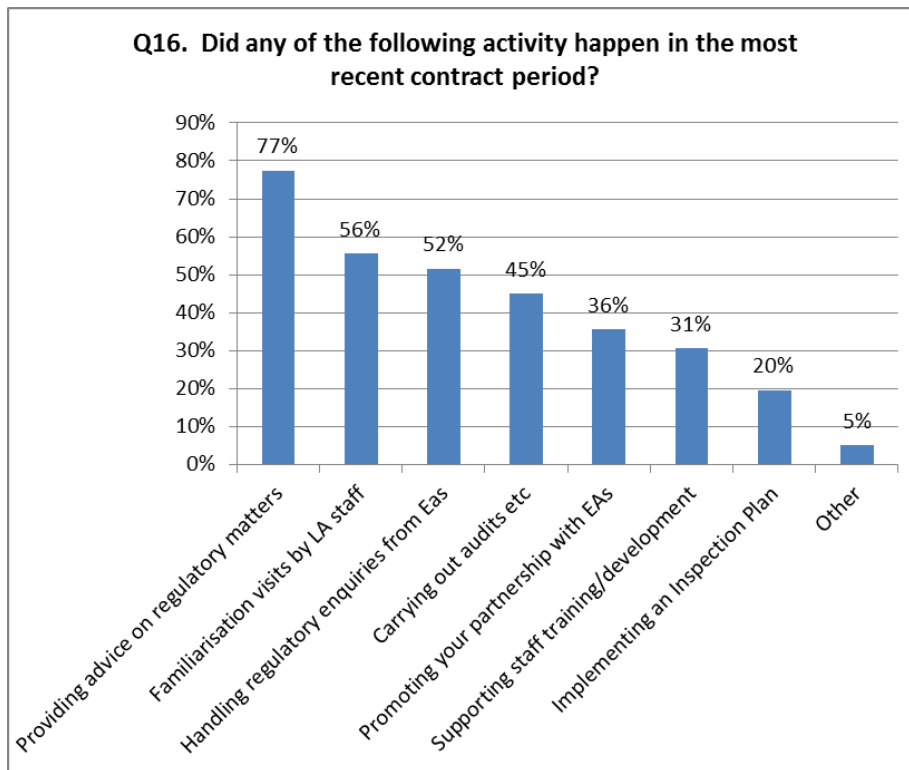
406 These results suggest an agenda for the future development of primary authority partnerships.

### Activities within the partnership

407 But what exactly do partnerships do? Businesses in PA Qs 16 and 17 presented businesses with a list of possible activities (drawn from our earlier research projects for BRDO) and asked whether they occurred within the business's partnership.<sup>25</sup>

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<sup>25</sup> If they did, respondents were asked for the amount of time spent on each activity within the most recent contract year. This information is given in Annex 2.



**Figure 9. Activities within primary authority partnerships (n=275)**

408 It is interesting to note in this context that (as we have already mentioned) 13% of businesses reported that none of these activities had taken place at all. This is entirely consistent with our earlier statistic that local authorities regarded 12% of their partnership as “inactive”.

409 The most popular activity – the provision of “advice” – was unpacked further. Businesses in PA were asked [Q 16c] whether advice received had included Primary Authority Advice, guidance resulting from informal discussions, or both. 8% reported that it had included Primary Authority Advice; 19% reported informal discussions; and 72% reported “both”. However in the majority of cases (58%) businesses did not know whether the Primary Authority Advice they said they had received had been posted on the register.

410 Businesses were asked whether they believed they had benefited from the activities they reported. In each case the vast majority had done so: figures varied from 78% for “Promoting the existence of your primary authority ...” to 94% for “Handling regulatory enquiries ...”.

### *Commentary*

411 The rank order of the activities in Figure 6 is entirely consistent with their perceived importance, as reported in our earlier, qualitative projects for BRDO. Moreover all these activities are highly valued, even the more nebulous ones.

412 There is possible evidence of confusion within businesses about the status of Primary Authority Advice, as opposed to guidance resulting from informal discussions. Certainly the percentage split between Advice, discussions and “both” is *prima facie* unlikely, given the low proportion of partnerships that have recorded Primary Authority Advice on the Register<sup>26</sup>. Perhaps primary authority partners could do more to make the distinction clearer?

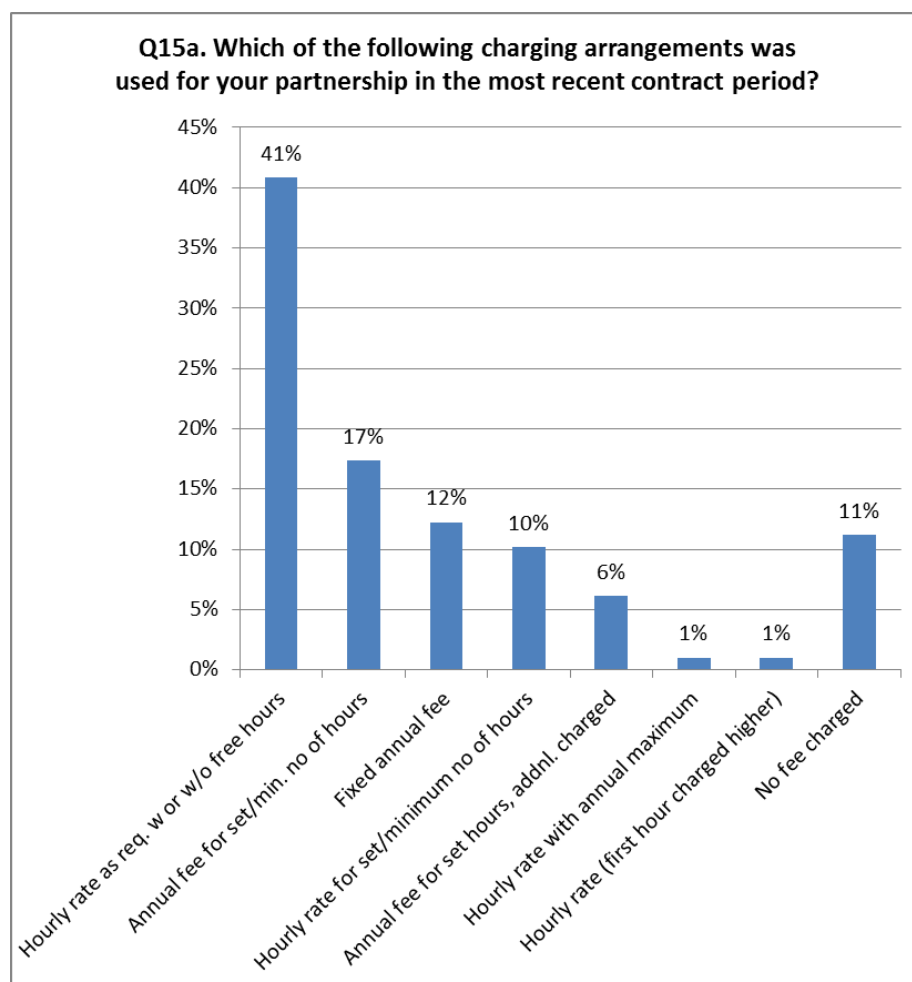
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<sup>26</sup> Though of course not all Primary Authority Advice needs to be, or indeed necessarily should be, made “public” in this way. Alternatively, there may be a failure by primary authorities to use the Register fully – or some combination of the two factors. Either way, the apparent mismatch between the proportion of businesses claiming to receive Primary Authority Advice and the lack of such Advice on the Register is worth investigating further as the opportunity arises.

## 5 Basis of fees and charging

### Charging policies

501 Primary authority partners charge businesses in different ways for their services. The diagram below shows the charging policies in use within our sample:



**Figure 10. Charging policies (from the LA questionnaire)**

502 As will be seen, 11% of authorities did not charge at all for this particular partnership in the most recent contract year.<sup>27</sup> A further 23% [LA Q 15b] offer a number of “free hours” to their business. From the business survey (which offers a wider sample) the number of free hours varied between 1 and 80, but with median 7.75 and interquartile range 3.75 to 17. [Businesses in PA Q 30a.]

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<sup>27</sup> As we have already reported, 23% of businesses said that they did not pay anything.

503 57% of the local authorities in our sample make their Primary Authority charging policy publicly available in some form [LA Q 23]. Within the confines of the survey it was not practical to explore precisely how the policy was made available.

### *Cost recovery*

504 Once any free hours have been taken into account, 93% of local authorities charged for all the hours they provided [LA Q 15e]. 88% set their overall charge so as to attempt to recover all costs [LA Q 20]. Thus the vast majority of primary authorities seek to make their Primary Authority activities cost neutral. Of course, our questionnaire could not assess whether authorities' calculations behind (e.g.) hourly rates were "correct"; earlier work for BRDO, which found a considerable range of "full cost recovery" rates, taken together with our other more general experience in public sector consultancy, suggests that setting accurate full cost recovery rates is not something that the public sector finds easy.

505 Some of the charging policies require businesses effectively to purchase a set number of annual hours in advance. Where this happened (in round about 20% of cases) then slightly more than half of local authorities allow "unused hours" to be carried forward and slightly fewer than half write them off (i.e. they are lost to the business). [LA Q 15c.]

### *Local authorities' policy context for Primary Authority*

506 What happens to the Primary Authority fee received by an authority from a business partner? In the vast majority of cases where the interviewee knew the answer to this question, the department within the local authority employing the regulatory officers concerned was able to retain any Primary Authority revenue in order to appoint additional staff (or for other purposes). However over a third of primary authority interviewees did not know the answer to this question so this finding cannot necessarily be relied upon [LA Q 24].

507 In general, primary authority interviewees did not see Primary Authority as a "market": only 32% believed there was price competition from other authorities [LA Q 25] and only 35% felt under any pressure from their LA to increase primary authority income [LA Q 26].

508 LA Q 23 also posed questions designed to elicit a more general policy context for Primary Authority:



Issue	Finding	%
We have written policies and procedures that cover how we operate Primary Authority and work with our Primary Authority business partners	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	12% 23% 65%
Our staff receive training on Primary Authority and how we operate it	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	6% 13% 81%
Our elected members and senior staff are aware of Primary Authority	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	9% 11% 80%
Our elected members and senior staff support the work we are able to do through Primary Authority	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	6% 15% 79%
Primary Authority is sufficiently well-resourced to enable my authority to deliver a high quality service to our business partners	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	7% 18% 75%
My authority has the capacity available to expand the number of Primary Authority partnerships it has	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	30% 20% 50%
My authority is actively pursuing new Primary Authority partnerships	<ul style="list-style-type: none"> <li>Disagree</li> <li>Neutral</li> <li>Agree</li> </ul>	18% 20% 62%
<i>Local Authority question 23. All n=100 (or thereabouts).</i>		

### Commentary

509 These figures show that most primary authorities believe they are charging for all time spent (or all the hours they are allowed to charge for – i.e. excluding any “free” hours), at appropriate “cost recovery” rates. “Free hours” policies, it should be pointed out, are usually set elsewhere in the Council – by economic

development staff, for example – and tend not to be under the control of the regulatory department concerned or its staff.<sup>28</sup>

- 510 However, as mentioned above other research we have carried out for BRDO would lead us to suggest that the setting of hourly rates is not necessarily secure.
- 511 The “business” of developing and running partnerships is not particularly attractive to all authorities, although a (small) majority of primary authority interviewees agree that their authority is at the least prepared to take on new partnerships if businesses come forward (we feel the words “actively pursuing” are a little strong to describe what is going on in many cases, despite the endorsement by interviewees). But of course primary authorities are not intended to charge more than “cost recovery” for their Primary Authority activities, which limits the extent to which (for example) Primary Authority can cross-subsidise general regulatory activity or increase the volume of activity elsewhere. Under this constraint, its attractiveness is bound to be limited.
- 512 It might be worth considering altering the definition of “cost recovery” to allow for a surplus of (say) no more than 10%, providing this surplus was applied to additional activities in the regulatory arena.

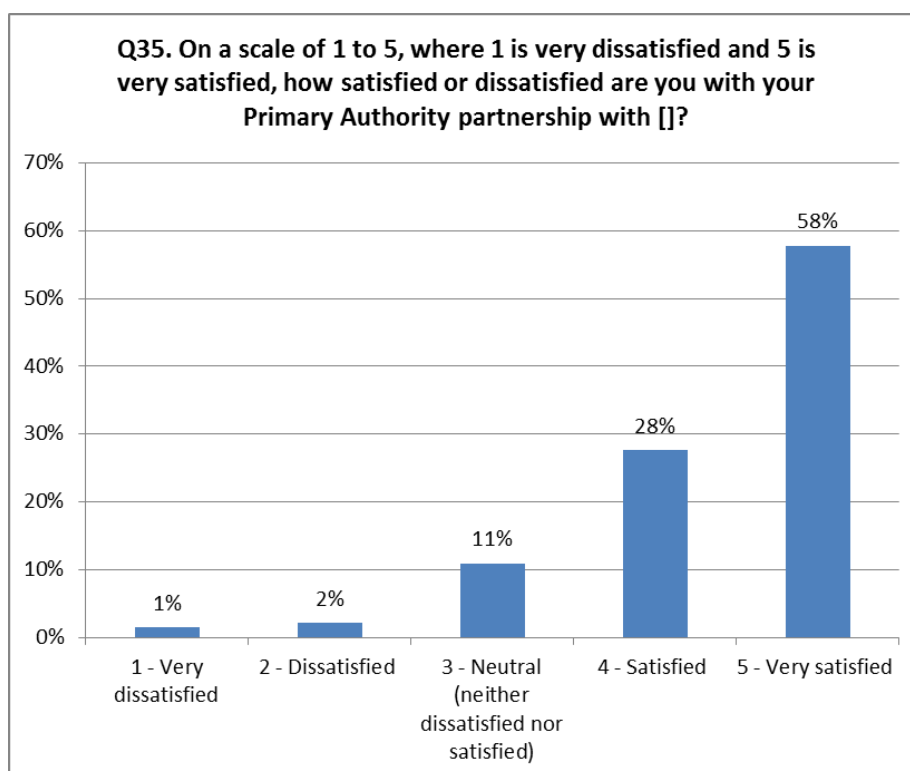
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<sup>28</sup> Though our other research would suggest that the cost of these free hours is not routinely recharged to (e.g.) the economic development team, as by rights it should be.

## 6 Developing Primary Authority

### Overall satisfaction with Primary Authority

601 Businesses in PA [Q 35] and primary authorities [Q 28] were asked for their overall satisfaction with Primary Authority. The results are shown in Figures 8 and 9. There was no significant difference in businesses' satisfaction by size of business in Q 35.

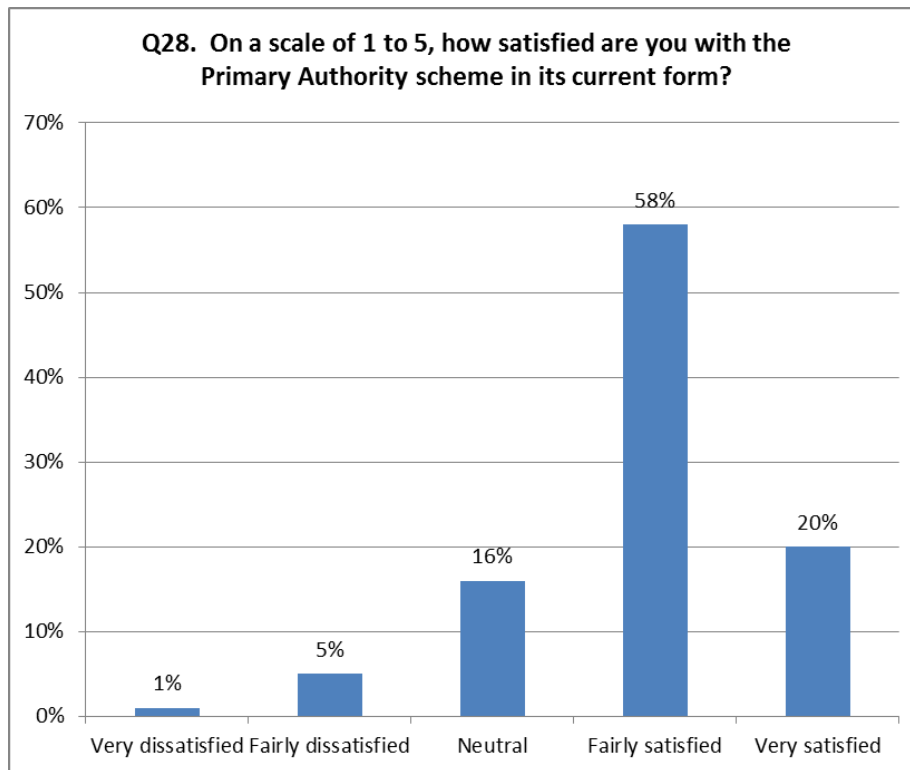


**Figure 11. Businesses' satisfaction with Primary Authority**

602 It is also interesting that there is no correlation between the satisfaction with Primary Authority and the level of fee charged (Q 28, above). Thus, for instance, those businesses that pay more are not on this evidence particularly likely to be more satisfied with Primary Authority; nor the reverse.<sup>29</sup>

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<sup>29</sup> It will be appreciated that the original data files populated by our telephone interviewers will permit businesses' responses to any question to be correlated against their responses to any other. There are around three thousand such analyses possible for the businesses in PA survey, with proportionately smaller numbers for the two other (shorter) surveys. Accordingly we have had to be selective! The (fully anonymised) data files concerned have been supplied to BRDO, which will permit them to carry out further such correlation analyses in the future. We will be pleased to advise further if required.



**Figure 12. Primary authorities' satisfaction with Primary Authority**

### Pressure on non-PA businesses

603 If satisfaction is the “pull” that keeps PA businesses (and their partner primary authorities) within Primary Authority, the potential regulatory pressures on businesses not in PA is the “push” that could lead them to take it up. Of course Primary Authority cannot resolve all regulatory pressures, but Businesses not in PA Q 4 addressed a number of issues that non-PA businesses might face and which Primary Authority might be able to mitigate.

Issue	Finding	%
We get contradictory advice from inspectors from different local authorities about regulatory matters	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	57% 27% 16%
We spend lots of time dealing with inspectors asking the same question over again	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	58% 29% 13%
We find it difficult to get advice on regulatory matters	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	46% 40% 14%

Issue	Finding	%
We have to pay third parties for advice on regulatory matters	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	45% 32% 23%
Inspectors are always asking us for information	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	51% 32% 17%
Inspectors have threatened enforcement action against us in a heavy handed or unnecessary way	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	77% 15% 8%
Inspectors have actually instigated enforcement action in a heavy handed or unnecessary way	<ul style="list-style-type: none"> <li>• Never happens</li> <li>• Common issue</li> <li>• Significant issue</li> </ul>	82% 12% 6%
<i>Businesses not in PA question 4. n=103, or nearly so, for most of these.</i>		

604 Taking together these answers with their answers to Qs 6, 7 and 8a (reviewed in Section 2), 90% of our sample of businesses not in PA had issues (one way or another) with regulation that cost them time, inconvenience or money.

605 60% of our sample could express a view as to what the equivalent money cost might be. 36% of the sample could actually suggest a figure: although the range given (between £100 and £3.8m) is not immediately helpful, the median of £5,500 and the IQR from £1955 to £21,250 shows the kinds of values involved.

606 Of the remaining 24%:

- 5% said the costs were “in the hundreds of pounds”
- 11% “in the thousands”
- 8% “in the tens of thousands”.

607 Would these businesses therefore be attracted to Primary Authority? 87% of our sample had not previously heard of the initiative [Q 19], and once these interviewees had had Primary Authority (briefly) described to them 41% thought it would be of interest to them [Q 25]. Three quarters of these asked for their details to be passed on to BRDO so that colleagues could contact them and explore what Primary Authority could offer in more detail [Q 27].

608 Meanwhile, 88% of businesses in a primary authority partnership would recommend Primary Authority to another business [Q 38].

### *Commentary*

609 Taken together with evidence on likely contract renewal rates (previously highlighted) the answers in this section indicate a very high level of satisfaction with Primary Authority. Indeed the levels of satisfaction are higher among businesses than among primary authorities. This is not perhaps entirely surprising, because when a particular partnership achieves a major regulatory saving (and thus a substantial excess of benefit over cost) this benefit applies entirely to the business. All the primary authority partner receives is the cost recovery sum to reflect its time input; it does not “share” in the cost:benefit bonus.

610 On the other side of the table, there is both implicit and explicit evidence of a further market for Primary Authority based on the group of non-PA businesses we sampled. Implicit evidence is given by a significant proportion of them reporting (in one way or another) that they do indeed experience some of the drawbacks that Primary Authority was designed to address, and suffer identifiable costs as a result; explicit evidence is given by the willingness of a significant proportion (though not a majority) to enter into a further discussion with BRDO about whether Primary Authority might be right for them.

### Possible future developments for Primary Authority

611 Finally, business in PA and primary authority interviews were asked

- Whether there were any additional regulated areas that should be considered for inclusion in Primary Authority<sup>30</sup>
- Whether they had any suggestions for improving the way that Primary Authority was administered and run.

612 A number of respondents interpreted the first question as referring to regulated areas that were already available within Primary Authority but not in their own actual partnership. This was not an interpretation we had envisaged.

613 Leaving these responses to one side, however, there were a total of 38 suggestions made across the 375 business and primary authority respondents combined. An alphabetical list of these follows.

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<sup>30</sup> This is timely, given that the Secretary of State for Business, Innovation and Skills has just announced that the forthcoming Enterprise Bill will include proposals for “the extension and simplification of Primary Authority” (see <https://www.gov.uk/government/news/sajid-javid-outlines-ambitious-enterprise-bill>).

Issue	Bus. (count)	LA (count)
Advertising Standards.....	.....	1
Alcohol licensing .....	2	
Areas enforced by the Health and Safety Executive .....	1	
Caravan Site Control & Development Act.....	.....	1
Construction.....	1	
Crime and security matters .....	1	
Dockside Revenue & Customs activities e.g. food.....	1	
Early Years services .....	1	2
Egg <sup>31</sup> Inspectorate .....	.....	1
Emergency response planning.....	1	
Environment Agency responsibilities .....	4	1
Finance related advertising .....	1	
Fraud assistance.....	1	
Hazardous Chemicals.....	.....	1
LG Miscellaneous Provision Act.....	.....	1
Licensing.....	5	4
Planning.....	1	
Standardisation across England, Scotland, Wales, NI .....	3	2
Timber regulations .....	1	
<i>Businesses in PA question 39. LA question 30.</i>		

614 The most frequent endorsements are for licensing (mentioned 11 times, of which 2 specifically refer to alcohol licensing), Environment Agency responsibilities<sup>32</sup> (five times) increased standardisation across the four countries of the UK (five times)<sup>33</sup>.

615 The next table (below) shows a consolidated table of suggestions made by both businesses and primary authorities for general improvements in Primary Authority:

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<sup>31</sup> We believe the Egg Marketing Inspectorate is meant.

<sup>32</sup> Of course as a national agency the Environment Agency's local decision making should be consistent across different locations without the need for a Primary Authority-style intervention.

<sup>33</sup> It is not for us to comment on the extent to which recent political events have made this more or less likely, though we understand that a separate scheme for Scotland is under consideration.

Issue	Bus. (count)	LA (count)
Improve website [the Register].....	7	36
Improve communication.....	38	7
Improve registration and IT [the Register] .....	.....	20
More advice and training.....	6	11
All authorities to “use scheme”/follow procedures correctly .....	17	6
Improve administration/procedures.....	12	7
More resources like staff or funding .....	11	7
More support from BRDO .....	.....	5
Reduce or refine charges.....	10	
Increase geographical scope .....	5	
Other suggestions.....	7	2

*Businesses in PA question 40. LA question 29.*

### Commentary

- 616 These suggested improvements to Primary Authority (which are ranked, incidentally, in combined popularity across the business and primary authority samples, taking into account the disparity in size between them) will probably come as no great surprise. In particular, the comments about “the website” and “IT” will be expected (if with a degree of resignation) by the BRDO team concerned.
- 617 All we would say, however, is that when we investigated comments about the Primary Authority Register made to us in the parallel, qualitative review of local authorities in their EA role (which is being published alongside this report) most of them either reflected misunderstandings of, or inadequate training in, what the website could actually do – or for that matter shortcomings with users’ own IT systems (perhaps due to local authorities’ IT systems being not always of latest date). It was not part of this present survey to ask interviewees supplementary questions about *what* was wrong with the current IT arrangements, but we would counsel caution before concluding from the above table that redesigning the current IT (rather than investing in improving the way in which it is used by businesses and LAs) is necessarily required.
- 618 If IT comments are discarded, then the next most popular categories are broadly about investing further in training and support, which should be straightforward to address.



619 In any event, these comments should be seen in the context of strong support for Primary Authority, as evidenced in the previous part of this Section and indeed throughout this Report.

## Questionnaires

This annex contains the detailed questionnaires as administered by our partners, Qa Consulting. There are three questionnaires in all:

- For businesses with a Primary Authority Partnership (275 responses)
- For businesses not in Primary Authority, but eligible to be considered for it (i.e. with operations in more than one local authority area) (103 responses)
- For primary [local] authorities (100 responses)

The format of the surveys below reflects their use in the Computer Aided Telephone Interview [CATI] system used by our survey partners Qa Research Ltd.

The typographical conventions of the surveys are as follows:

- All questions, (including prompts for interviewers/respondents e.g. 'Tick all that apply') are formatted in blue
- All responses are listed and formatted in red.
- Instructions (i.e. routing instructions) are formatted in black italic.
- Rating questions are simply listed with the scale listed first followed by the responses and formatted using the 'Response' style.

The surveys include “routing instructions” to avoid asking respondents questions that would make no sense given the responses they have just made. These are necessarily quite complex but are handled automatically by the CATI software.

The content of the questionnaire was revised a number of times during preparation for and piloting the survey. To facilitate discussion of the drafts with BRDO, question numbers were not updated when questions were deleted. Thus the numbering of the questions is not consecutive. The question numbers here are the same as those used in the other Annexes and also in the main Report.

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## Primary Authority – Businesses in Primary Authority survey

Good morning/afternoon my name is ??? and I am calling from Qa Research on behalf of the Better Regulation Delivery Office (BRDO) who have asked us to undertake a programme of research exploring the effectiveness of Primary Authority.

- S1. Your contact details have been supplied to us by the BRDO – their records indicate that you are the nominated contact for your business's involvement in Primary Authority. Is this correct?

**SINGLECODE**

Yes – Continue

No – Try and ascertain the contact details for the correct individuals within the organisation.

- S2. As part of the research we need to speak to businesses about their experiences of Primary Authority. Would now be a convenient time for you to take part in an interview of around 20 minutes with me over the phone?

**SINGLECODE**

Yes – Continue

No – Is there a more convenient time when you might be able to take part.

**Schedule time for interview and/or THANK & CLOSE**

This interview will be carried out according to the Market Research Society's Code of Conduct. Your answers will be treated in confidence and the findings of this survey will only be shared outside the research team in an anonymised form. If there are any questions that you do not wish to answer, then please let me know. The call may be recorded for quality purposes. Is it OK for me to continue?

- S3. Our database indicates that you currently have a Primary Authority partnership agreement with *<import LA from database>* covering the following regulated areas; *<import from database>* is this correct?

**SINGLECODE**

Yes

No – **THANK & CLOSE**

Don't know

You may have other Primary Authority partnerships, however it is your partnership with *<import LA from database>* that we are primarily interested in here so please answer the following questions based for the most part on your most recent experiences of this partnership.

## SECTION 1: Background

Firstly, can I ask a few questions about your organisation and your role.

Q1. What's your job title?

**CODES OPEN**

Q2. I have your business name registered as *<import name from database>*, is this correct?

**SINGLECODE**

Yes

No – **Record name**

Don't know

Q3. In total, how many employees, including yourself, does your organisation have in the UK?

**SINGLECODE**

0-4

5-9

10-19

20-49

50-99

100-249

250-499

500+

Don't know

## SECTION 2: Establishing the Primary Authority partnership

So, thinking specifically about your partnership with *<import LA name from database>*.

**Q4. Before you entered into this Primary Authority partnership, had your organisation had previous experience of any of the following 'lead authority' schemes? READ OUT**

**MULTICODE**

The 'Home Authority scheme' run by LGR

The 'Lead Authority scheme' previously run by the Health & Safety Executive

The 'RAFKAP scheme' (Retail & Fire Key Authority Partnership)

Primary Authority for other regulated areas in partnership with another authority

None of the above

Don't know

**Q5. On a 1 to 5 scale, where 1 is very difficult and 5 is very easy, how easy or difficult was it to set up the Primary Authority partnership?**

**SINGLECODE**

1 – Very difficult

2 – Difficult

3 – Neither easy nor difficult

4 – Easy

5 – Very easy

Don't know

**Q8. How much time did your business spend in setting up this partnership (i.e. to the point of signing the agreement)? INTERVIEWER: Probe for a figure and record if time given is days, hours, weeks etc.**

**CODES OPEN**

**Q9a. Apart from staff time, what if any other expenses were involved from your side in setting up the partnership?**

**INTERVIEWER: Probe for a figure and record if time given is days, hours, weeks etc.**

**CODES OPEN**

**Q9b. Have any new regulatory areas been added to this partnership since it was first established?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q9c IF 'Yes' AT Q9b, OTHERS GO STRAIGHT TO Q11**

**Q9c. How much time did the business spend in amending this partnership agreement to include the new areas? INTERVIEWER: Probe for a figure and record if time given is days, hours, weeks etc.**

**CODES OPEN**

**Q9d. Apart from staff time, were any other expenses incurred on your side in revising the partnership agreement?**

**CODES OPEN**

### SECTION 3: Motivations for being in Primary Authority

**Q11. On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly and where 3 means there was no change, would you say that:**

***SINGLE CODE***

1 – Disagree strongly

2 – Disagree

3 – No change

4 – Agree

5 – Agree strongly

No issues

Don't know

***LOOP – RANDOMISE ORDER OF ASKING***

- The time your business spends on regulatory matters is reducing
- Your business is developing a more positive regulatory relationship with local authorities
- Your business is getting more consistent advice on regulatory matters
- The frequency of instances of non-compliance identified by local authorities is reducing
- The number of times your business is issued with enforcement notices, warnings or some other formal notification of non-compliance is reducing
- Instances of non-compliance reported by local authorities are proving to be readily resolvable
- The advice you receive about matters of non-compliance is improving
- You are more confident that your business is compliant with the regulations that apply to it
- You are subject to fewer inspections from local authorities

***GO STRAIGHT TO Q14 IF 'No change' TO ALL STATEMENTS AT Q11***

**Q13. Giving your answer on a scale of 1 to 5, where 5 means they are entirely due to Primary Authority and 1 means they have nothing to do with Primary Authority at all, to what extent would you attribute the changes you have identified to being in Primary Authority? READ OUT**

***SINGLE CODE***

1 – Nothing to do with PA at all

2 –

3 –

4 –

5 – Entirely due to PA

Don't know

**Q14. Are there any other areas where Primary Authority has had an impact?**

***CODES OPEN***

## SECTION 4: Activities, costs and benefits

Q15. On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly, how far do you agree or disagree with the following statements?

**SINGLE CODE**

- 1 – Disagree strongly
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Agree strongly
- Don't know or we do not do this

**LOOP – RANDOMISE ORDER OF ASKING**

- We set programmes of activities for the partnership at least annually
- We discuss what we pay for Primary Authority at least annually
- We give the primary authority feedback on their work, whether we are meeting agreed service levels etc.
- Now we are in Primary Authority we get better information about changes to regulatory requirements
- Our primary authority responds quickly and appropriately to our needs
- I would consider changing to a different primary authority if our named contact at my current primary authority left
- Our staff are generally aware of Primary Authority and its implications for our business and their work/role
- Primary Authority has demonstrably improved our compliance in the regulatory areas covered by the partnership
- Enforcing authorities routinely contact the primary authority before, or instead of, contacting us directly
- We are likely to renew this Primary Authority agreement for the foreseeable future
- Primary Authority has definitely saved the business time and/or money

I am now going to read out some activities typically carried out by primary authorities for their business partners; for each I will then ask you a series of questions.

Q16a. Did any of this activity happen in the most recent contract period?

**SINGLECODE**

- Yes
- No
- Don't know

**LOOP – RANDOMISE ORDER OF ASKING**

- Familiarisation visits by primary authority staff to your business
- Promoting the existence of your primary authority partnership with enforcing authorities
- Providing advice to your business on regulatory matters
- Handling regulatory enquiries from enforcing authorities
- Drawing up and implementing an Inspection Plan



- Carrying out audits and checking compliance
- Supporting training and development of your staff

**Q16b. Can you call to mind any other benefits to your business from Primary Authority during the most recent contract period?**

**OPEN RESPONSE – MAXIMUM OF THREE RECORDED**

No/none

**ASK Q16c FOR ALL ANSWERING ‘Yes’ TO ‘Providing advice to your business on regulatory matters’ AT Q16b. OTHERS GOTO Q17a.**

**Q16c Do you know if the advice you received was formal Primary Authority Advice or was it more informal discussions about regulatory matters or was it both?**

**SINGLECODE**

Primary Authority Advice

More informal discussions

Both

Don't know

**IF ‘Primary Authority Advice’ OR ‘Both’ AT Q16c ASK Q16d. OTHERS GOTO Q17a**

**Q16d Was the Primary Authority Advice published on the Primary Authority Register**

**SINGLECODE**

Yes

No

Don't know

**ASK Q17a & Q17b FOR EACH ACTIVITY WHERE THE RESPONSE IS ‘Yes’ AT Q16a**

**Q17a. How much time did you spend on this activity in the most recent contract period?**

**INTERVIEWER: Probe for a figure and record if time given is days, hours, weeks etc.**

**CODES OPEN**

**Q17b. How has the business benefitted from this activity?**

**CODES OPEN**

No benefit

**Q17d. Thinking about this partnership more generally, can you put a monetary value on the benefit the business derived from Primary Authority in the most recent contract period?**

**NUMERIC RESPONSE**

**Q17e. In this period, would you say that the value of the benefit exceeded any related costs?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q17f IF 'Yes' AT Q17e**

**Q17f. By what ratio?**

**OPEN RESPONSE**

## SECTION 5: Resolving non-compliance

**Q19a. Has the business experienced any instances of non-compliance, whether or not enforcement action was taken, in the in the most recent contract period?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q19b IF 'Yes' AT Q19a OTHERWISE GO TO Q23.**

**Q19b We are interested what happens when a local authority has found you to be non-compliant with the regulations. On a scale of 1 to 5 where 1 means 'made things much worse' and 5 means 'made things much better' and 3 means there was 'no impact', what impact has your Primary Authority partnership had on the following?**

**SINGLECODE**

1 – Made things much worse

2 – Made things worse

3 – No impact

4 – Made things better

5 – Made things much better

Don't know

As far as I am aware we have no instances of non-compliance

**LOOP – RANDOMISE ORDER OF ASKING**

- The way in which instances of non-compliance are resolved
- The speed with which instances of non-compliance are resolved
- The frequency with which instances of non-compliance occur
- The extent to which enforcing authorities are clearer about what they are doing or what they should expect when they arrive at your premises
- The clarity of the advice received in respect of instances of non-compliance

**IF 'As far as I am aware we have had no instances of non-compliance'  
GO STRAIGHT TO Q23**

**Q20. In the in the most recent contract period did your business have any instances of non-compliance which stopped short of enforcement notices, warnings or some other formal notification being issued by local authority regulators?**

**SINGLECODE**

Yes – 1 or 2

Yes – 3 to 6

Yes – more than 7

As far as I am aware we have no such instances of non-compliance

Don't know

**Q21. And in the most recent contract period did your business receive any enforcement notices, warnings or other formal notifications of non-compliance?**

**SINGLECODE**

Yes

No

Don't know

**IF 'Yes' TO Q21 ASK Q22. OTHERS GO STRAIGHT TO Q23.**

**Q22. Did the authority go through your primary authority first?**

**SINGLECODE**

Yes

No

Don't know

**Q22a. How many times were enforcement notices, warnings or other formal notifications of non-compliance issued?**

**NUMERIC RESPONSE**

**Q22b. Can you briefly explain the sort of circumstances in which they were issued?**

**OPEN CODE**

**Q23. Are you aware of any informal discussions between your primary authority and other local authorities about regulatory matters; that is discussions which did not involve an actual or potential enforcement notice, warning or some other formal notification?**

**SINGLECODE**

Yes – this happens regularly

Yes – this happens occasionally

No

Don't know/ unaware

## SECTION 6: Other feedback from enforcing authorities

**Q24. Since you joined Primary Authority, have you noticed any changes in the way enforcing authorities deal with your business?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q25 IF 'Yes' AT Q24, OTHERS GO STRAIGHT TO Q27**

**Q25. In what ways have things changed?**

**CODES OPEN**

**Q26. Do enforcing authority officers appear to know you have a Primary Authority partnership? READ OUT**

**SINGLECODE**

Yes – always

Yes – in most cases

Yes – sometimes

No – not usually or only rarely

Not applicable

Don't know

**Q27. On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly and where 3 indicates no change, how far do you agree or disagree with the following statements?**

**SINGLECODE**

1 – Disagree strongly

2 – Disagree

3 – No change

4 - Agree

5 – Agree strongly

Don't know

**LOOP - RANDOMISE ORDER OF ASKING**

- Feedback from enforcing authorities has more impact on what our business does (i.e. the business makes changes as a result of feedback received)
- The quantity of feedback from enforcing authorities has increased
- The quality of feedback from enforcing authorities has increased
- Enforcing authorities always contact the primary authority first

## SECTION 7: Costs and overall conclusions

**Q28. What did you pay your primary authority for their Primary Authority partnership-related work in the most recent contract year?**

**NUMERICAL RESPONSE**

I know we paid something but I don't know the amount involved

Did not pay anything

Don't know whether or not we paid anything

In credit, so did not have to pay anything

**ASK Q29 & Q30a UNLESS 'Didn't pay' OR 'Don't know whether or not we paid' AT Q28, IN WHICH CASE GO STRAIGHT TO Q32.**

**Q29. Which of the following charging arrangements have you and your primary authority adopted? READ OUT**

**SINGLECODE**

Fixed annual fee

Annual fee for an agreed minimum or a set number of hours per annum

An hourly rate for an agreed minimum or a set number of hours

An hourly rate for services as and when needed

Another arrangement (write in)

Don't know

**Q30a How many 'free hours' are included in your charging arrangements?**

**NUMERICAL RESPONSE**

No free hours

Don't know

**ASK Q30b-c IF 'Annual fee for an agreed minimum or a set number of hours per annum' OR 'An hourly rate for an agreed minimum or a set number of hours' AT Q30a; OTHERS GO STRAIGHT TO Q31**

**Q30b If the agreed minimum or set number of hours is exceeded are you charged for any additional hours?**

**SINGLECODE**

Yes

No

Don't know

**Q30c If the agreed minimum or set number of hours is not used are any unused hours rolled into the following period or are these 'lost' to you?**

**SINGLECODE**

Rolled over

Lost (written off)

Don't know

**Q31. Would you say that the benefit you get from Primary Authority is...**

**READ OUT**

**SINGLECODE**

Equivalent to about half what you pay

Equivalent to what you pay  
Equivalent to around double what you pay  
Equivalent to around 4 times what you pay  
Equivalent to more than 4 times what you pay  
You get no benefit from Primary Authority  
Don't know

**ASK Q32 IF 'Didn't pay' OR 'Don't know' AT Q28, OTHERS GO STRAIGHT TO Q33**

**Q32. Has paying for Primary Authority been mentioned or considered?**

**SINGLECODE**

Yes

No

Don't know

**Q33. How much would you be prepared to pay for your Primary Authority Partnership for the next twelve months? READ OUT**

**SINGLECODE**

For the service we get I don't think we should be paying anything

About half what we currently pay

What we currently pay

Around double what we currently pay

Around 4 times what we currently pay

More than 4 times what we currently pay

Don't know

**ASK ALL**

**Q34. Overall would you say that the total annual costs of local authority-related regulation on your business are generally increasing or decreasing year on year? Please think about all costs and not just the costs of Primary Authority. READ OUT**

**SINGLECODE**

1 – Increasing substantially

2 – Increasing

3 – Not change

4 – Decreasing

5 – Decreasing substantially

Don't know

## SECTION 8: Overall conclusions

**Q35. On a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, how satisfied or dissatisfied are you with your Primary Authority partnership with <import LA from database>?**

**SINGLECODE**

- 1 – Very dissatisfied
- 2 – Dissatisfied
- 3 – Neutral (neither dissatisfied nor satisfied)
- 4 – Satisfied
- 5 – Very satisfied
- Don't know

**Q38. On a scale of 1 to 5, where 1 is 'definitely would not' and 5 is 'definitely would', would you recommend Primary Authority to other businesses?**

**SINGLECODE**

- 1 – Definitely not
- 2
- 3
- 4
- 5 – Definitely would
- Don't know

**Q39. Are there any regulatory areas not currently in scope for Primary Authority that you would like to see included in the scheme?**

**CODES OPEN**

**Q40. Do you have any other suggestions to improve or develop Primary Authority?**

**CODES OPEN**

**Q41. Finally, we'd like to email you a copy of some of your answers so you can check that you're happy with the responses you gave. Would it be OK for us to do this?**

**SINGLECODE**

- Yes
- No

**ASK Q42 IF 'Yes' at Q41**

**Q42. Can I just confirm that your email address is <import from database>?**

**SINGLECODE**

- Yes – collect address
- No - THANK AND CLOSE



## Primary Authority – Businesses not in Primary Authority survey

Good morning/afternoon, my name is [???] and I am calling on behalf of the Department for Business, Innovation & Skills and the Better Regulation Delivery Office (BRDO) who have asked us to undertake a survey with a range of businesses to explore the costs of regulation.

The survey will take around 10 minutes to complete and will explore your organisation's approach to working with local authorities on regulatory matters and how you view these arrangements.

**S1. Would you be the right person to speak to about your business's experiences of local authority regulation?**

**SINGLECODE**

Yes – Continue

No – Try and ascertain the contact details for the correct individual

Before we start the interview, I need to ask three screening questions.

**S2. Firstly can you confirm that your business operates in more than one local authority area or, if not, that your goods/services are sold (including by mail order) or provided outside the local authority area where your business is based?**

**SINGLECODE**

Yes – Continue

No – Unfortunately we need to speak to businesses that operate in more than one local authority area so I will not be able to continue with the interview. **THANK & CLOSE**

**S3. Secondly, which of the following regulated areas apply to your business? READ OUT**

**MULTICODE**

Age Restricted Products

Agriculture

Animal Establishments

Animal Health and Welfare

Environmental Protection

Explosives Licensing

Fair Trading

Fire Safety

Food Safety and Hygiene

Food Standards

General Licensing

Health Safety and Welfare

Housing

Metrology

Petrol Storage

Pollution Control

Product Safety

Public Health

None – Unfortunately we need to speak to businesses with experience of these particular regulated areas so I will not be able to continue with the interview. **THANK & CLOSE**

**S4. We have <import name from sample> as the sector in which your organisation currently operates. Could you tell me briefly a little more about what your business does?**

**INTERVIEWER: WRITE BRIEF DESCRIPTION AND CODE BELOW**

**CODES OPEN  
CODE BELOW**

Retail (excluding motor vehicles)  
Wholesale (excluding motor vehicles)  
Manufacturing  
Accommodation & food service  
Financial & insurance  
Motor vehicle retail, wholesale & repair  
Gambling & betting activities  
Property sale, letting & estate agency  
Education  
Health & social care  
Agriculture, forestry & fishing  
Rental & leasing activities (excluding property)  
Travel agency & tourism  
Leisure, fitness & other recreational activities  
Other

**S5. Is now a convenient time for me to interview you?**

**SINGLECODE**

Yes – Continue

No – Is there a more convenient time when you might be able to take part.

**Schedule time for interview and/or THANK & CLOSE**

The survey will take around 10 minutes to complete and will be carried out according to the Market Research Society's Code of Conduct. Your answers will be treated in confidence and the findings of this survey will be reported anonymously. If there are any questions that you do not wish to answer, then please let me know. The call may be recorded for quality purposes. Is that OK?

## SECTION 1: Background

Firstly, can I ask a few questions about you and your role.

Q1. What's your job title?

**CODES OPEN**

Q2. I have your business name registered as *<import name from sample>*, is this correct?

Yes

No – **Record name**

Don't know

Q3. In total, how many employees, including yourself, does your organisation have within the UK?

**SINGLECODE**

0-4

5-9

10-19

20-49

50-99

100-249

250-499

500+

Don't know

## SECTION 2: Experience of regulation

Thinking about your experience of local authority regulation.

**Q4.** On a scale of 1 to 5, where 5 means it's 'a significant issue' and 1 means it 'never happens', to what extent do the following apply to your business?

**SINGLECODE**

1 – Never happens

2

3

4

5 – Significant issue

Don't know

**LOOP – RANDOMISE ORDER OF ASKING (FIRST FIVE ONLY; LAST TWO ALWAYS TO BE THE LAST TWO)**

- I get contradictory advice from inspectors from different local authorities about regulatory matters
- I spend lots of time dealing with inspectors who are asking the same questions over and over again
- I find it difficult to get advice on regulatory matters
- I have to pay third parties for advice on regulatory matters
- Inspectors are always asking me for information
- Inspectors have threatened enforcement activity against my business which I consider to be heavy handed or unnecessary
- Inspectors have actually instigated enforcement activity against my business which I consider to be heavy handed or unnecessary

**ASK Q5 IF CODE 2-5 for 'I have to pay third parties for advice on regulatory matters' AT Q4, OTHERS GOTO Q6**

**Q5** If you have to pay third parties for advice on regulatory matters, how much did you pay in calendar 2014?

**NUMERIC RESPONSE**

**Q6.** On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly and where 3 means there was no change, would you say that:

**SINGLE CODE**

1 – Disagree strongly

2

3 – No change

4

5 – Agree strongly

Don't know

**LOOP – RANDOMISE ORDER OF ASKING**

- The time your business spends on regulatory matters is reducing
- Your business is developing a more positive regulatory relationship with local authorities
- Your business is getting more consistent advice on regulatory matters

- The frequency of instances of non-compliance identified by local authorities is reducing
- The number of times your business is issued with enforcement notices, warnings or some other formal notification of non-compliance is reducing
- Instances of non-compliance reported by local authorities are proving to be readily resolvable
- The advice you receive about matters of non-compliance is improving
- You are more confident that your business is compliant with the regulations that apply to it
- You are subject to fewer inspections from local authorities

**Q7. During 2014 did your business have any instances of non-compliance that stopped short of enforcement notices, warnings or some other formal notification being issued by local authority regulators?**

**SINGLECODE**

Yes – 1 or 2

Yes – 3 to 6

Yes – more than 7

As far as I am aware we have no instances of non-compliance

Don't know

**Q8a. Did your business have any enforcement notices, warnings or some other formal notification issued by local authority regulators during 2014?**

**SINGLECODE**

Yes

No instances

Don't know

**IF '1 – Never happens' OR 'Don't know' TO ALL STATEMENTS AT Q4  
AND**

**CODES 3 to 5 TO ALL STATEMENTS AT Q6**

**AND**

**'No instances' OR 'Don't know' AT Q7**

**AND**

**'No instances' OR 'Don't know' Q8a GO STRAIGHT TO Q14 (SECTION 3a).**

**IF CODES 2-5 TO ANY STATEMENT AT Q4**

**OR**

**CODES 1-2 TO ANY STATEMENT AT Q6**

**OR**

**'Yes' AT Q7**

**AND**

**'No instances' OR 'Don't know' AT Q8a GO STRAIGHT TO Q9 (SECTION 3).**

**IF CODES 2-5 TO ANY STATEMENT AT Q4**

**OR**

**CODES 1-2 TO ANY STATEMENT AT Q6**

**OR**

**'Yes' AT Q7**

**OR**

**'Yes' AT Q8a, ASK Q8b & Q8c THEN GO TO Q9 (SECTION 3).**

**Q8b. How many times were enforcement notices, warnings or other formal notifications of non-compliance issued?**

**NUMERIC RESPONSE**

**Q8c. Can you briefly explain the sort of circumstances in which they were issued?**

**OPEN CODE**

### SECTION 3: Costs and Benefits

We are interested in understanding what level of costs local authority regulation imposes on your business.

- Q9.** You just identified a number of issues you have in relation to regulation. Can you put a monetary value on the costs that regulatory activities impose on your business per year?

**SINGLECODE**

Yes

No

Don't know

**ASK Q10 IF 'Yes' to Q9. OTHERS GO STRAIGHT TO Q11.**

- Q10.** What is this figure?

**NUMERICAL RESPONSE**

**ASK Q11 IF 'No' OR 'Don't know' AT Q9, OTHERS GO STRAIGHT TO Q12.**

- Q11.** As an estimate, would you say the cost is...**READ OUT**

**SINGLECODE**

Hundreds

Thousands

Tens of thousands

More than £100,000

Don't know

- Q12.** On a scale of 1 to 5, where 1 is 'increasing substantially' and 5 is 'decreasing substantially' and 3 is 'no change', overall would you say that the total annual costs of local authority-related regulation are generally increasing or decreasing year on year?

**SINGLECODE**

1 – Increasing substantially

2 – Increasing

3 – Not change

4 – Decreasing

5 – Decreasing substantially

Don't know

**Q13a. How much would you be willing to pay per year to see the sort of problems you might have recently experienced with local authority regulation go away or be significantly reduced, the associated costs reduce and regulation become more manageable for your business?**

**READ OUT**

**SINGLECODE**

Under £300

£301 to £1000

£1001 to £3000

£3001 to £10,000

Over £10,000

Don't know

**ASK Q13b IF 'Don't know' AT Q13a**

**Q13b. As an estimate, would you be prepared to pay...READ OUT**

**SINGLECODE**

Hundreds

Thousands

Tens of thousands

I really don't know



**SECTION 3a: Costs and Benefits (no issues identified at Q5, 6 &7)**

**We are interested in the costs that regulatory requirements impose on your business.**

**Q14. Can you put a monetary value on how much local authority regulation costs you per year?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q15 IF 'Yes' to Q14. OTHERS GO STRAIGHT TO Q16.**

**Q15. What is this figure?**

**NUMERICAL RESPONSE**

**ASK Q16 IF 'No' OR 'Don't know' AT Q14, OTHERS GO STRAIGHT TO Q17**

**Q16. As an estimate, would you say the cost is...READ OUT**

**SINGLECODE**

Under £300

£301 to £1000

£1001 to £3000

£3001 to £10,000

Over £10,000

Don't know

**Q17. On a scale of 1 to 5, where 1 is 'increasing substantially' and 5 is 'decreasing substantially' and 3 is 'no change', overall would you say that the total annual costs of local authority-related regulation are generally increasing or decreasing year on year?**

**SINGLECODE**

1 – Increasing substantially

2 – Increasing

3 – Not change

4 – Decreasing

5 – Decreasing substantially

Don't know

**Q18a. How much would you be willing to pay per year to see these costs reduce and regulation become more manageable for your business?**

**NUMERICAL RESPONSE**

Don't know

**ASK Q18b IF 'Don't know' AT Q18a**

**Q18b. As an estimate, would you be prepared to pay...READ OUT**

**SINGLECODE**

Hundreds

Thousands

Tens of thousands

I really don't know

#### SECTION 4: Primary Authority and Closing Comments

**Q19. Have you heard of a Department of Business, Innovation and Skills initiative called 'Primary Authority'?**

**SINGLECODE**

Yes

No

Don't know

**IF 'No' OR 'Don't know' AT Q19 GO STRAIGHT TO STATEMENT BEFORE Q25.**

**Q20. Have you at any time considered whether Primary Authority would be suitable for your business?**

**SINGLECODE**

Yes

No

Don't know

**Q21. Has your business ever made an assessment of the benefits that could accrue from a Primary Authority partnership, or did Primary Authority simply not look like something that would be of interest to you?**

**SINGLECODE**

Assessed Benefits

Not Interested

Don't know

**ASK Q22 IF 'Assessed Benefits' AT Q21; OTHERS GO STRAIGHT TO STATEMENT BEFORE Q25.**

**Q22. Did you decide that...READ OUT**

**SINGLECODE**

You could not discern any potential benefits

The benefits you identified would not justify the fees you were asked to pay and other costs to the business

Something else (write in)

Don't know

**ASK Q23 IF '...not justify the fees and other costs' AT Q22; OTHERS GO STRAIGHT TO Q24.**

**Q23a. Can you tell me what fees you were quoted?**

**CODES OPEN**

Prefer not to say

Cannot recall/don't know

**Q23b. What other costs did you identify?**

**CODES OPEN**

Prefer not to say

Cannot recall/don't know

**Q23c. What savings did you expect to make?**

**CODES OPEN**

Prefer not to say

Cannot recall/don't know

**Q24. Were there any other grounds for deciding not to proceed?**

**CODES OPEN**

**READ STATEMENT** I appreciate that you may know this already but finally I'd like to read out the following description of Primary Authority:

*Primary Authority offers businesses the opportunity to form a legally recognised partnership with a local authority; this local authority will then be able to provide the business with robust, reliable and, if the business wishes, enforceable advice which other local authorities have to take into account when carrying out inspections, dealing with non-compliance matters or carrying out other regulatory functions in connection with that business.*

**Q25. Might this be of interest to you?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q26 if 'Yes' AT Q25, OTHERS THANK & CLOSE**

**Q26. There are a number of areas where Primary Authority might be able to help your business. Can you tell me if any of the following would be of interest to you? READ OUT**

**SINGLECODE**

Yes

No

Don't know

**LOOP - RANDOMISE ORDER OF ASKING**

- Raising awareness of your business's approach to regulatory matters with enforcing authorities
- Providing you with informal advice on regulatory matters
- Formally approving your approach to matters subject to regulation – once approved your approach could not be challenged by any other authority in most instances
- Handling regulatory enquiries from enforcing authorities on your behalf
- Carrying out audits and checking your compliance with regulations
- Supporting training and development of your staff in regulatory matters
- Providing input into/advice on internal procedural documentation covering areas subject to regulation

**Q27. If you would like to learn more about Primary Authority we can send your details to BRDO who can put you in touch with a local authority who may be able to help further. Would you like us to send your contact details to BRDO? All the answers you have given to this survey would remain anonymous and we'd only pass on your contact details.**

***SINGLECODE***

**Yes – COLLECT CONTACT DETAILS**

**No - THANK AND CLOSE**

## Primary Authority - Primary Authority Survey

Good morning/afternoon my name is ??? and I am calling from Qa Research on behalf of the Better Regulation Delivery Office (BRDO) who have asked us to undertake a programme of research exploring the effectiveness of Primary Authority.

S1. Your contact details have been supplied to us by the BRDO – their records indicate that you are the nominated contact responsible for your authority's Primary Authority partnership with *<import business name from database>*. Is this correct?

**SINGLECODE**

Yes – Continue

No – Try and ascertain the contact details for the correct individuals within the authority. **THANK & CLOSE**

S2. As part of the research we need to speak to primary authorities about their experiences of the scheme. Would now be a convenient time for you to take part in an interview of around 20 minutes with me over the phone?

**SINGLECODE**

Yes – Continue

No – Is there a more convenient time when you might be able to take part. **Schedule time for interview and/or THANK & CLOSE**

## SECTION 1: Background

This interview will be carried out according to the Market Research Society's Code of Conduct. Your answers will be treated in confidence and the findings of this survey will not be reported in a way that will enable you to be identified. If there are any questions that you do not wish to answer, then please let me know. The call may be recorded for quality purposes. Is that OK?

Q1. What's your job title?

**CODES OPEN**

Q2. My records show that this partnership covers the following regulated areas <import list from database>. Which of these regulated areas are you responsible for?

**MULTICODE**

Age Restricted Products  
Agriculture  
Animal Establishments  
Animal Health and Welfare  
Environmental Protection  
Explosives Licensing  
Fair Trading  
Fire Safety  
Food Safety and Hygiene  
Food Standards  
General Licensing  
Health Safety and Welfare  
Housing  
Metrology  
Petrol Storage  
Pollution Control  
Product Safety  
Public Health  
Others (Write in)  
Don't know

**SECTION 2a: Operations (set-up for this partnership)**

Thinking specifically about the partnership with <import business name from database>.

**Q3. What did you charge the business for setting up this partnership?**

**SINGLECODE**

**NUMERICAL RESPONSE**

No charge

Don't know

**ASK Q4 & Q5a IF NUMERICAL RESPONSE GIVEN AT Q3, OTHERS GO STRAIGHT TO Q7a.**

**Q4. How many hours input from your authority did this represent?**

**CODES OPEN**

**Q5a. As far as you are aware, did the charge cover all the hours input by the authority in setting up the partnership?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q5b IF 'No' AT Q5a, OTHERS GO STRAIGHT TO Q7a**

**Q5b. Roughly what percentage of the hours input were charged for?**

**NUMERICAL RESPONSE**

**Q7a. Is it normal practice for your authority to make a charge for setting up Primary Authority partnerships?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q7b IF 'Yes' AT Q7a AND 'No charge' at Q3, OTHERS GO STRAIGHT TO Q7c**

**Q7b. Why was no charge made in this instance?**

**CODES OPEN**



**ASK ALL**

**Q7c. Have any new regulatory areas been added to this partnership since it was first established?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q7d IF 'Yes' AT Q7c, OTHERS GO STRAIGHT TO [SECTION 2b]**

**Q7d. What did you charge the business for changing the partnership agreement to include these new areas?**

**SINGLECODE**

**NUMERICAL RESPONSE**

No charge

Don't know

**ASK Q7e IF Numerical Response GIVEN AT Q7d, OTHERS GO STRAIGHT TO [SECTION 2b]**

**Q7e. As far as you are aware, did the charge cover all the hours input by the authority in changing the partnership?**

**SINGLECODE**

Yes

No

Don't know

## SECTION 2b: Operations (last 12 months of this partnership)

**Q8a. Would you describe your partnership with <import business name from database> as being active in the most recent contract period? By 'active' we mean that your authority undertook some Primary Authority-related work for the business during that period.**

**SINGLECODE**

Yes

No

Don't know

**ASK Q8b IF 'Yes' AT Q8a, OTHERS GO STRAIGHT TO Q14a**

**Q8b. How many hours of staff time did your authority spend on the partnership in the most recent contract period?**

**NUMERICAL RESPONSE**

Don't know

**Q9. Which of the following did your authority undertake? READ OUT**

**MULTICODE**

Familiarisation work (i.e. visits by your staff to the business/reviews of the business's documentation)

Promoting the existence of the partnership among enforcing authorities

Informal discussions with the business on regulatory matters

Providing Primary Authority advice

Handling regulatory enquiries from enforcing authorities

Drawing up and implementing an Inspection Plan

Carrying out audits and checking compliance

Supporting training and development of the business's staff

Commenting on business procedures and documentation

Other **CODES OPEN**

None of the above

Don't know

**IF 'Don't know' OR NO WORK AT Q9 GO STRAIGHT TO Q14a**

**Q10. Of the work that you undertook in the most recent contract period, which took most time? READ OUT**

**SHOW RESPONSES FROM Q9**

Don't know

**ASK Q11 IF 'Providing Primary Authority advice' RECORDED AT Q9, OTHERWISE GO STRAIGHT TO Q14a**

**Q11. Was the Primary Authority Advice you issued published on the Primary Authority Register? READ OUT**

**SINGLECODE**

Yes – all of it was

Yes – some of it was

No  
Don't know

**GO STRAIGHT TO Q14a IF 'Yes – all of it was' or 'Don't know' at Q11  
ASK Q12 IF 'Yes - some of it was' AT Q11 THEN GO STRAIGHT TO Q14a**

**Q12. Why didn't all of it go on the Register?  
CODES OPEN**

**ASK Q13 IF 'No' AT Q11**

**Q13. Why didn't it go on the Register?  
CODES OPEN**

**Q14a. On a scale of 1 to 5, where 1 means 'disagree strongly', 5 means 'agree strongly' and 3 means you are neutral on the issue, how far do you agree or disagree with the following statements?**

**SINGLECODE**

- 1 – Disagree strongly
- 2 – Disagree
- 3 – Neutral
- 4 – Agree
- 5 – Agree strongly
- Don't know or we do not do this

**LOOP – RANDOMISE ORDER OF ASKING; LAST TWO STATEMENTS ALWAYS TO BE LAST**

- We agree objectives for this partnership and review these at least annually
- We set programmes of activities for this partnership at least annually
- We discuss what the business pays for this at least annually
- The business gives us feedback on our work, whether we are meeting agreed service levels etc.
- This partnership's pages on the Primary Authority Register are kept up to date with information that is relevant to enforcing authorities
- We respond quickly and appropriately to this business's needs
- Primary Authority has demonstrably improved this business's compliance in the regulatory areas covered by the partnership
- Enforcing authorities routinely contact us before, or instead of, contacting the business directly
- The business is likely to renew its Primary Authority agreement with us for the foreseeable future
- The Primary Authority Advice we have given has definitely saved the business time and/or money
- The informal discussions we have with the business have definitely saved the business time and/or money

**ASK Q14b IF CODES 4 OR 5 FOR 'The advice/Primary Authority Advice we have given the business...' OTHERS GO STRAIGHT TO Q15a (SECTION 3)**

**Q14b. What level of saving do you think has been achieved by the business in the most recent contract period due to Primary Authority activity?** *READ OUT*  
**CODES OPEN**  
Don't know

**Q14d. Would you say that the value of the benefits exceeded any related costs the business would have incurred?**  
**SINGLECODE**  
Yes  
No  
Don't know

*ASK Q14e IF 'Yes' AT Q14d; OTHERS GO STRAIGHT TO Q15a*

**Q14e. By what ratio?**  
**OPEN RESPONSE**

**Q14f. On what do you base this judgement?**  
**OPEN RESPONSE**

### SECTION 3: On-going fees and costs

**Q15a. Which of the following charging arrangements was used for your partnership with <import business name from database> in the most recent contract period? READ OUT**

**SINGLECODE**

We did not charge a fee

I don't know if we charged a fee

Fixed annual fee

Annual fee for an agreed minimum and/or a set number of hours per annum

An hourly rate for an agreed minimum and/or a set number of hours

An hourly rate for services as and when needed

Another arrangement (write in)

Don't know the basis for our charges to the business

**IF 'No fee charged' OR 'Don't know if we charged', GO STRAIGHT TO Q16; OTHERS CONTINUE**

**Q15b. Were there any 'free hours' included in the charging arrangements for your partnership with <import business name from database> in the most recent contract period? If so how many?**

**NUMERICAL RESPONSE**

No free hours

Don't know

**ASK Q15c ONLY OF THOSE SPECIFYING 'AN AGREED MINIMUM OR A SET NUMBER OF HOURS' AT Q15a.**

**Q15c. If the agreed minimum or set number of hours was not used were any unused hours rolled into the following period or are these 'lost' to the employer?**

**SINGLECODE**

Rolled over

Lost (written off)

Don't know

**Q15d. What did you charge <import business name from database> for the Primary Authority work you undertook with them in the most recent contract period?**

**SINGLECODE**

**NUMERIC RESPONSE**

I know we charged a fee but I do not know the amount

**Q15e. Was the charge you made intended to cover all the hours you spent, or just a proportion of them?**

All of them

All of them apart from the 'free hours' already mentioned

Just a proportion – **PROBE FOR WHAT PROPORTION**

Don't know

**Q15f. In respect of the hours charged for, did what was charged fully cover staff salary costs**

**SINGLECODE**

Yes

No

Don't know

**Q15g. In respect of the hours charged for, did what was charged also make a contribution to overheads**

**SINGLECODE**

Yes

No

Don't know

**ASK ALL**

**Q16. Does your authority propose to change your charging arrangements for this partnership in 2015 for the time you will work on this partnership in 2015?**

**SINGLECODE**

Yes

No

Don't know

**ASK Q17 IF 'YES' TO Q16. OTHERS GO STRAIGHT TO Q20 UNLESS 'No' OR 'Don't know' AT Q16 AND 'No fee charged' OR 'Don't know if we charged' AT Q15a, IN WHICH CASE GO STRAIGHT TO Q23 (SECTION 4)**

**Q17. How will the charging arrangements be changed?**

**OPEN RESPONSE**

**Q20. How confident are you that your authority will fully recover all the costs it incurs for the work undertaken for this Primary Authority partnership in 2015? READ OUT**

**SINGLECODE**

Very confident

Quite confident

Not very confident

Not at all confident

Don't know

**ASK Q21a and Q21b IF 'Not very/at all confident' AT Q20, OTHERWISE GO STRAIGHT TO Q23 (SECTION 4)**

**Q21a. What do you estimate you would need to charge to fully recover these costs? READ OUT**

**SINGLECODE**

Less than double what I expect we will charge

Double what I expect we will charge  
More than double what I expect we will charge  
Don't know

**Q21b. Why does your local authority not charge what it would need to in order to fully recover these costs?**

***OPEN RESPONSE***

## SECTION 4: Primary Authority generally

Finally, I'd like to ask you a few more general questions about Primary Authority.

### **ASK ALL**

Q23. On a scale of 1 to 5, where 1 is 'disagree strongly' and 5 is 'agree strongly', how far do you agree or disagree with the following statements?

#### **SINGLECODE**

1 – Disagree strongly

2

3

4

5 – Agree strongly

Don't know

### **LOOP – RANDOMISE ORDER OF ASKING**

- We have written policies and procedures that cover how we operate Primary Authority and work with our Primary Authority business partners
- Our charging policy is publicly available and readily accessible to any business interested in Primary Authority
- Our staff receive training on Primary Authority and how we operate it
- Our elected members and senior staff are aware of Primary Authority
- Our elected members and senior staff support the work we are able to do through Primary Authority
- Primary Authority is sufficiently well-resourced to enable my authority to deliver a high quality service to our business partners
- My authority has the capacity available to expand the number of Primary Authority partnerships it has
- My authority is actively pursuing new Primary Authority partnerships

Q24. Is any income earned from Primary Authority re-invested in or retained by your department, for example to cover the salaries of relevant staff, or is it 'handed over' and spent elsewhere in the authority?

#### **SINGLECODE**

All retained

Some retained

All handed over

Don't know

Q25. Are you aware of any fee-based competition from other local authorities for Primary Authority business?

#### **SINGLECODE**

Yes

No

Don't know



**Q26. Are you under pressure to increase the income you receive from Primary Authority?**

**SINGLECODE**

Yes

No

Don't know

**Q28. On a scale of 1 to 5, where 1 is 'very dissatisfied' and 5 is 'very satisfied', how satisfied are you with the Primary Authority scheme in its current form?**

**SINGLECODE**

1 – Very dissatisfied

2

3

4

5 – Very satisfied

Don't know

**Q29. Are there any improvements that you would suggest?**

**CODES OPEN**

**Q30. Are there any regulatory areas not currently in scope for Primary Authority that you would like to see included in the scheme?**

**CODES OPEN**

**Q31. Would you be willing to complete this interview again in the next few weeks about a different business that you manage a Primary Authority relationship with? If so we may contact you and invite you to take part over the phone.**

**SINGLECODE**

Yes

No

**Q32. Finally, we'd like to email you a copy of some of your answers so you can check that you're happy with the responses you gave. Would it be OK for us to do this?**

**SINGLECODE**

Yes

No

**ASK Q33 IF 'Yes' at Q32.**

**Q33. Can I just confirm that your email address is <import from database>?**

**SINGLECODE**

Yes – collect address

No - THANK & CLOSE

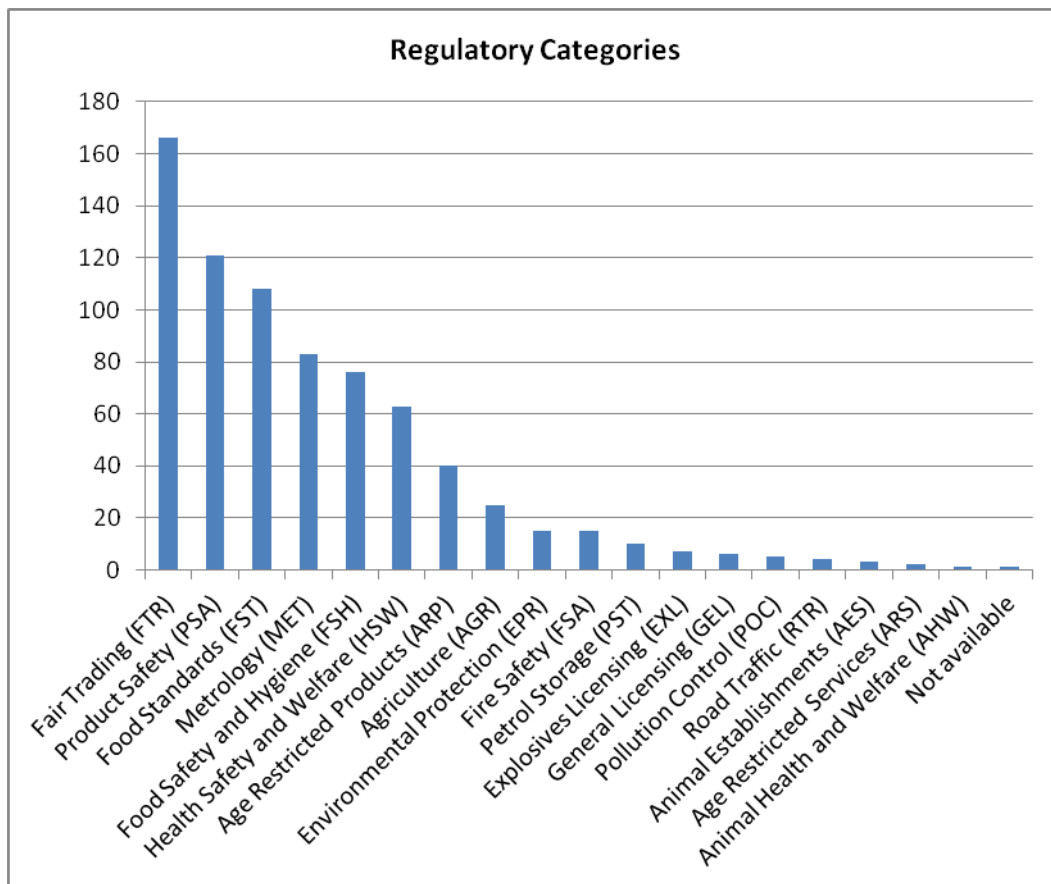
## Detailed analysis of the *Businesses in Primary Authority* questionnaire

### The business survey

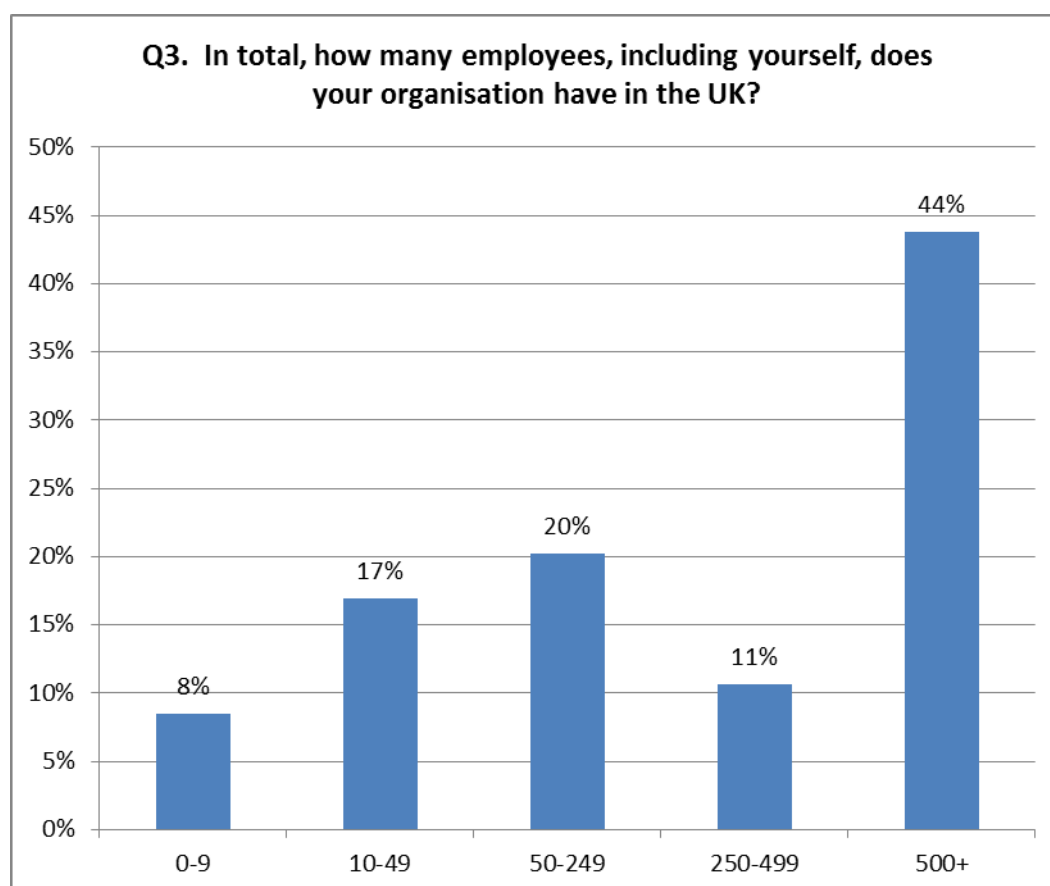
- 1 As part of our review of Primary Authority, we carried out a telephone survey of 275 businesses currently in Primary Authority partnerships with local authorities. A copy of the telephone survey questionnaire is provided as part of Annex 1. Questionnaire question numbers, when not quoted in diagrams, are shown in square brackets.
- 2 This annex provides a detailed question-by-question analysis of the telephone questionnaire administered to businesses in Primary Authority. It is presented in the order in which the questions were asked, and (in contrast to the main report, which addresses major themes only) covers every question.

### Characteristics of the sample

- 3 The 275 businesses that took part in our survey were drawn from a full sample of regulated areas covered by Primary Authority. The regulated areas covered by the partnerships concerned are shown in the diagram below. [S3]



- 4 The businesses also represented a range of sizes (measured in numbers of employees), again as shown below.

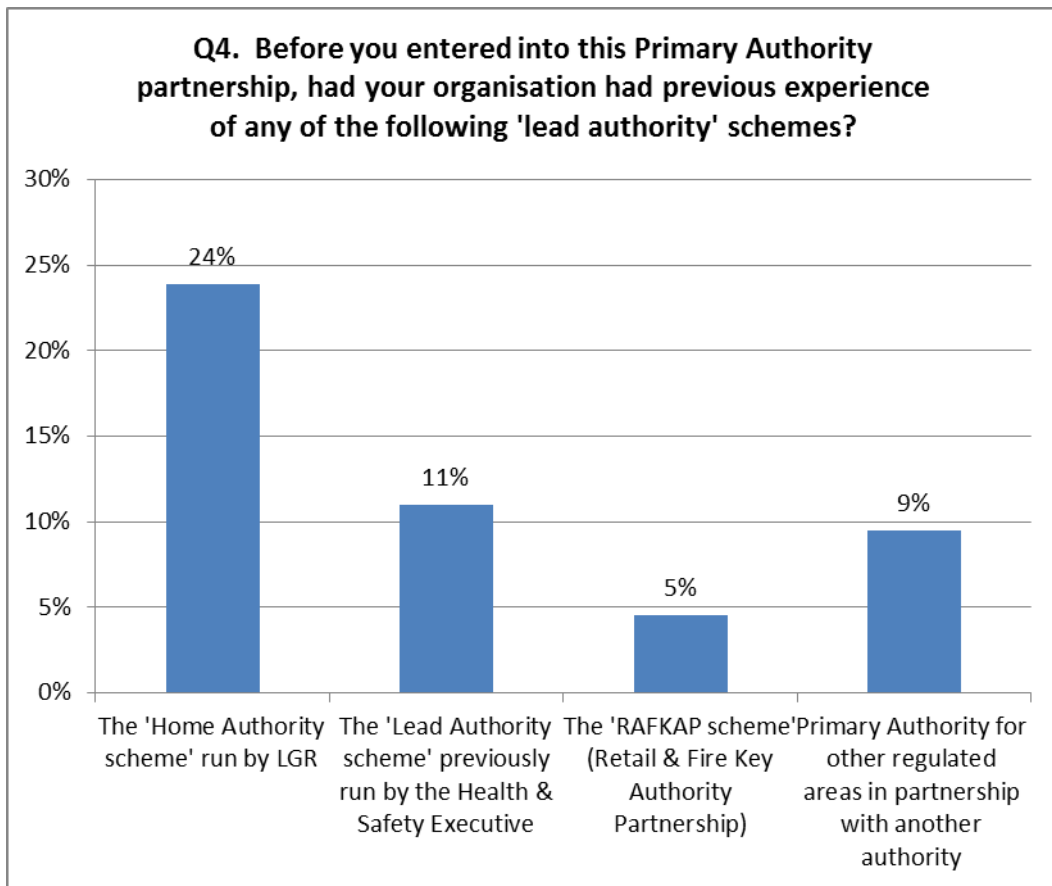


- 5 In a number of instances later in this document, we will analyse the benefits that businesses ascribe to Primary Authority by size of business. To do so, we have grouped small and medium businesses (up to 499 employees)<sup>34</sup> together. We have sought to produce this analysis for the most pertinent questions; naturally further analyses are possible.
- 6 A number of our businesses had previous experience of “lead authority” schemes, or indeed of Primary Authority elsewhere in the business, as shown below<sup>35</sup>:

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<sup>34</sup> We are aware the usual “cut-off” between small/medium and large businesses is represented by 250 employees. However we have adopted the cut-off of 500 because the group of businesses with 500 or more employees is by far the largest in our sample (more than twice the size of the next largest group) and, in our view, deserved its own analysis.

<sup>35</sup> Potentially some of these businesses could still be in Home Authority. In our parallel qualitative fieldwork we came across a number of local authorities that were still offering Home Authority.



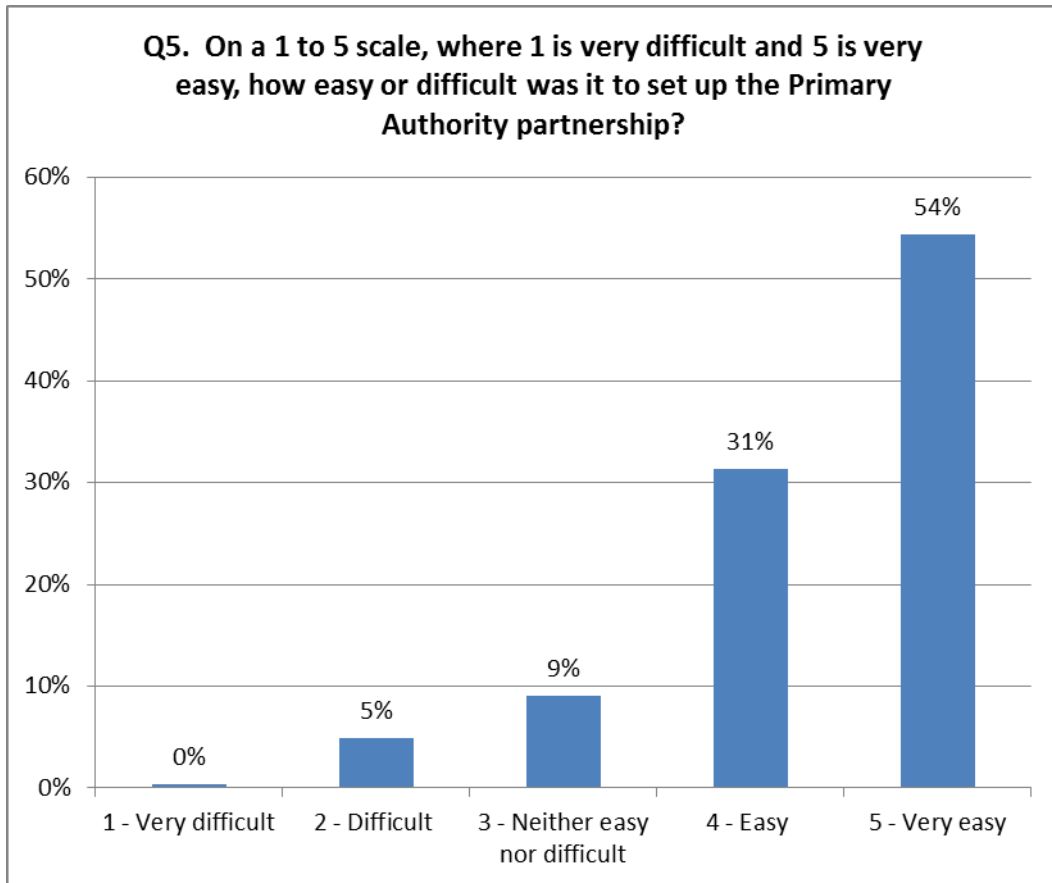
- 7 In this question, multiple responses were possible; the proportion of businesses with previous experience of one or more of these four schemes was 34%.
- 8 Of small/medium businesses, 19% of the group had some previous experience of such schemes; for large businesses, it was 51%.

### Setting up the Partnership

Businesses were asked how easy (or difficult) it was to set up the partnership; opinions varied but most respondents reported that it had been reasonably easy<sup>36</sup>:

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<sup>36</sup> By convention, the vertical scale in all bar charts in this document is *number of businesses*, not *percentages* (n=275 in most cases, less a variable number of "don't knows" in some instances).

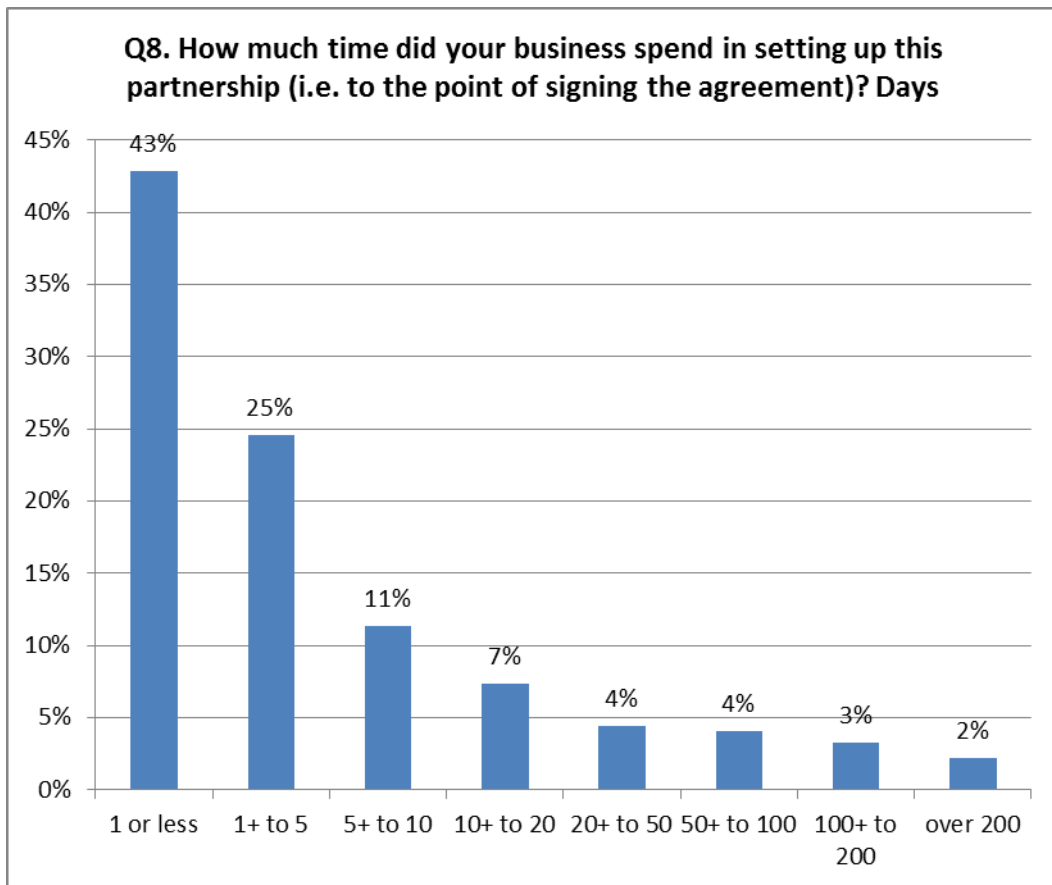


- 9 Businesses were also asked how much time they spent in setting up the partnership [Q8]<sup>37</sup>. Businesses were allowed to respond in terms of hours, days or weeks and the results are aggregated in the following diagram (based on an eight hour day and a five day week). The largest single value quoted was 650 days and the smallest nil.

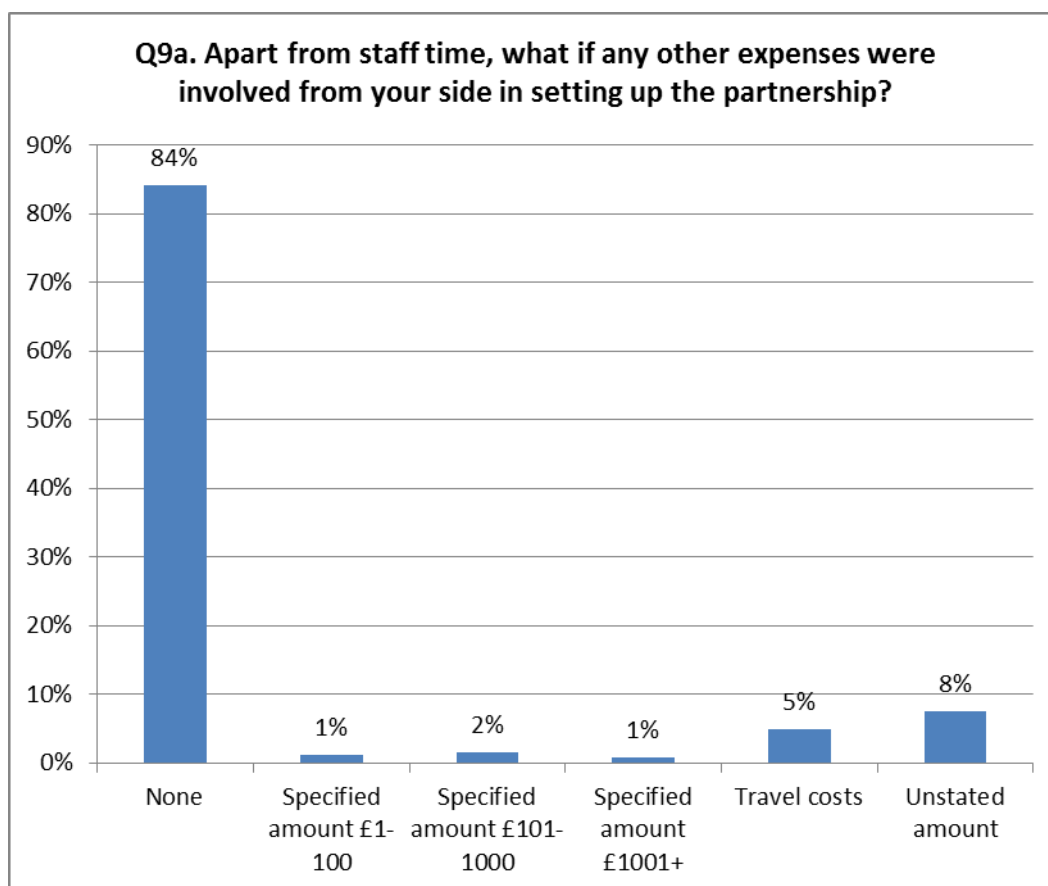
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<sup>37</sup> Note that the survey as administered did not include questions numbered 6 and 7. There were also no questions 10, 12, 17c, 18, 36 or 37. The content of the questionnaire was revised a number of times during preparation for and piloting the survey. To facilitate discussion of the drafts with BRDO, question numbers were not updated when questions were deleted. Thus the numbering of the questions is not consecutive.

10 The median number of days was 2 and the quartiles 0.375 (equivalent to five hours) and 10 (two weeks). It is worth commenting that the larger values in particular may well represent elapsed time rather than actual executive time input.



11 Businesses were also asked what other costs were incurred:

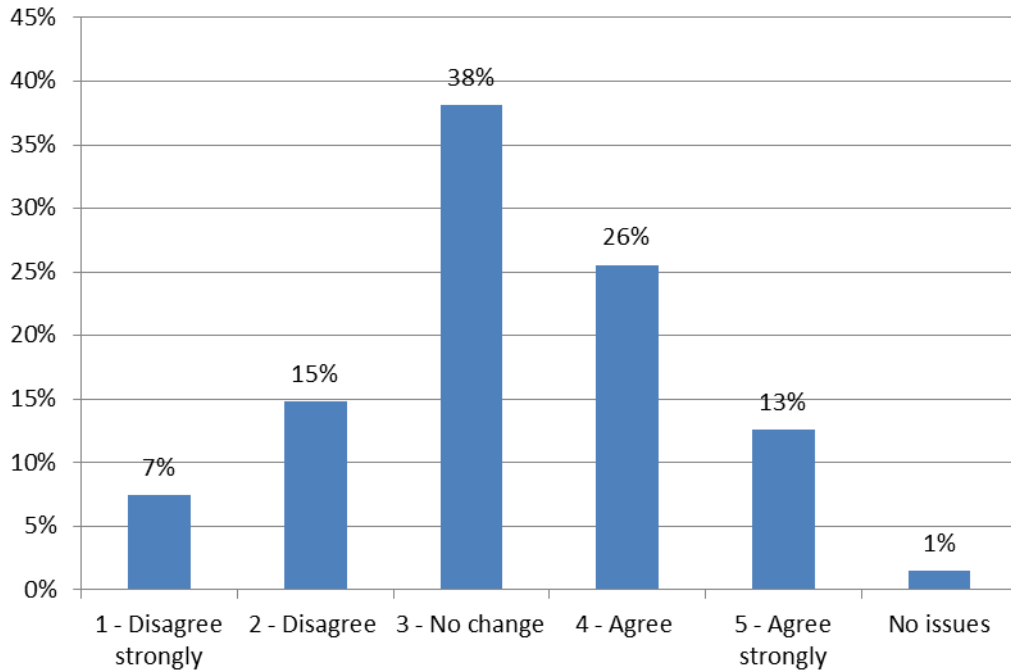


12 Finally in this section, businesses were asked [Q9b] whether the partnership agreement had been extended since first entered into (perhaps because additional regulated areas came into scope of Primary Authority, or perhaps through business choice). 8% of businesses had added one or more new regulated areas to their partnership, and in general (and as expected) the process had been far quicker than the original establishment of the partnership agreement, with two thirds of these saying the process had been completed in a day or less and only a quarter saying it had taken a week or more (again elapsed time, rather than input time, was probably being referred to) [Q9c]. Only one business reported additional costs involved in the extension process.

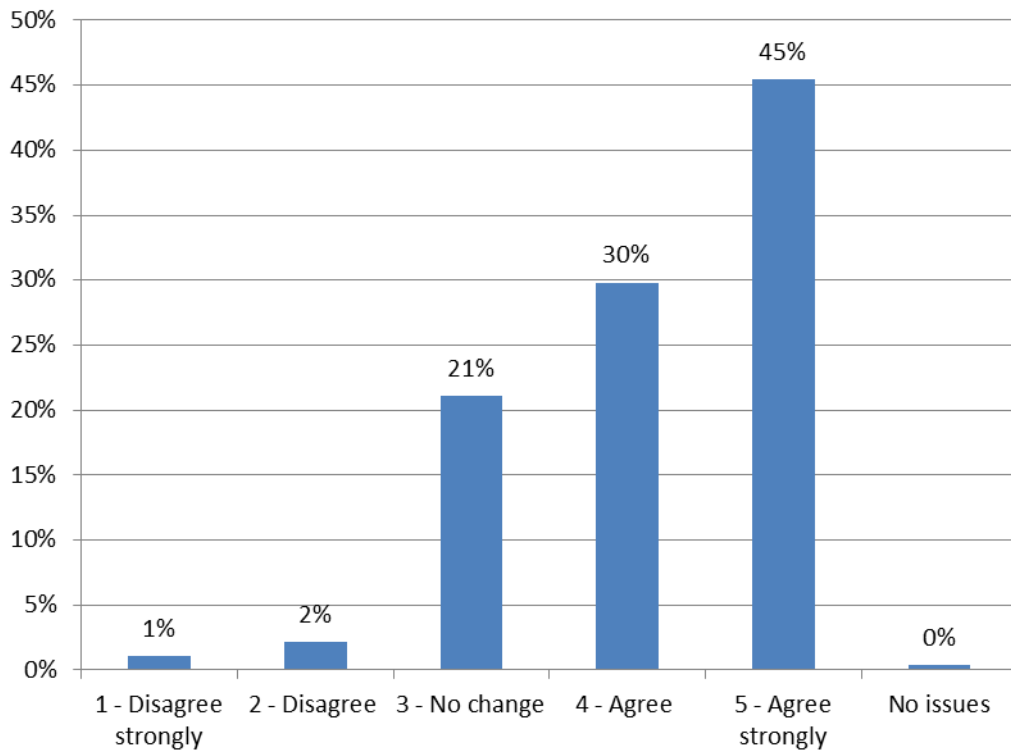
### The regulatory relationship and the potential impact of Primary Authority

- 13 The next sequence of questions asked businesses for their perception of changes in their relationship with regulators. A series of statements was given and respondents were invited to agree or disagree with each statement.
- 14 The questions asked, and the answers given, are shown in the sequence of diagrams below.

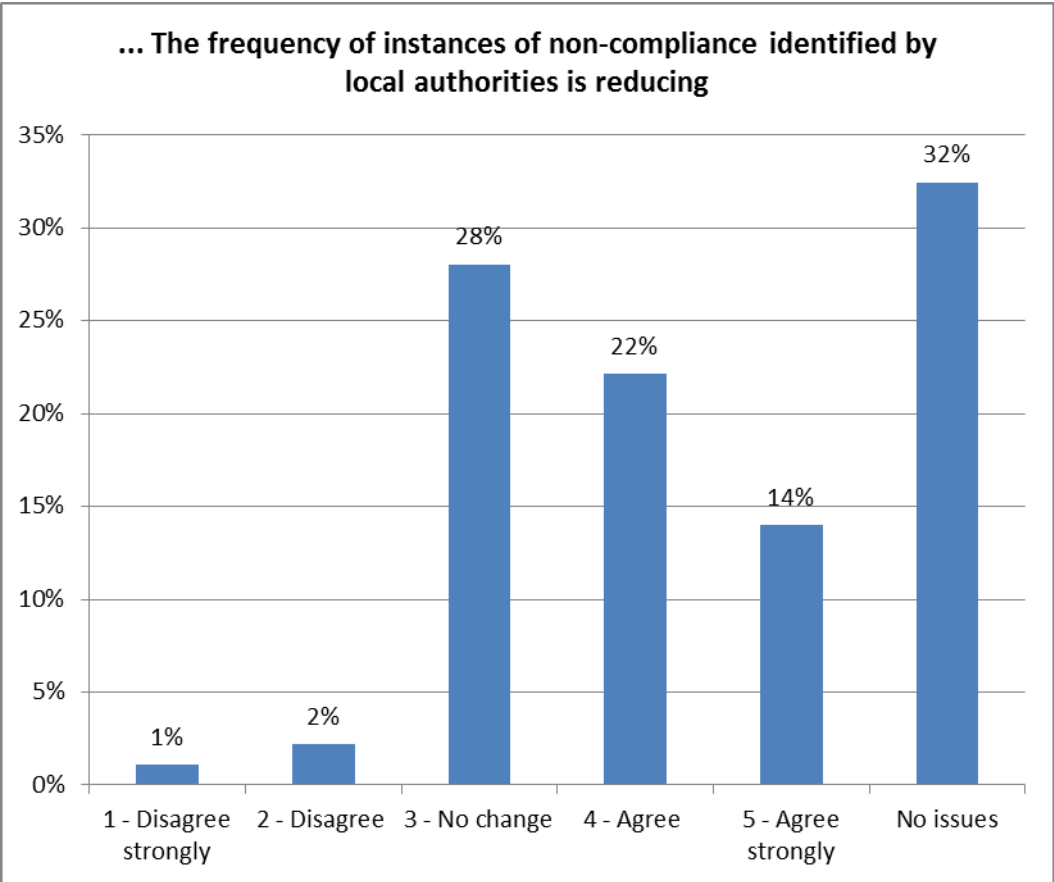
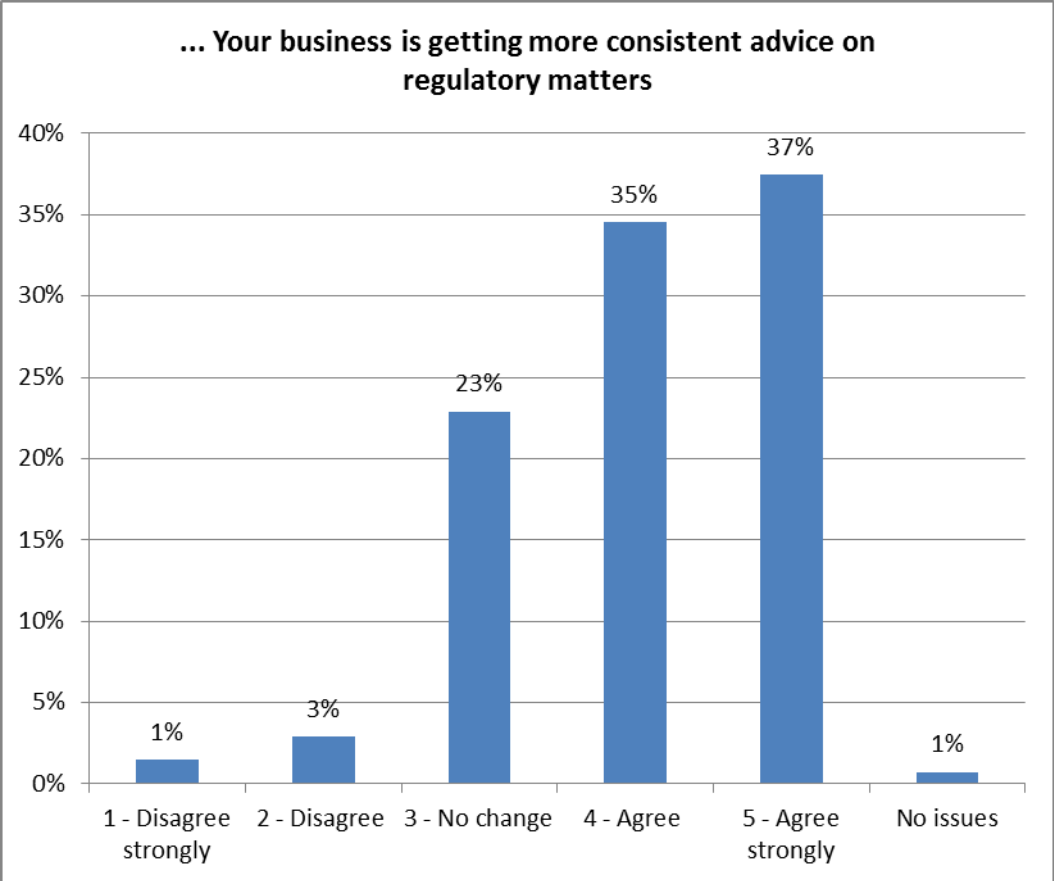
**Q11. On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly and where 3 means there was no change, would you say that: The time your business spends on regulatory matters is reducing**



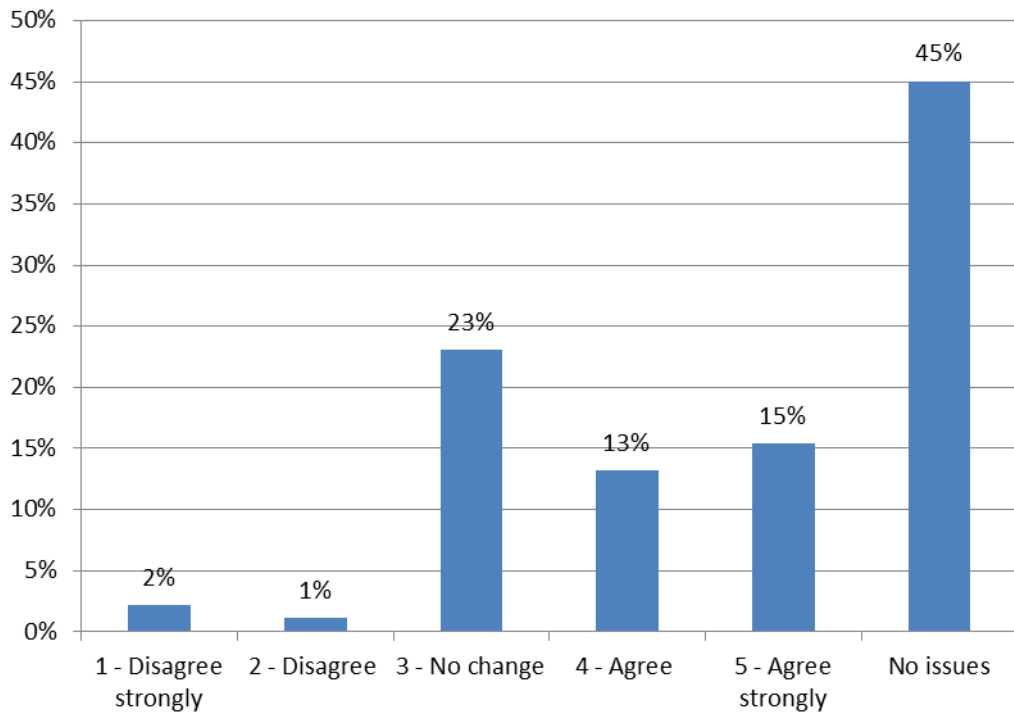
**... Your business is developing a more positive regulatory relationship with local authorities**



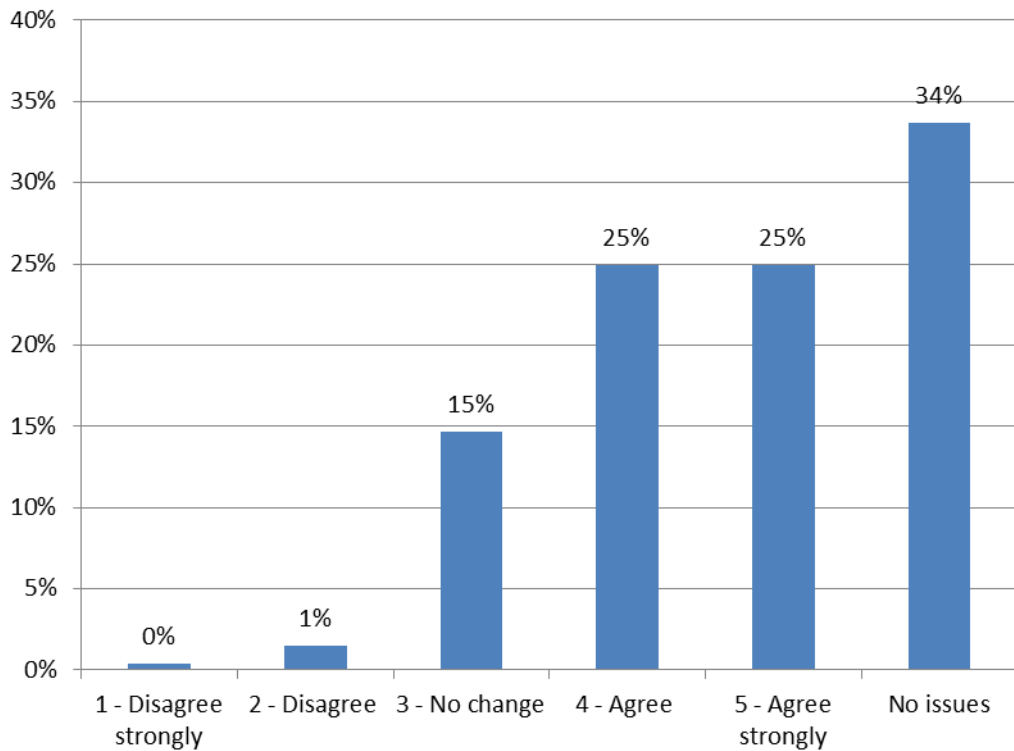


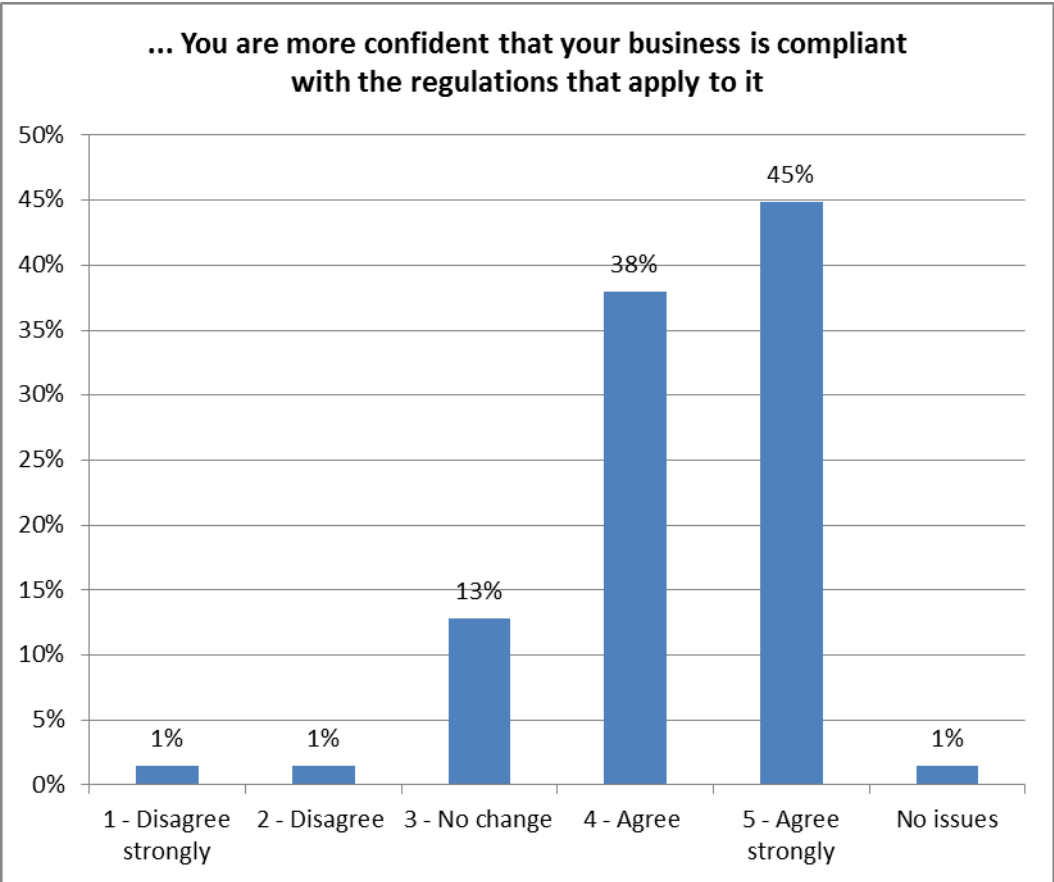
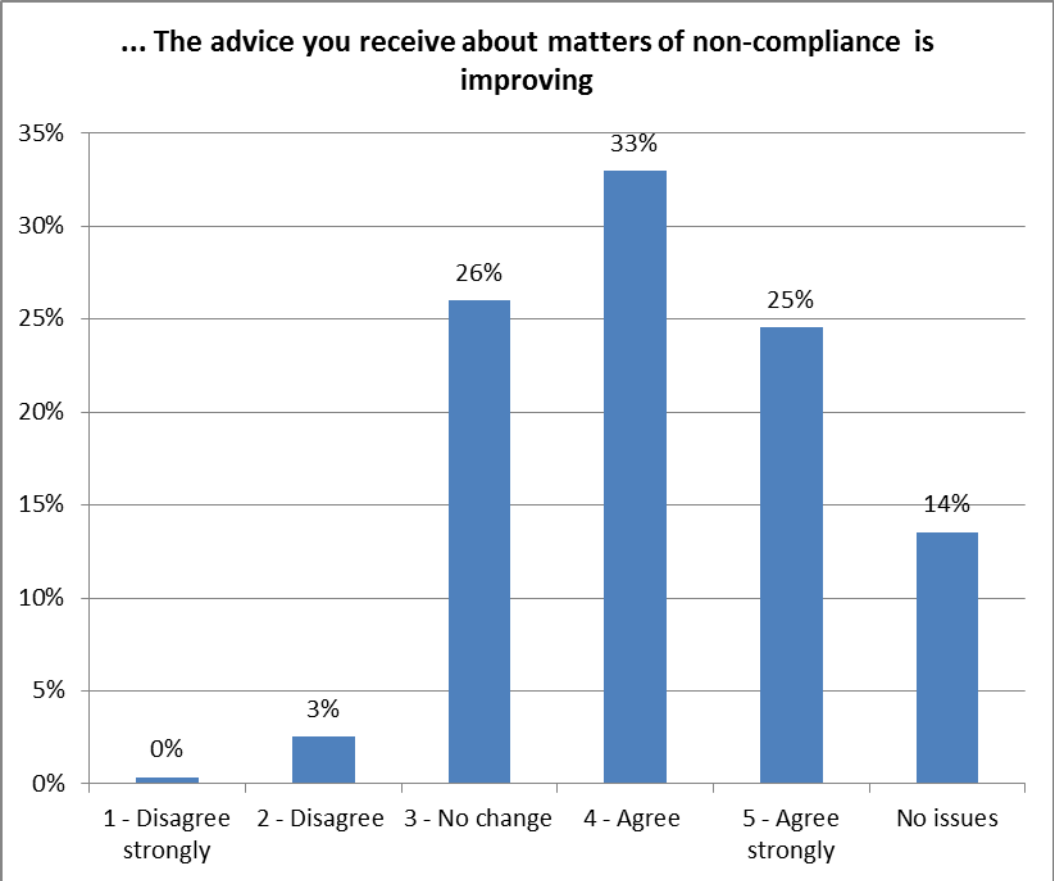


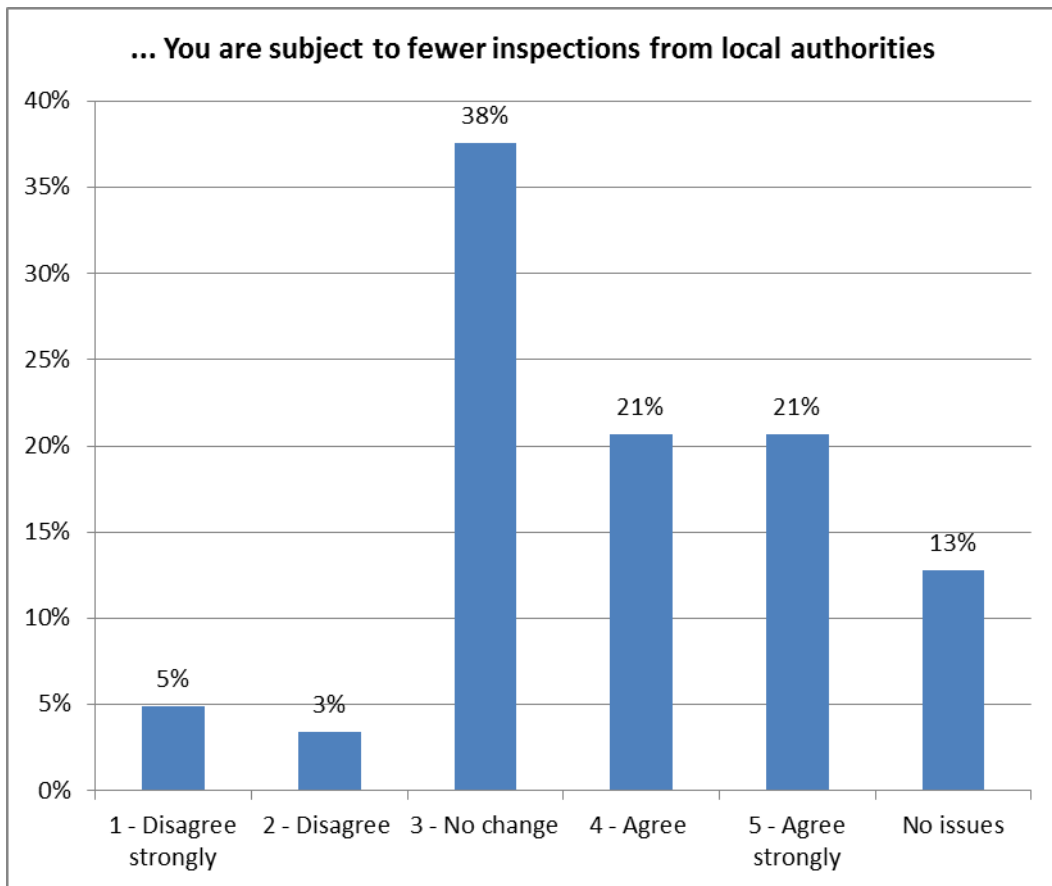
**... The number of times your business is issued with enforcement notices, warnings or some other formal notification of non-compliance is reducing**



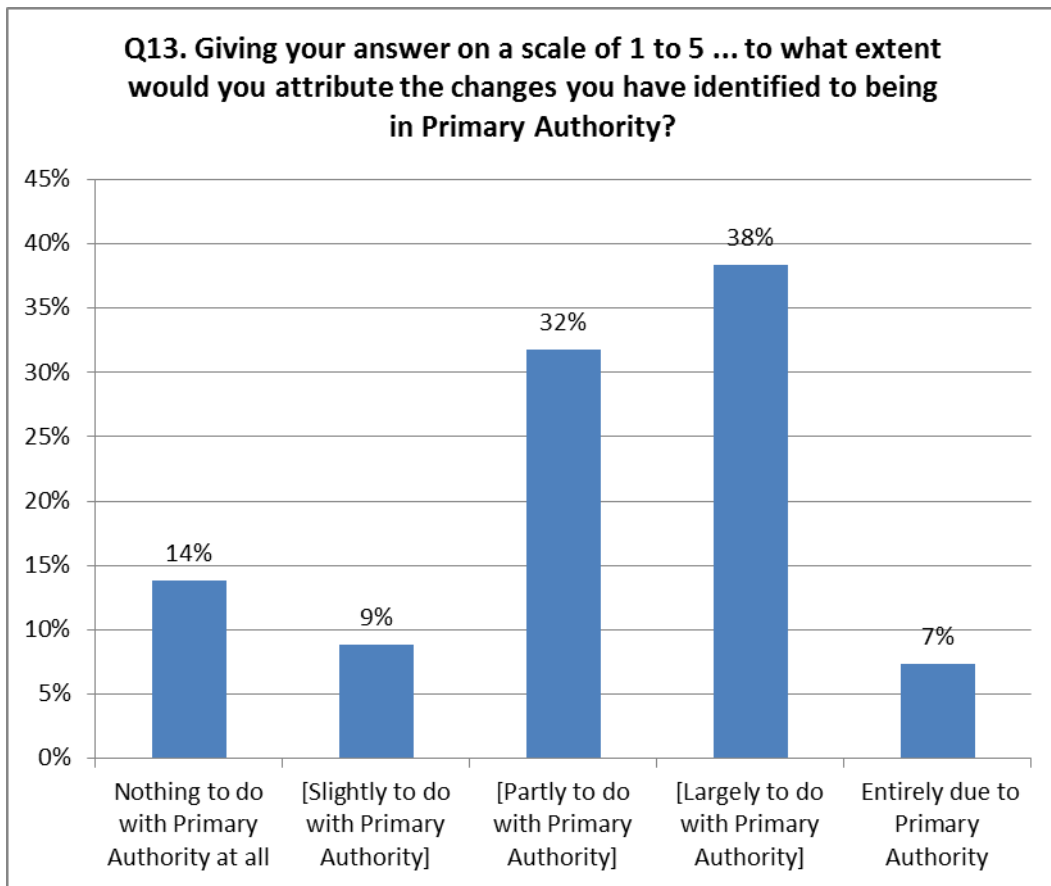
**... Instances of non-compliance reported by local authorities are proving to be readily resolvable**



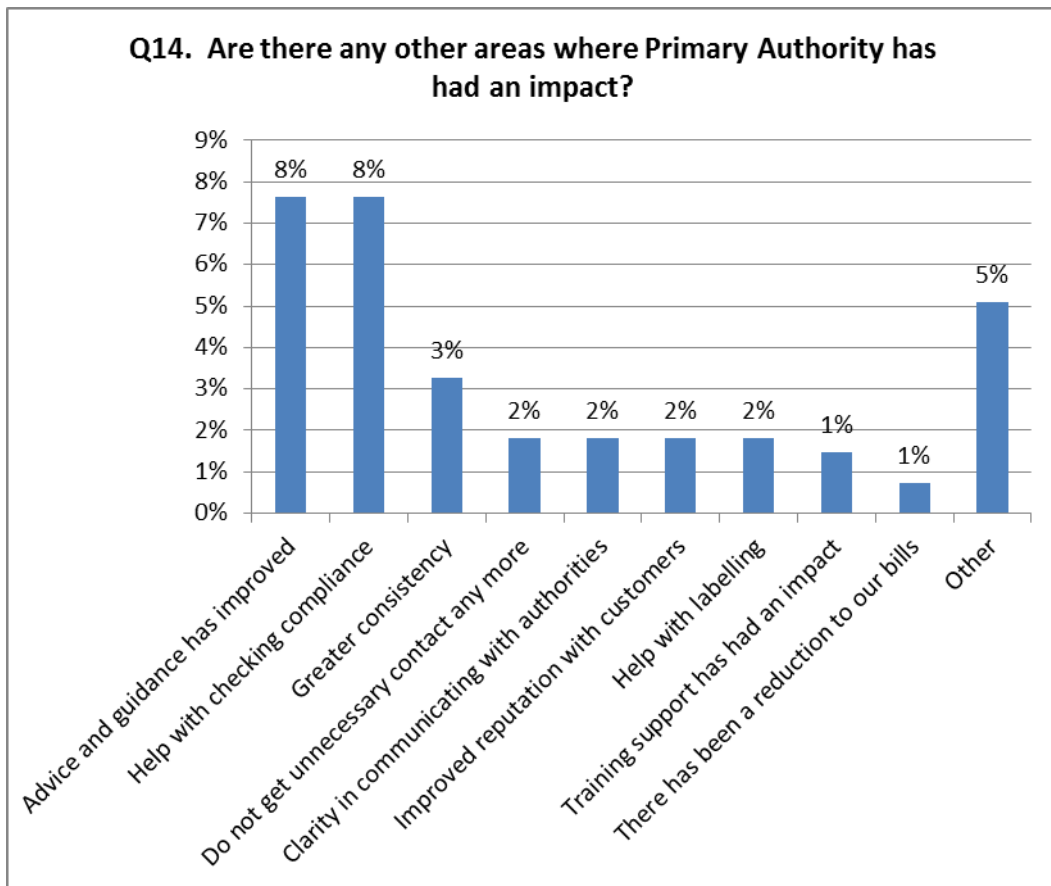




- 15 In only one of these (the last) does the size of business have a significant effect. 56% of small/medium businesses believed they had seen a reduction in numbers of inspections, as opposed to 37% of larger businesses.
- 16 The changes discussed in Q15 (which in each case would probably be considered to be positive by the businesses) may not perhaps have been entirely the result of Primary Authority, and the next question explored this point.



- 17 There is no significant difference by size of employer in these responses.
- 18 Primary Authority might have had other impacts too, and businesses were asked a general question in this direction. 33% of businesses identified such other impacts, and those mentioned are shown in the following chart.
- 19 Note that multiple responses are possible, and are shown in the chart as they occur. Note also that label percentages are (by convention) rounded to the nearest whole percent; the height of a particular column when read off against the vertical scale is more accurate.



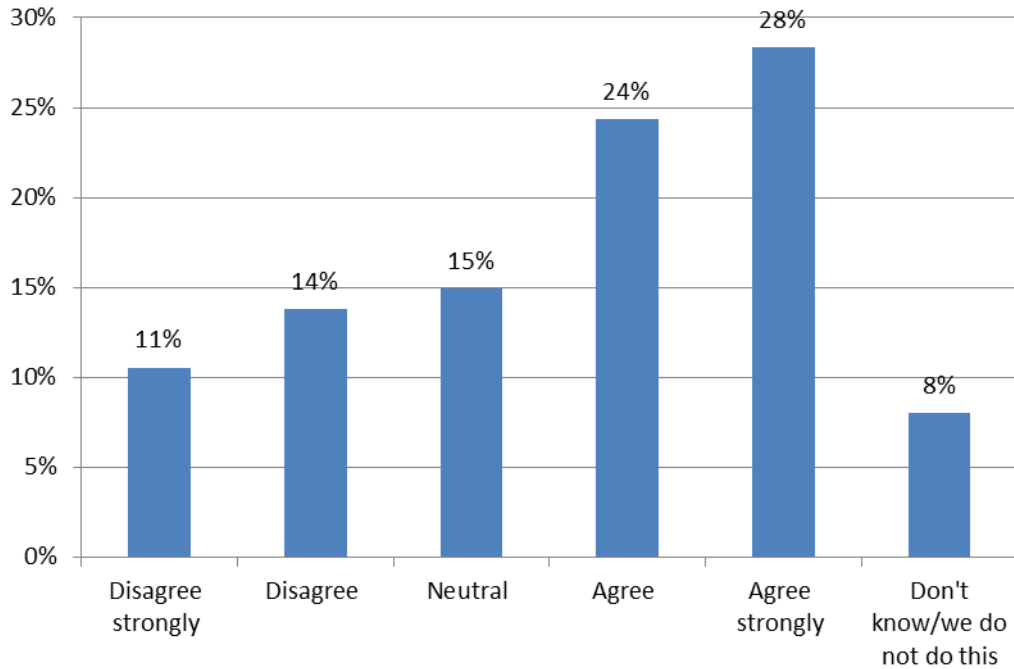
## Managing the Primary Authority Partnership

- 20 The next sequence of questions explored how businesses managed the partnership with their Primary Authority partners. Again a series of statements was given, and respondents were invited to agree or disagree with each.<sup>38</sup>

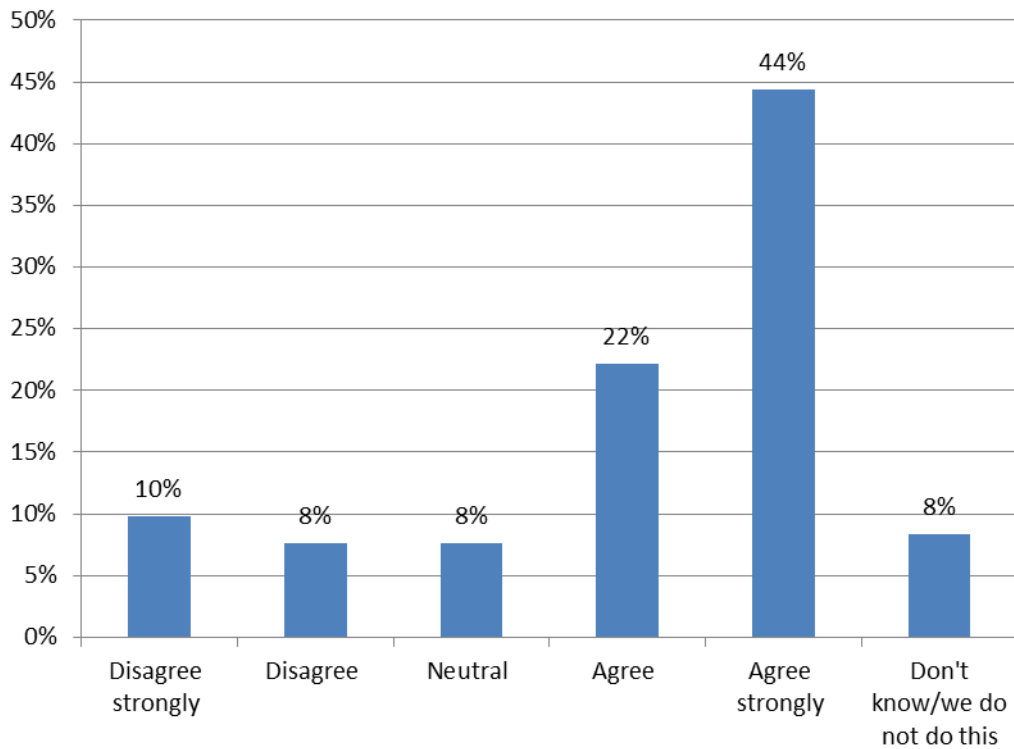
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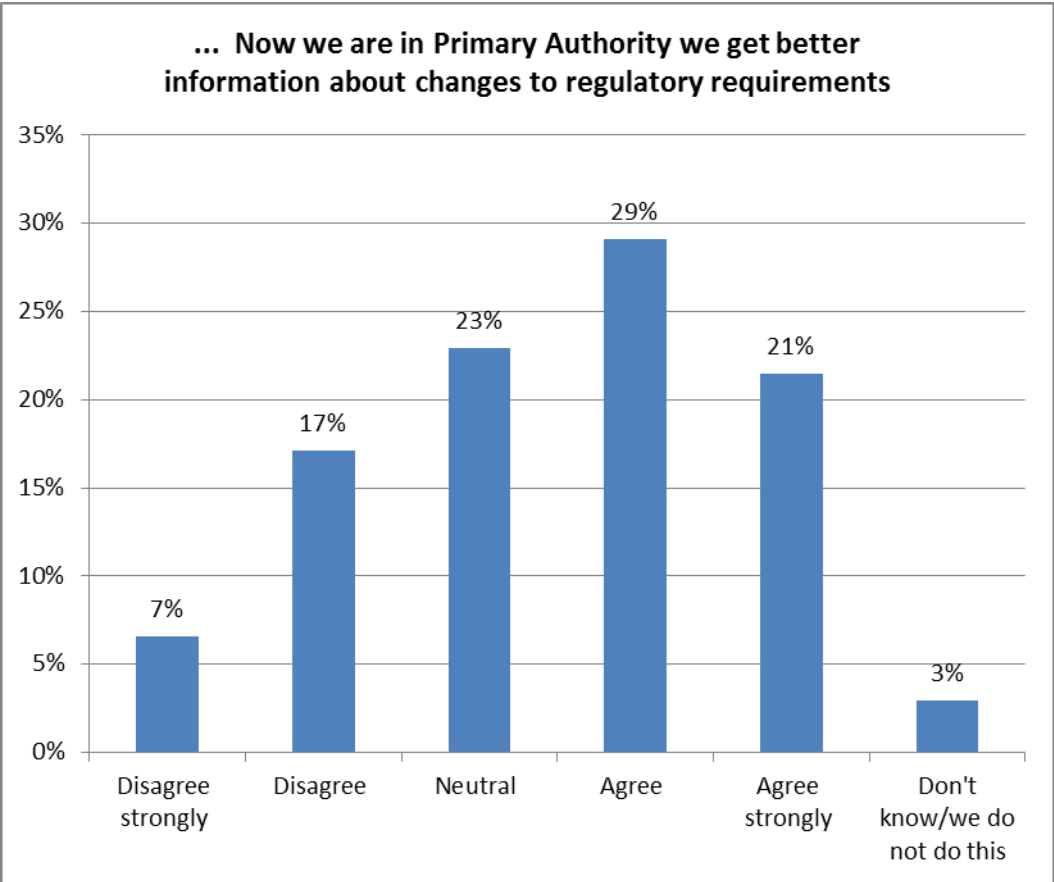
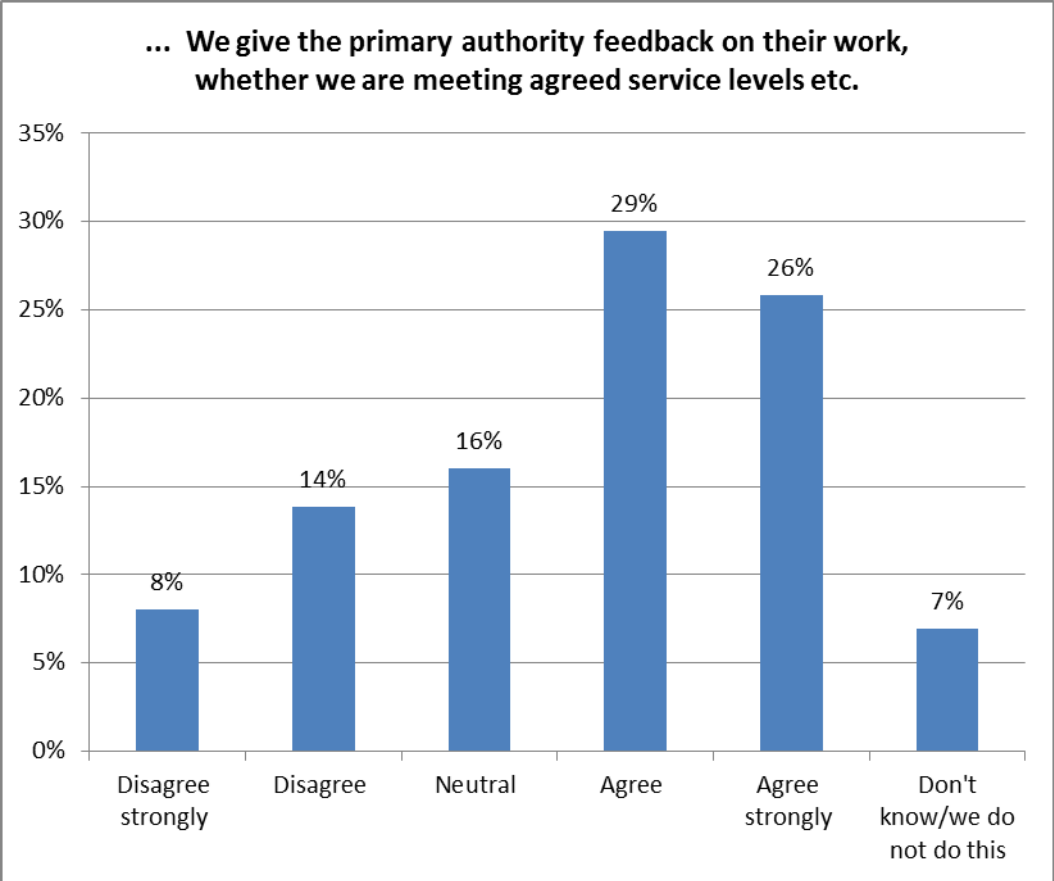
<sup>38</sup> As will be seen, the responses to the majority of these questions are highly positive. There is thus little “space” to track whether the few negative responses are more likely to come from small/medium or large employers.

**Q15. On a scale of 1 to 5, where 1 is disagree strongly and 5 is agree strongly, how far do you agree or disagree with the following statements? We set programmes of activities for the partnership at least annually**

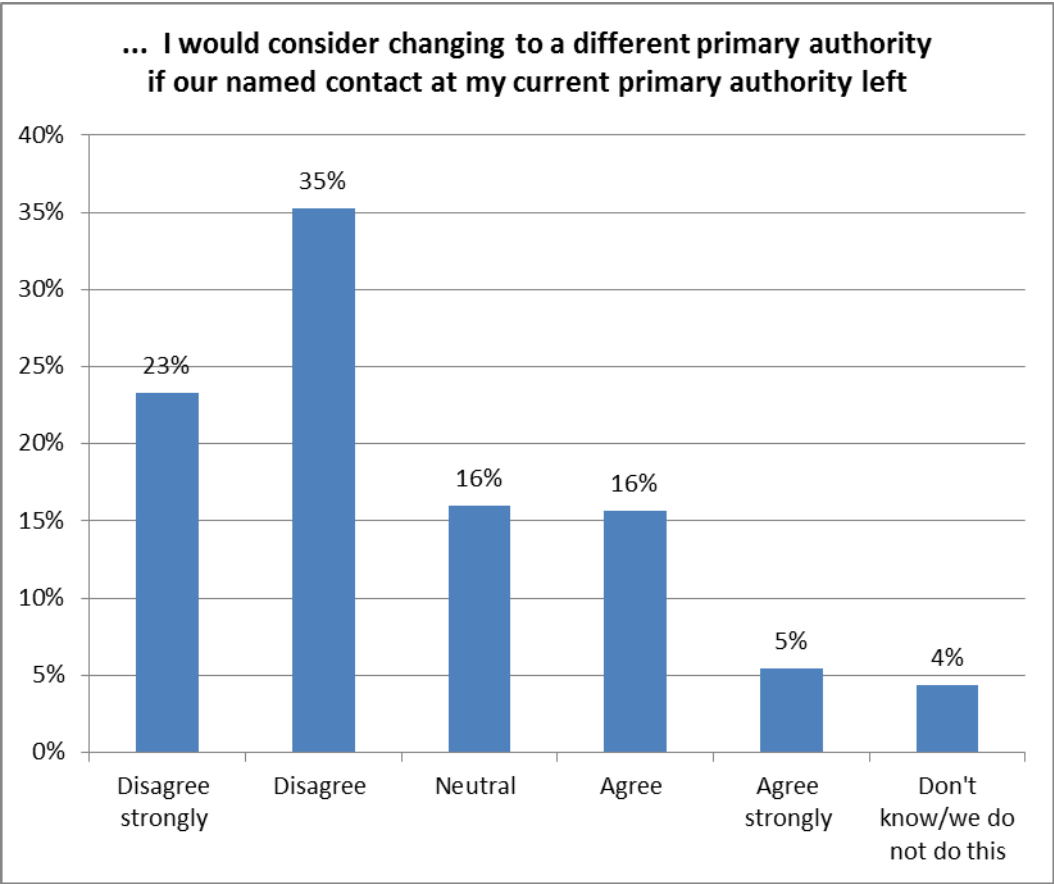
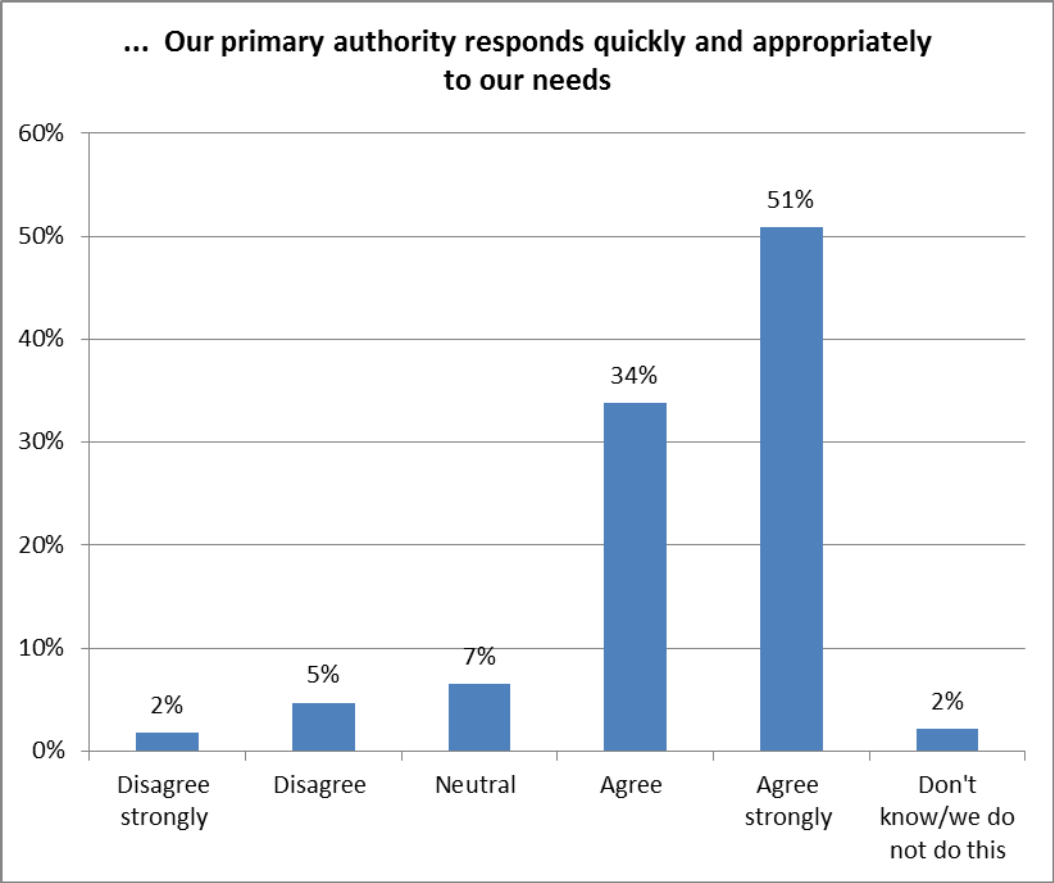


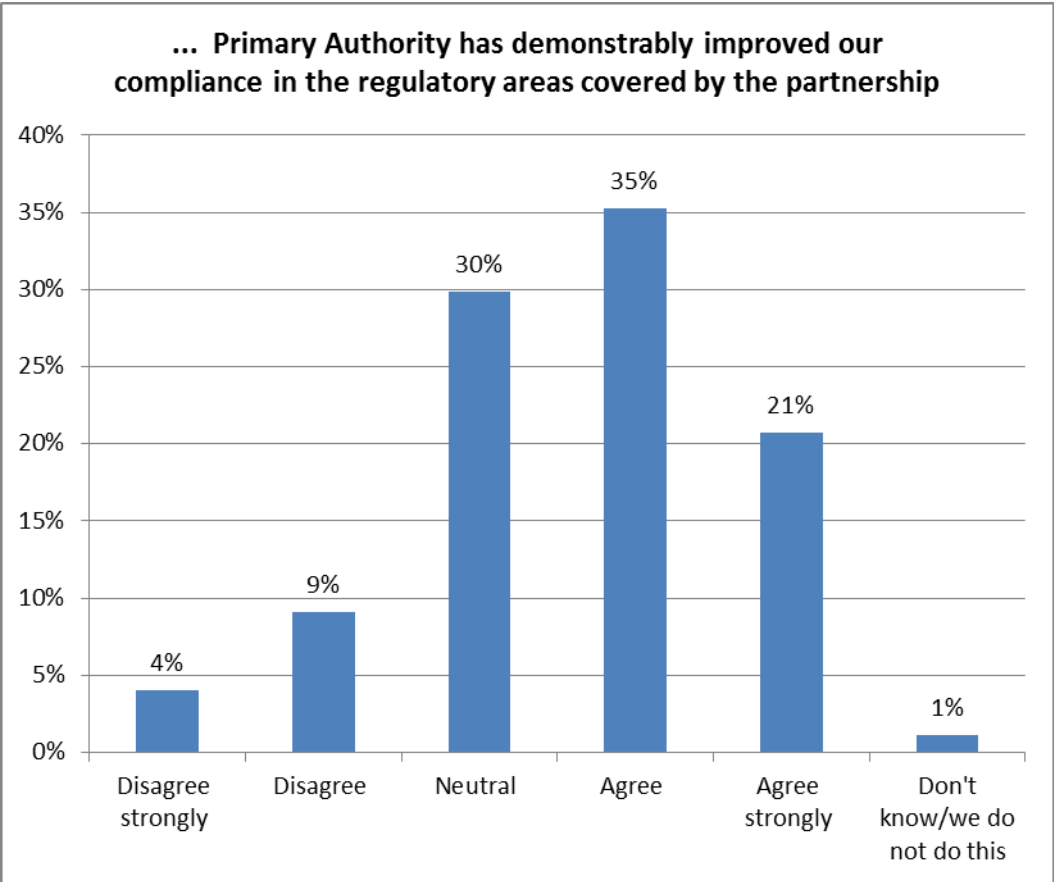
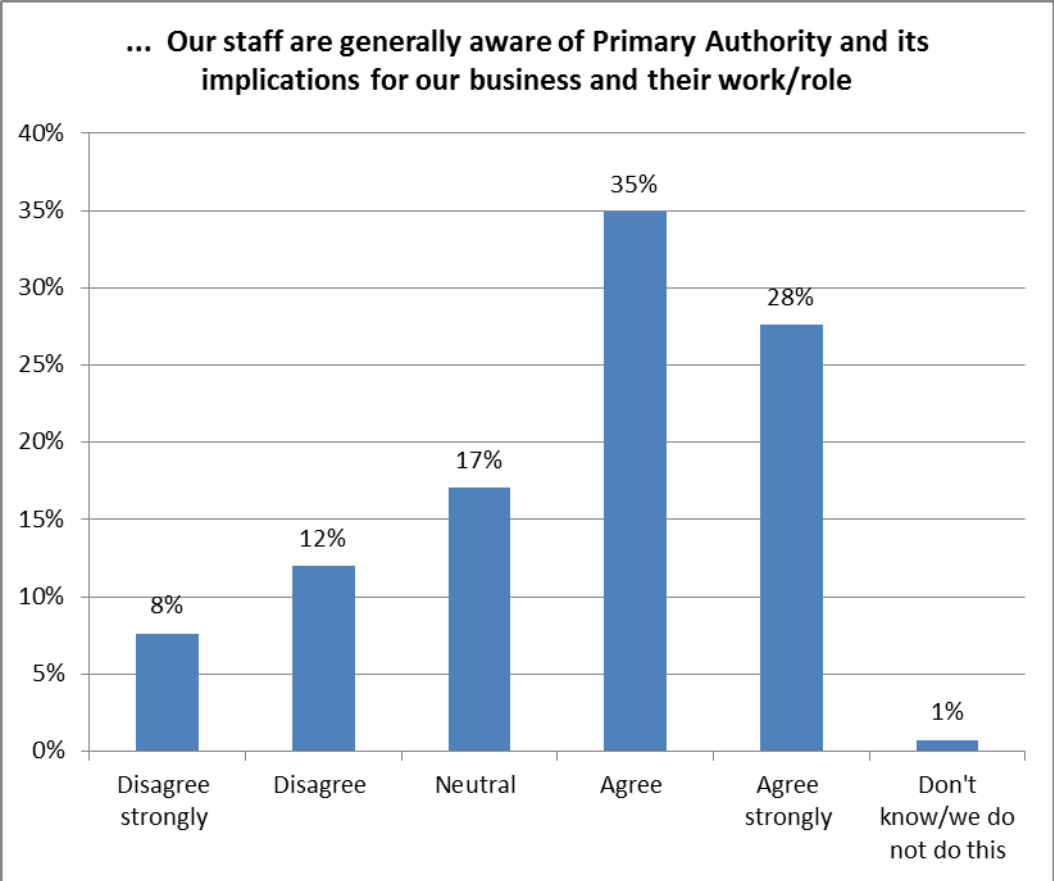
**... We discuss what we pay for Primary Authority at least annually**

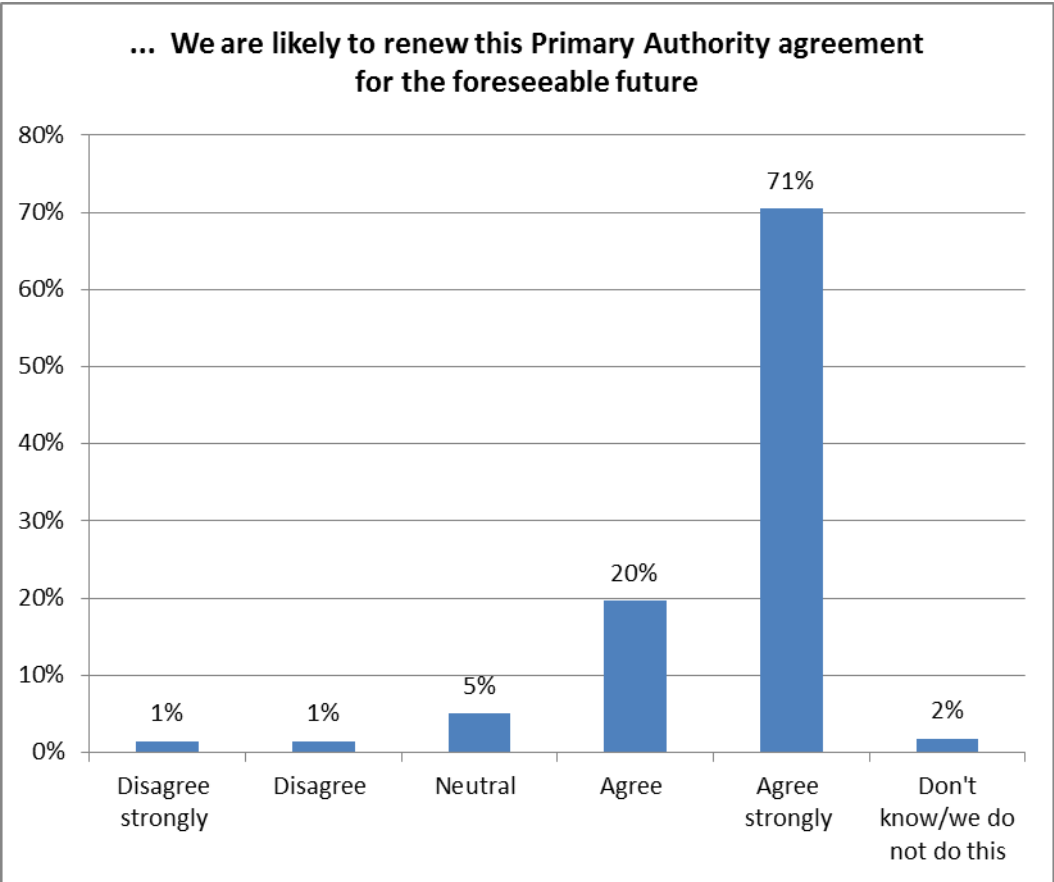
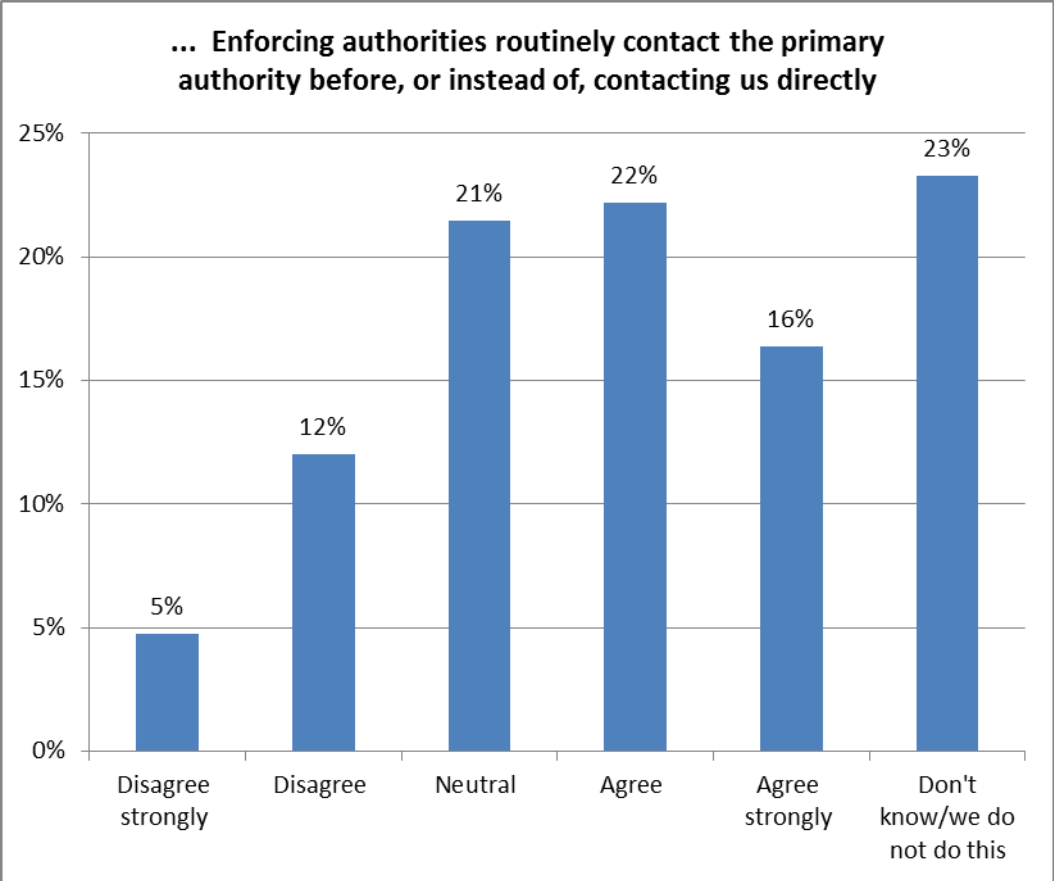


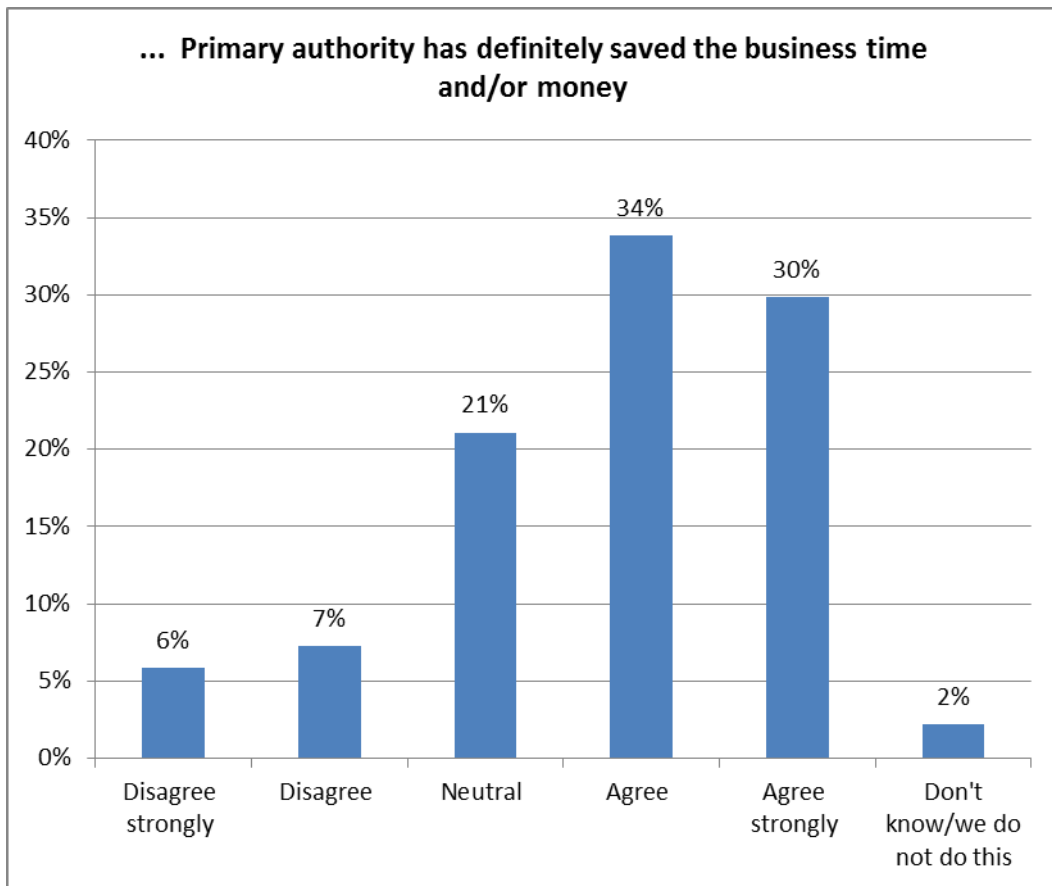












21 Of these eleven questions, the ones where responses significantly varied by size of business were:

- We set programmes of activities for the partnership at least annually
- We discuss what we pay for Primary Authority at least annually
- We give the primary authority feedback on their work, whether we are meeting agreed service levels etc.
- Primary Authority has definitely saved the business time and/or money.

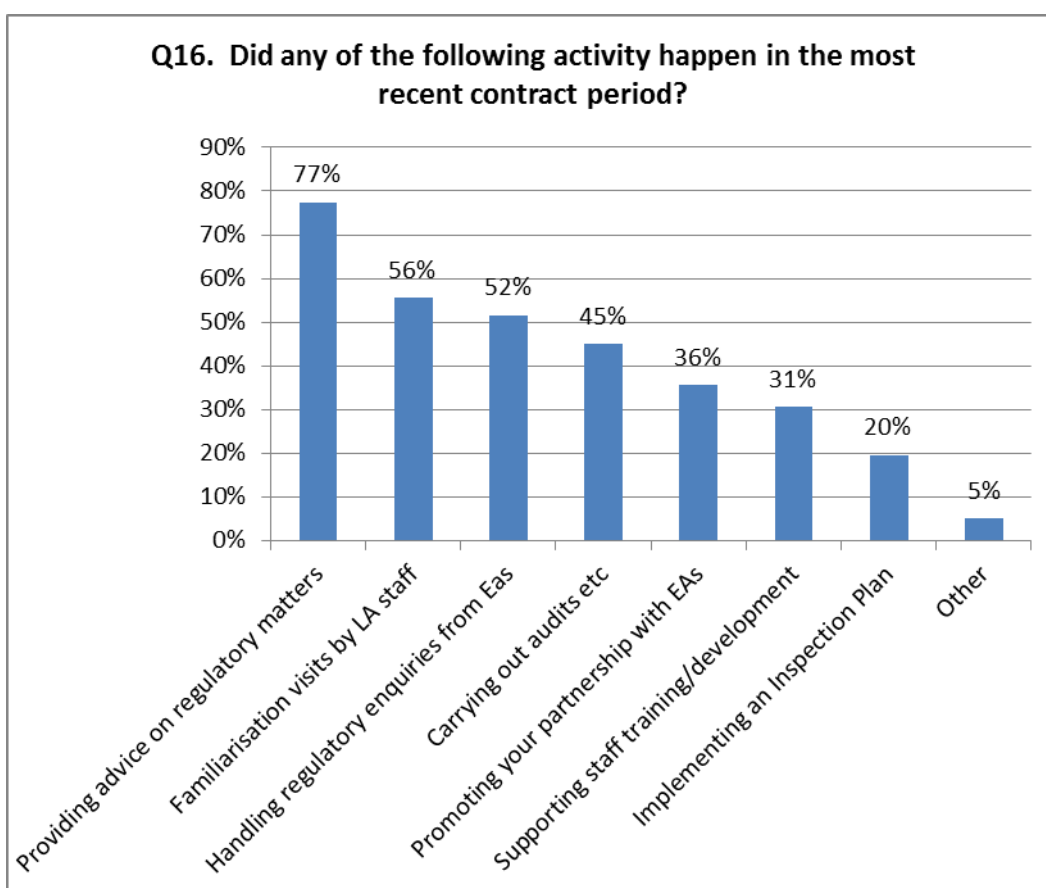
In each case large businesses were significantly more likely to be positive than small/medium ones.

## Activities

22 The next sequence of questions asked what activities had been undertaken in the recent contract period. A range of activities was offered for comment. The

diagram below shows activities reported; column labels have been lightly edited to facilitate display<sup>39</sup>.

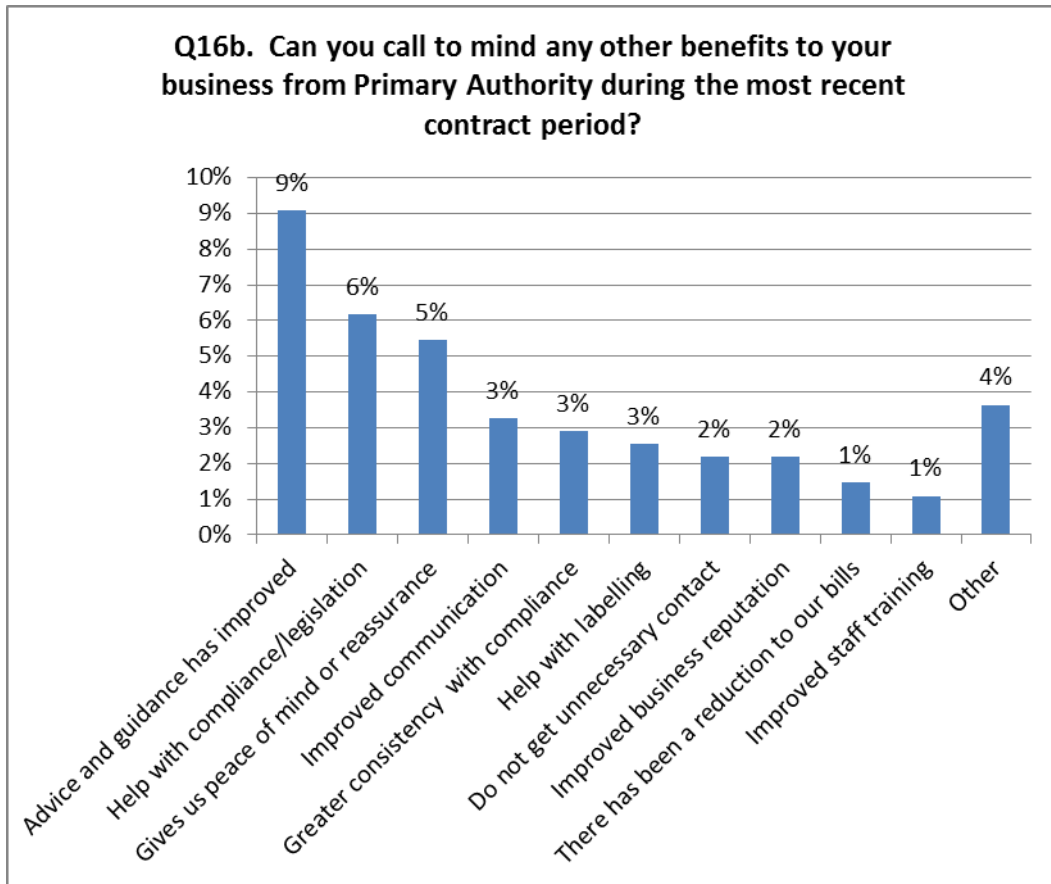
- 23 Multiple references from the same partnership are possible; the proportion of businesses reporting one or more activity was 87%. This implies no activity (i.e. a dormant partnership) in 13% of businesses.
- 24 The proportion of small and medium size businesses reporting no activity was 18%; of large businesses 5%. This is a significant difference<sup>40</sup>.
- 25 It should be noted that although it would have been technically possible to exclude businesses that did not report any activity from some or all of the remaining questions in the interview schedule we did not in fact do this. To do so would have been to deny businesses whose partnerships may have been active in the past to contribute their opinions to issues that might have been – and might again be – important to them.
- 26 Thus all remaining questions were asked of all relevant businesses, regardless of their answers (or lack of them) to question 16.



<sup>39</sup> The full labels can be seen in the table after paragraph 34.

<sup>40</sup> Chi-squared test, 5% significance level.

27 The next question asked whether there were any other general benefits of Primary Authority from the standpoint of businesses that had not already been explored. This was an open question and the responses given are those volunteered by respondents (similar responses have been grouped together). 65% of businesses did not identify any further benefits; the benefits identified by the remaining businesses are shown in the diagram below.



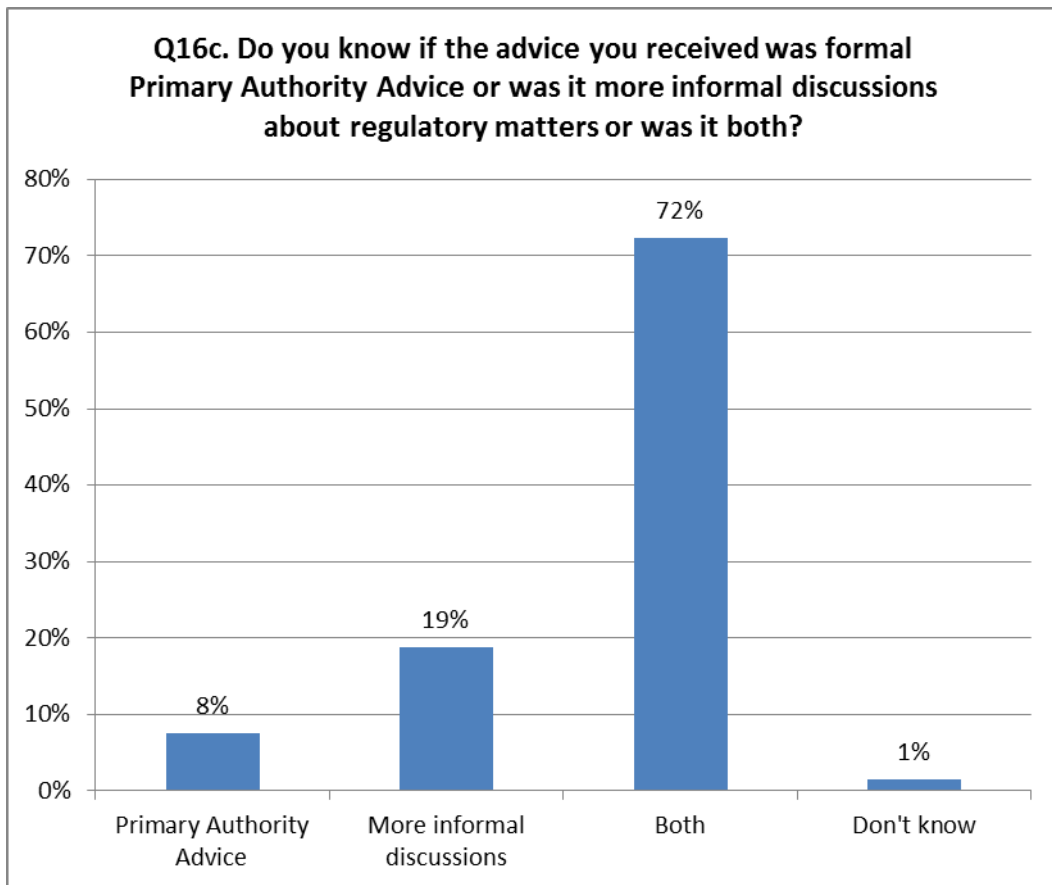
### *Primary Authority Advice*

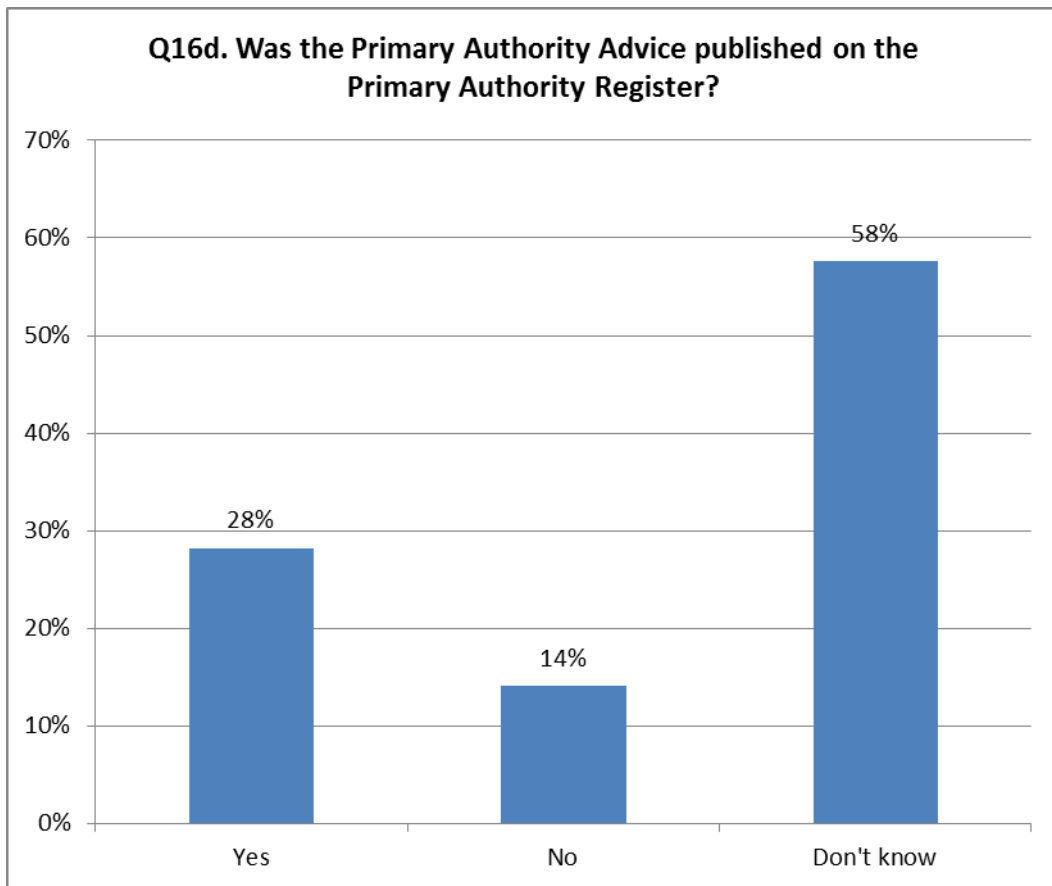
28 A specific issue, raised at the start of our project, concerned Primary Authority Advice. BRDO were interested as to whether businesses understood the distinction between Primary Authority Advice and informal discussions with their primary authority that might be construed as “advice” but do not come with the advantages of Primary Authority Advice, and also whether Primary Authority Advice was subsequently published on the Primary Authority Register. (Of course, Primary Authority Advice may be too detailed for publication, or may be commercial in confidence.)

29 The two following diagrams show the results from the questions on this topic. Respondent numbers (out of 275) were n=213 and n=170 respectively.

30 The figures quoted suggest that there is a possibility (to be no more definite) of confusion in some businesses’ minds between Primary Authority Advice and informal discussions; we understand that there is not in general as much “Primary Authority Advice per partnership” as these figures would suggest.

31 There is no significant difference between small/medium and large employers in this regard.





*The relative scale of activities undertaken, and their value*

- 32 Question 16 (see paragraph 21 above) asked what activities had taken place during the most recent contract period; but naturally amounts of time devoted to each activity would vary from partnership to partnership. Question 17 therefore asked how much time was spent by businesses on each of the activities covered in Question 16.
- 33 Responses varied widely: the most economical way of presenting the data is to list the mean, standard deviation and maximum (in days) spent on each activity<sup>41</sup>. Again there is the possibility of some confusion between time input and elapsed time in businesses' answers.
- 34 All figures are in days. The final column indicates the proportion of respondents that claimed the activity was of benefit to them (see paragraph 29 and the diagrams that follow). [Q17a-b]

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<sup>41</sup> Median and quartiles would again be a possibility, but the figures are sufficiently definite (and the outliers not so extremely outlying) as to make mean and s.d. acceptable in this context.

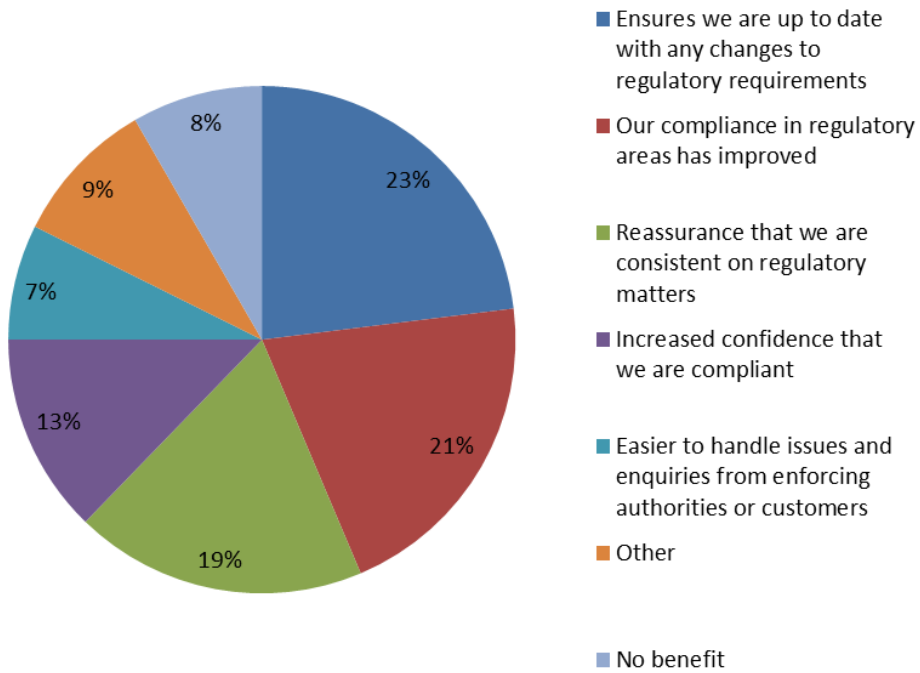


Activity	Days spent by businesses on the activity				% who claimed benefit from activity
	n	mean	SD	max	
Providing advice to your business on regulatory matters	213	18.44	49.37	200	92%
Familiarisation visits by primary authority staff to your business	153	2.58	4.94	40	91%
Handling regulatory enquiries from enforcing authorities	142	11.08	46.61	456	94%
Carrying out audits and checking compliance	124	31.69	78.49	500	87%
Promoting the existence of your primary authority partnership with enforcing authorities	98	0.76	1.65	10	78%
Supporting training and development of your staff	84	25.6	85.77	625	88%
Drawing up and implementing an Inspection Plan	54	2.29	4.47	20	92%
Other	14	1.69	2.84	8	-

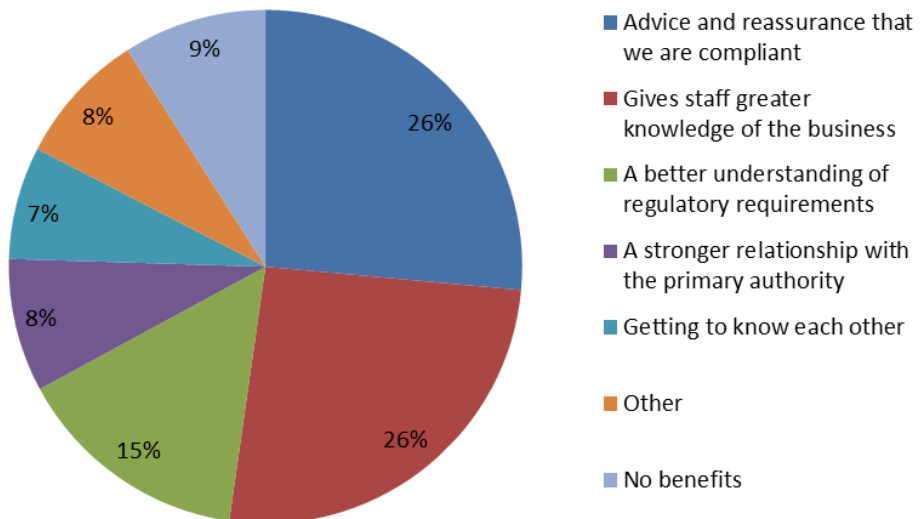
35 Subsequently, respondents were asked an open question as to the benefits from each activity; the following diagrams show what benefits were identified. (In each case n is broadly the same as in the table above.)

36 *Only one principal benefit was recorded for each activity. Results are provided as pie charts to enable full captions to be shown: readers viewing this report in black and white should note that benefits are presented clockwise in descending frequency order (starting at “twelve o’clock”), with the last two pie chart segments in each case being “other” and “no benefit”.*

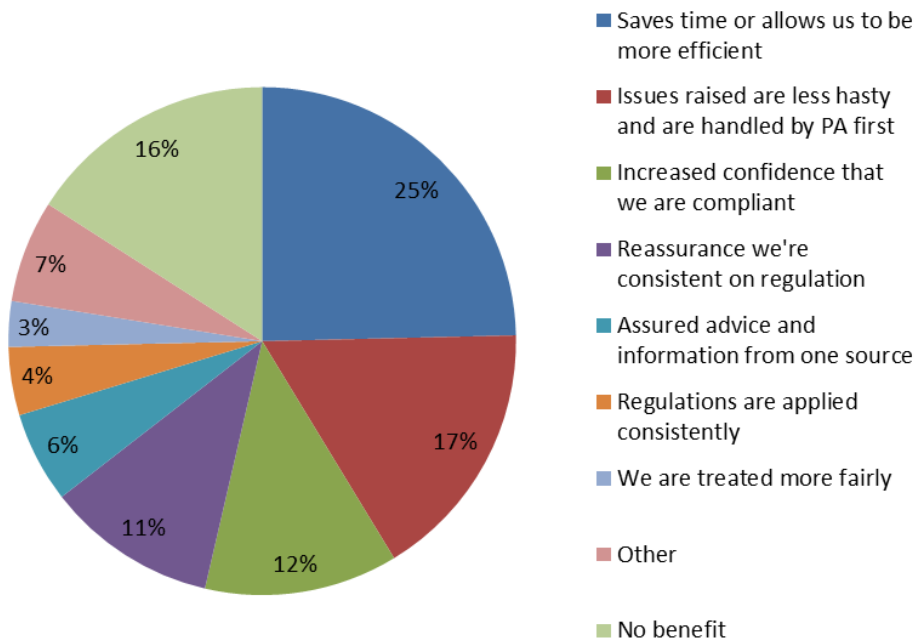
**Q17b. How has the business benefitted from this activity?  
Providing advice to your business on regulatory matters**



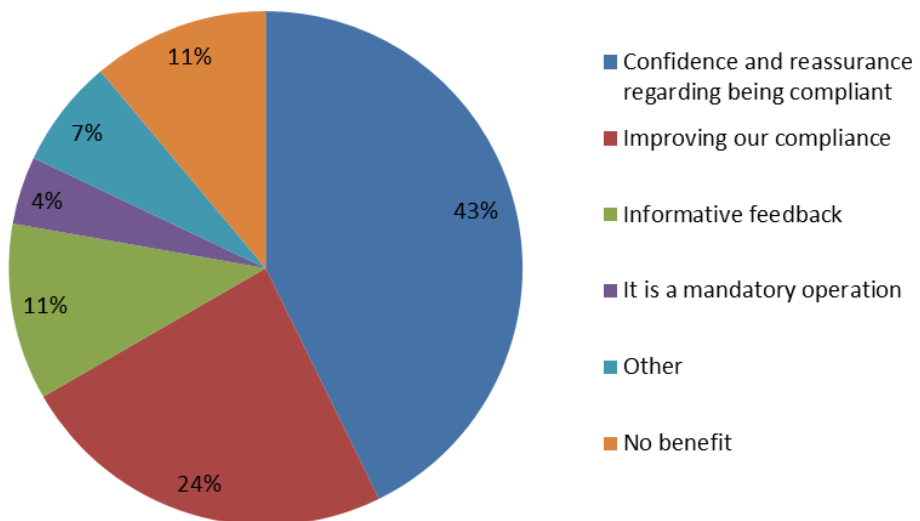
**... Familiarisation visits by primary authority staff to your business**



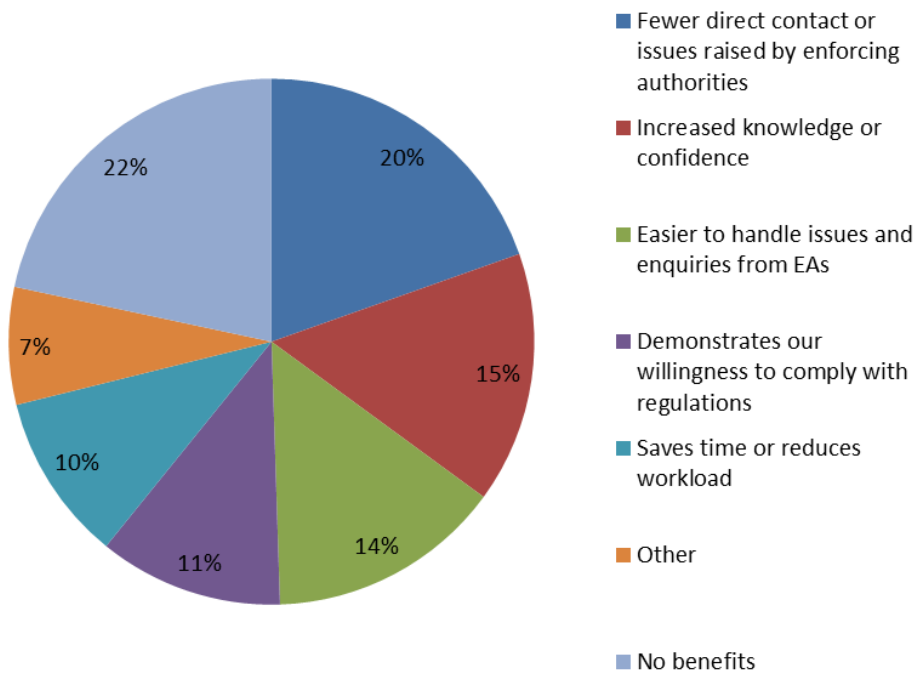
**... Handling regulatory enquiries from enforcing authorities**



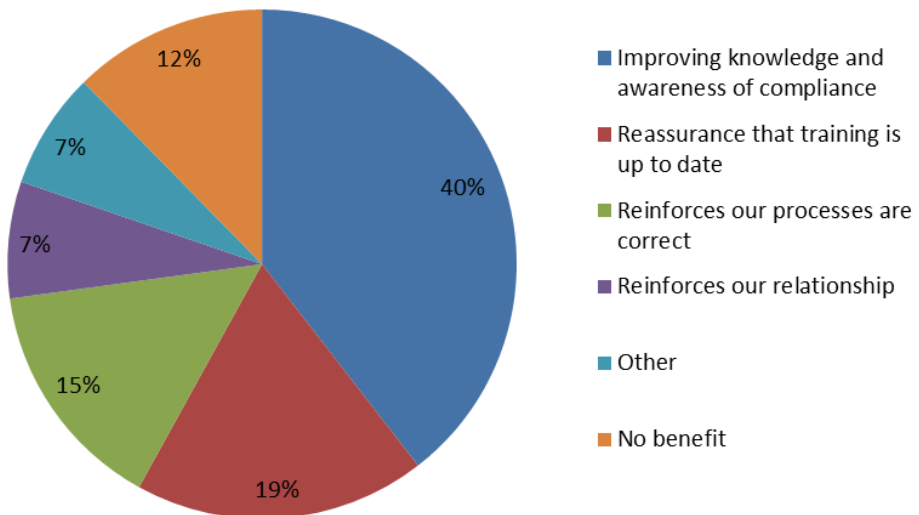
**... Carrying out audits and checking compliance**

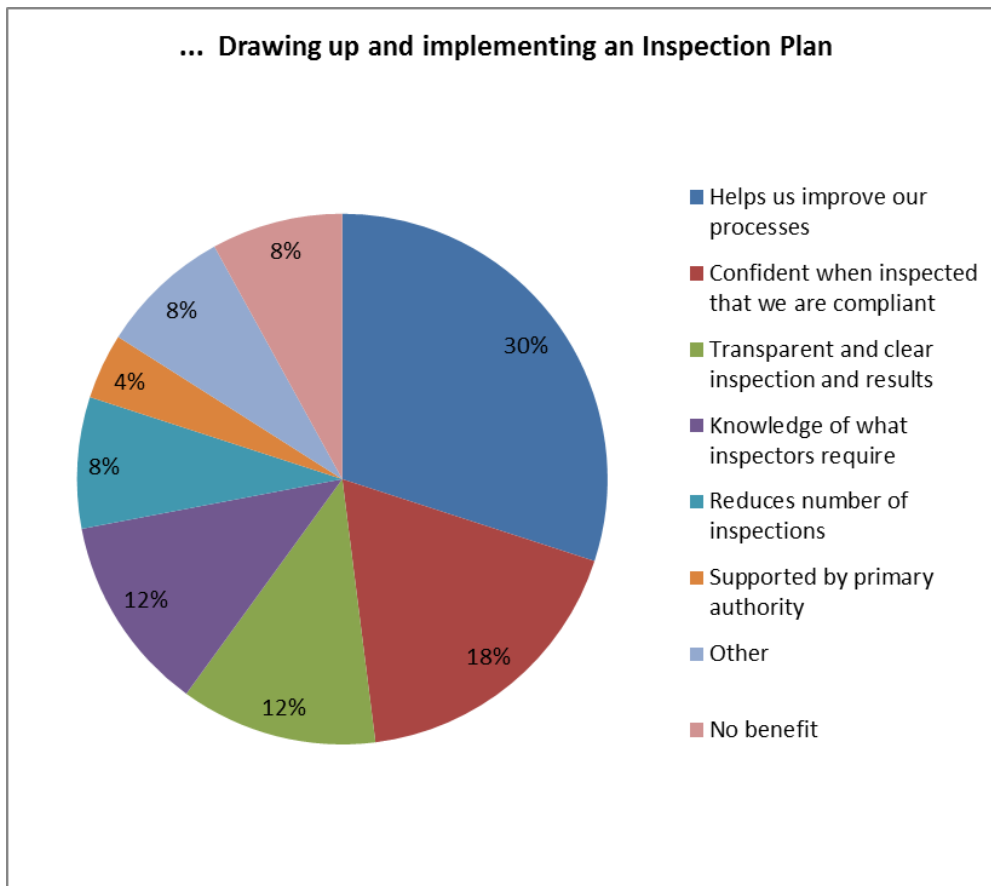


**... Promoting the existence of your primary authority partnership with enforcing authorities**



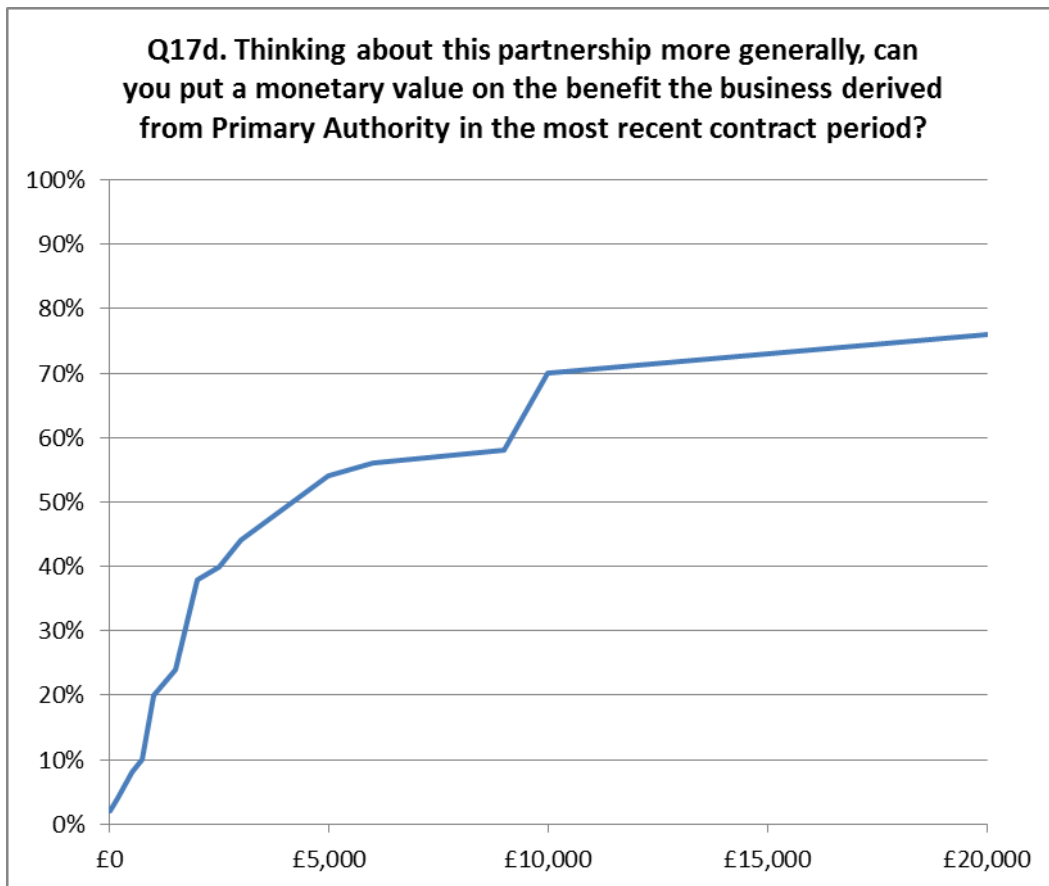
**... Supporting training and development of your staff**



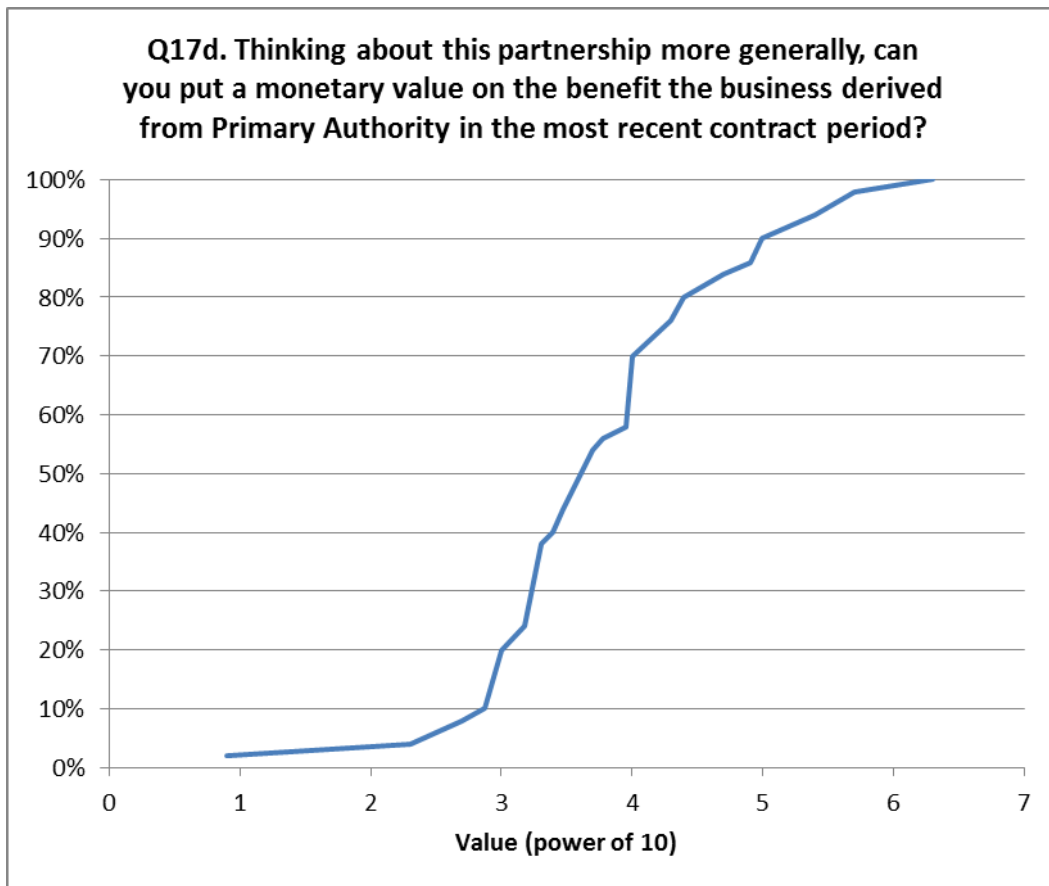


### The value of Primary Authority, and its (monetary) cost

- 37 Next, businesses were asked [Q17d] to put a monetary value on the benefit the business derived from Primary Authority in the most recent contract period.
- 38 70% of businesses were unable to do this. Of the remaining 83 businesses, one assessed its value at £-5000 (that is, the partnership cost £5000 more than it was worth) and 32 assessed it at zero, making a total of 12% who assigned no value to it.
- 39 The remaining fifty respondents (18% of the sample) assigned values of between £8.00 and £2m. The median figure assigned was £4,400 with quartiles £1,553 and £20,625.
- 40 The diagram below shows a cumulative frequency curve for those benefits less than £20,000 (i.e. the first three quartiles of the range). Beyond this point the benefit figures are so large as to compress the first stage of the graph so that it is unreadable.



41 As a curiosity, the diagram below recasts the same data using a log curve – that is to say, the horizontal axis represents powers of 10 (“1” = 10, “2” = 100, “3”=1000 and so on). This graph represents all the data, including outliers, and (though we do not attach great significance to this) follows a more traditional “s” shape.

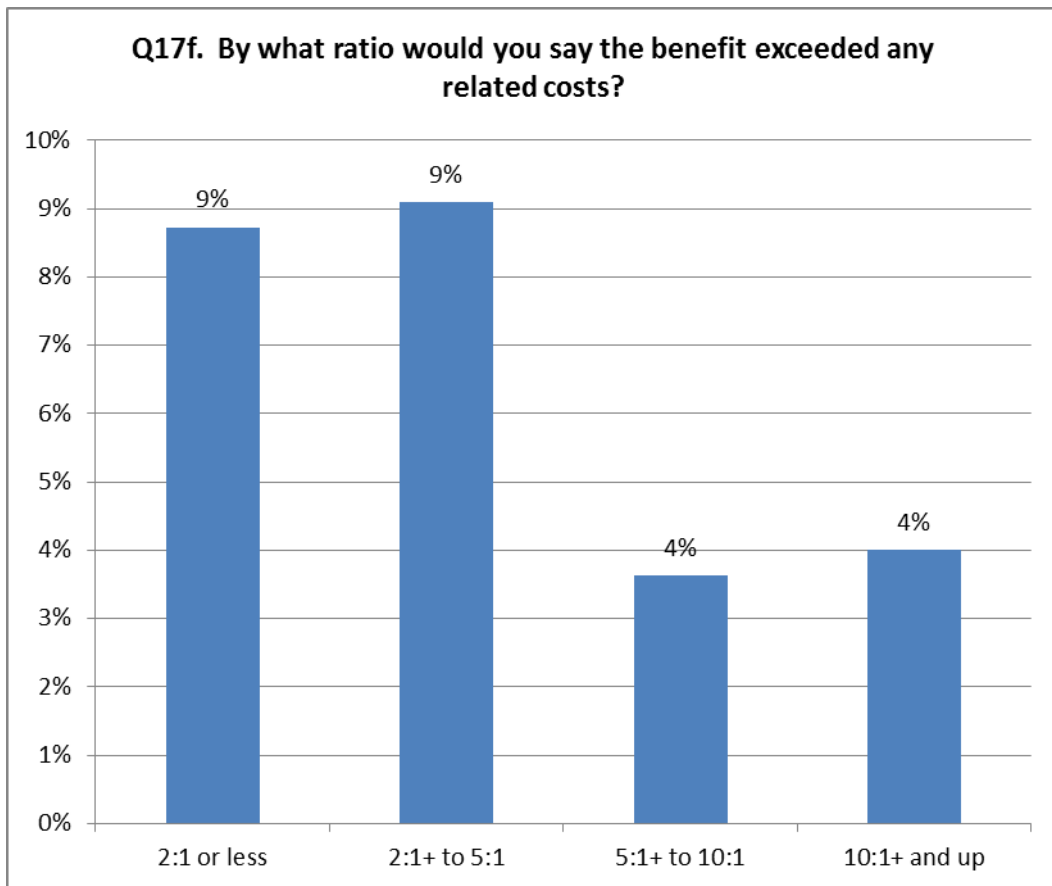


- 42 Given the difficulties that respondents had in assigning a monetary value to the benefits of their partnership, the questionnaire also asked the more direct question [Q17e] whether benefits had exceeded costs. 67% of all respondents said that the value of their partnership had exceeded its cost, while 23% said it had not. 10% did not know.
- 43 Of businesses that expressed an opinion (i.e. excluding don't knows), 71% of small and medium businesses and 81% of large businesses said the value of the partnership had exceeded its cost. However this difference is not (quite) significant<sup>42</sup> given the size of the sample.
- 44 Respondents who believed that benefit exceeded cost were asked [Q17f] to state by what ratio. The answers given by those who were able to quote a figure<sup>43</sup> (rather than stating "certainly better than 1:1", "many times", etc.) are summarised below. The highest value quoted was 50,000 to 1.

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<sup>42</sup> Chi-squared test, 5% significance level as before.

<sup>43</sup> 70 were able to quote a figure, 115 could not.



45 *The percentages shown in this figure are percentages of the whole sample (n=275).*

### The impact of Primary Authority on non-compliance

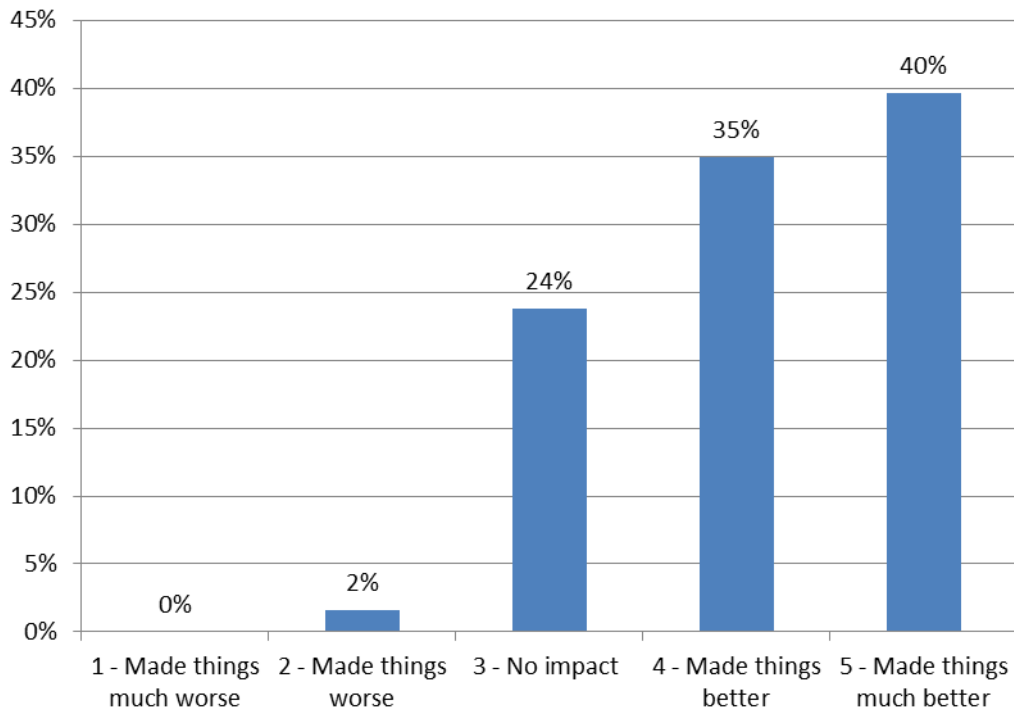
46 The next section of the questionnaire asked [Q19a] whether businesses had had any examples of non-compliance during the most recent contract period, whether or not formal enforcement action was taken. Of the businesses in the sample, 23% (63 businesses) had, and these 63 form the base for these next questions.

47 (The proportions were 12% and 39% for small/medium and large businesses respectively. This is a significant difference.)

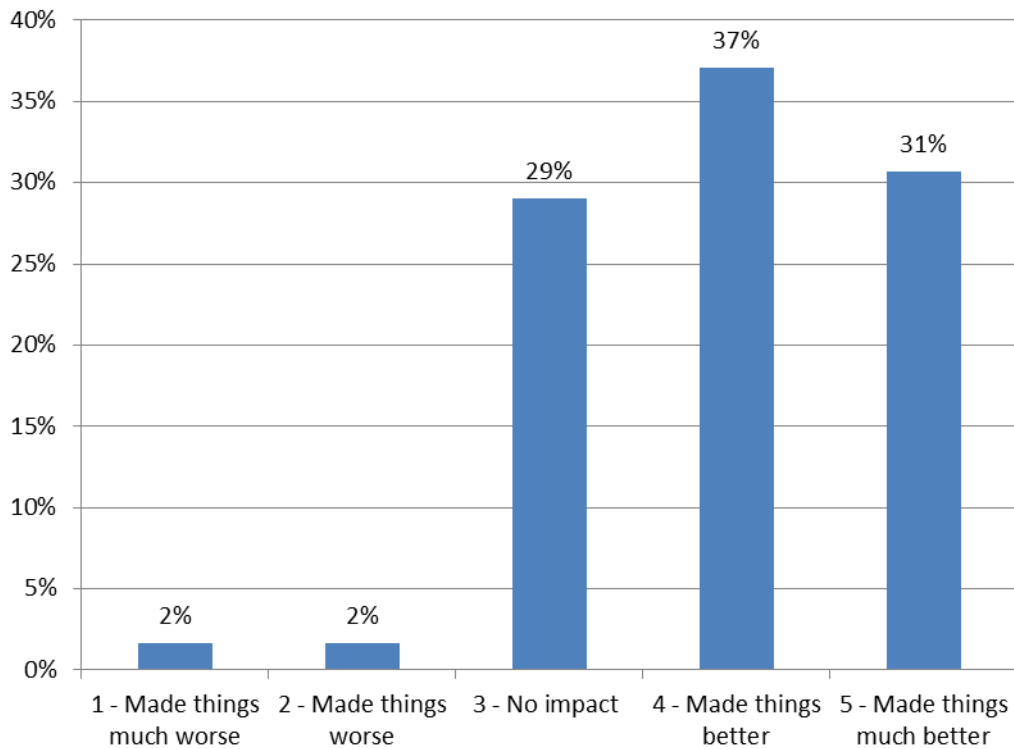
48 First, businesses were asked whether the presence of a Primary Authority agreement had made aspects of the compliance experience better or worse, using a five point scale:

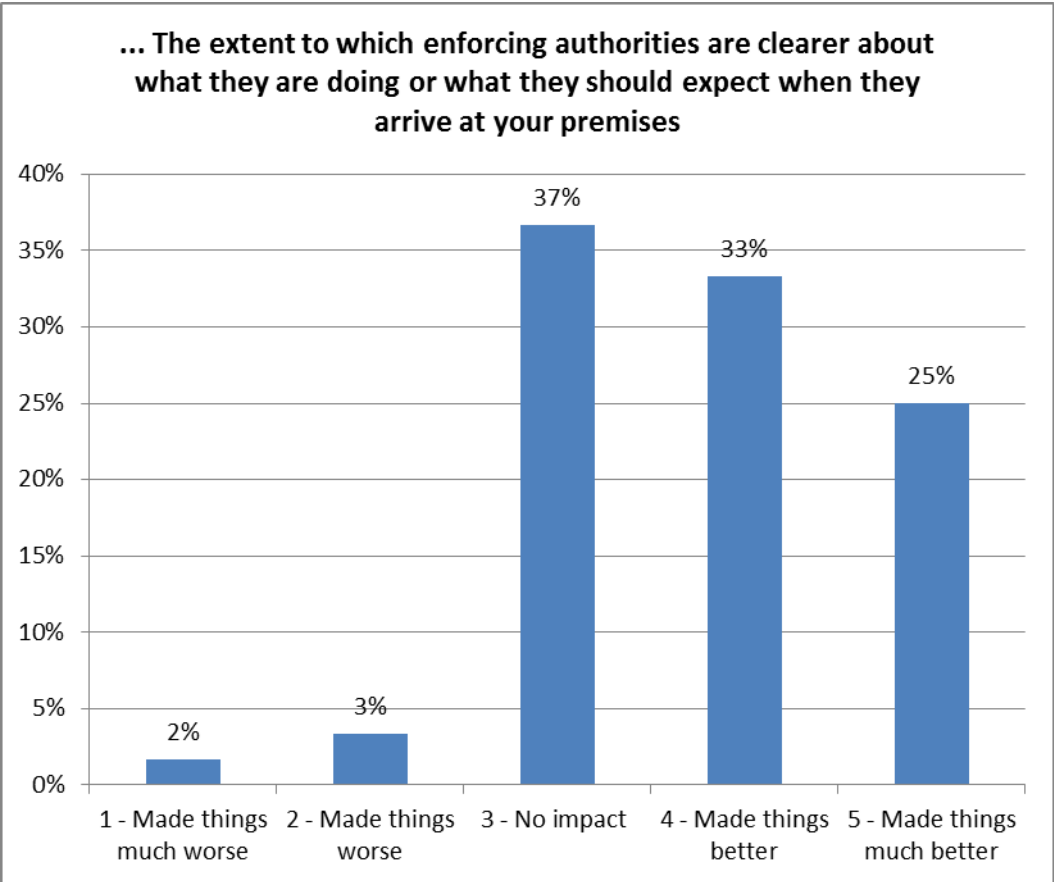
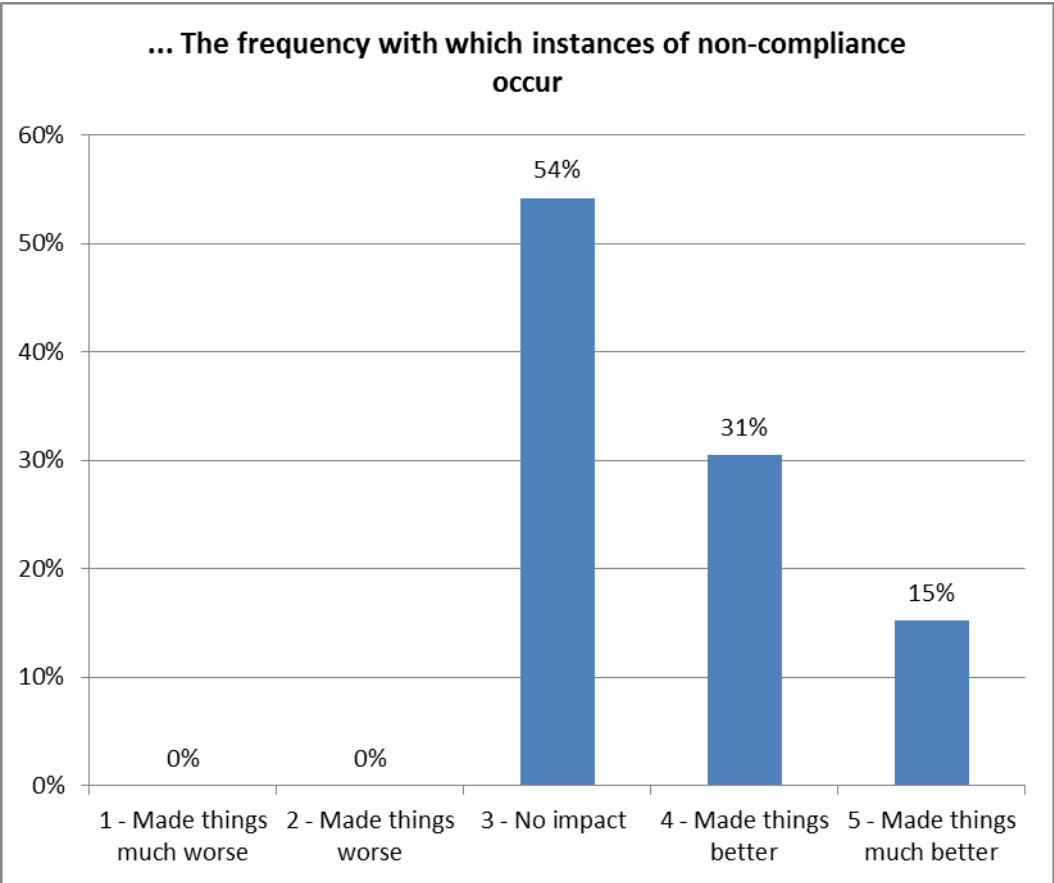


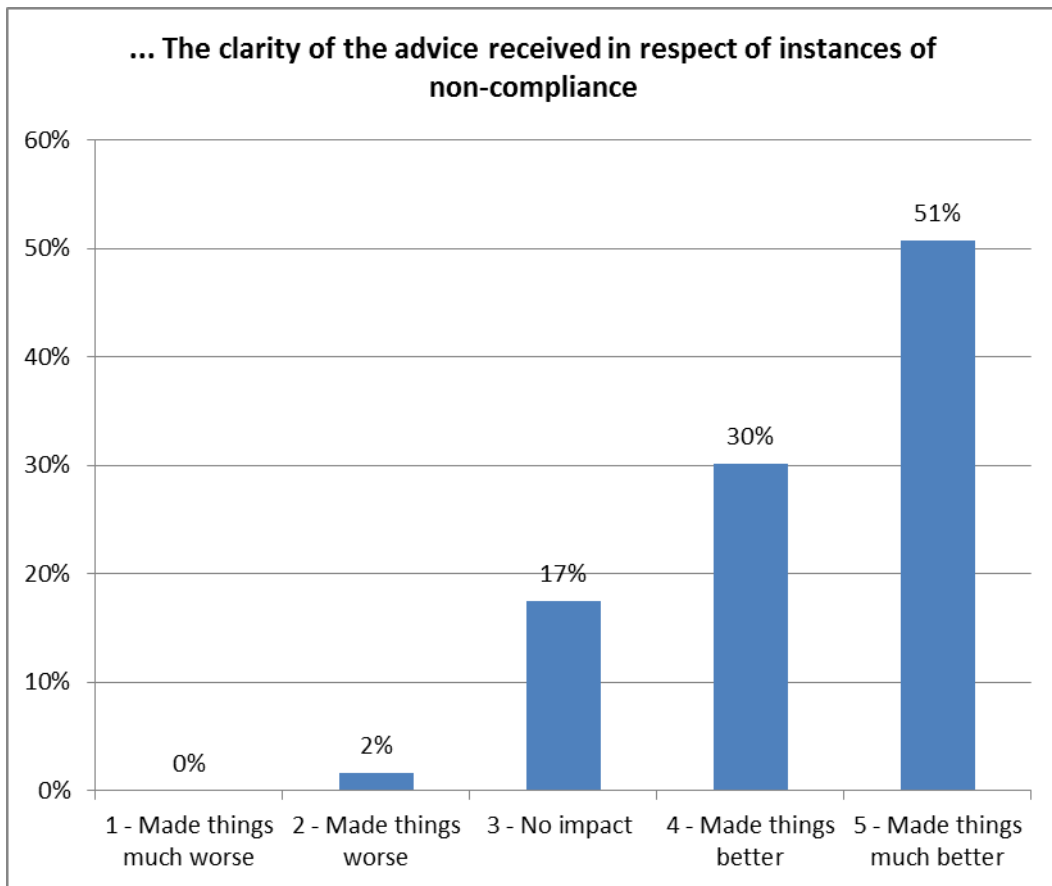
**Q19. On a scale of 1 to 5 what impact has your Primary Authority partnership had on the following? The way in which instances of non-compliance are resolved**



**... The speed with which instances of non-compliance are resolved**







49 There are no significant differences in these responses by size of business. This is largely due to the small number of businesses that had experience of non-compliance: it is difficult to obtain a significant result with small samples.

### Actual experience of non-compliance

50 The extent to which different businesses had experience of non-compliance varied. Many businesses had had informal warnings, etc. that stopped short of formal action. Of the 63 businesses:

- 15 had had one or two such warnings or equivalent informal advice from regulatory officers
- 19 had had between three and six
- 11 had had seven or more

with the balance (18) not being aware of any [Q20]<sup>44</sup>.

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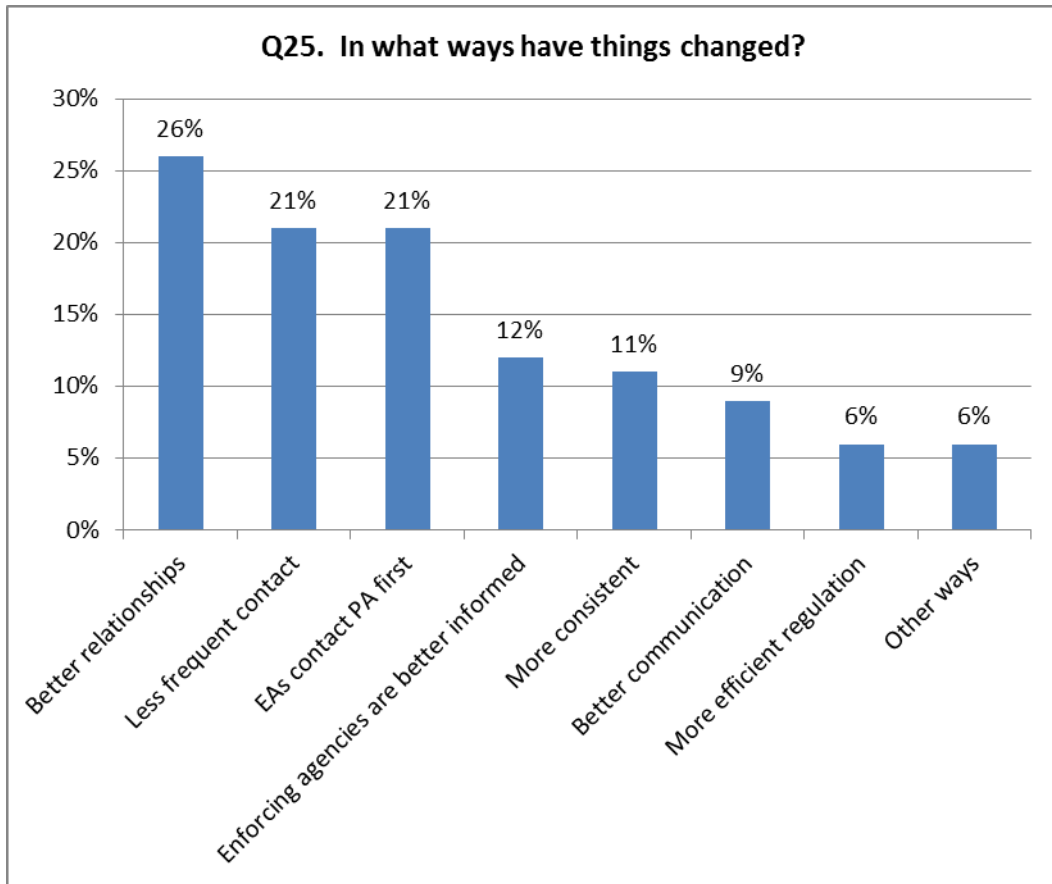
<sup>44</sup> Percentages are avoided in these paragraphs to stress that it is the smaller group with experience of non-compliance (n=63) rather than the whole business sample (n=275) that is being discussed.

- 51 On the other hand, 21 had had formal notifications, warnings or enforcement actions. The number of such actions varied from one in the most recent agreement period (8 out of the 21 businesses) up to (in one instance) “a few hundred” (which seems highly improbable). The median value is around 2 [Q21].
- 52 The issues covered by these notifications included health and safety issues (6 respondents), product issues (5), pest control (3), food safety (2) and under age sales (2).
- 53 It is inherent in the design of Primary Authority that the option is there for formal notifications to be referred first to the primary authority partner rather than the business (except for urgent cause) – this had only happened consistently in the knowledge of 10 of 19 interviewees (excluding two where the interviewee did not know for sure) [Q22].
- 54 It is also good practice for informal discussions to take place between enforcing authorities and businesses’ primary authority partner when the former has any concerns, even if formal action is not envisaged. All 275 businesses in the sample were eligible to comment about this. 6% said such discussions happened regularly. 23% said they happened occasionally. 51% believed they did not take place (though, of course, this may be simply because there were no such instances of enforcement and therefore nothing to discuss); the remainder did not know [Q23].
- 55 The 29% who said such discussions happened occasionally or regularly represents 46% of large businesses but only 16% of small/medium businesses. This is a highly significant difference. However it may reflect the point just made – that in a large(r) proportion of small/medium businesses there was nothing to discuss.

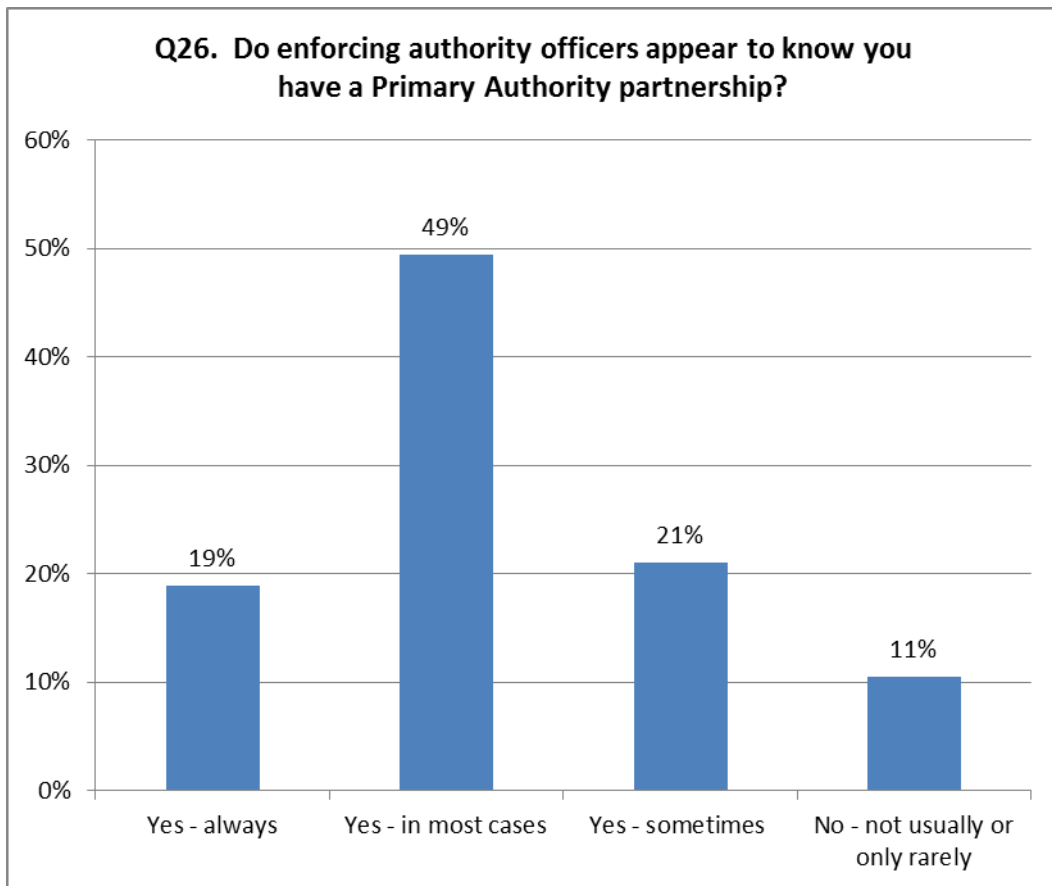
### General impact of Primary Authority on relationships with enforcing authorities

- 56 The next question [Q24] asked whether the *general* relationship between businesses and their enforcing authorities had changed as a result of Primary Authority. 36% of respondents believed it had, while 62% believed it had not. The remainder did not know.
- 57 The positive respondents represent 29% of small/medium businesses and 47% of large ones. This is again a highly significant difference; it may reflect the fact that the small/medium businesses’ relationship with their primary authority is not so successful or simply that in practice no change of relationship was required (as we will see towards the end of this Annex, there is nothing in Q35 or Q38 to suggest that SMEs are less likely to renew their primary authority partnership).

58 Asked for details of how the relationship had changed, the 100 interviewees who responded gave the following range of answers (multiple answers are possible):

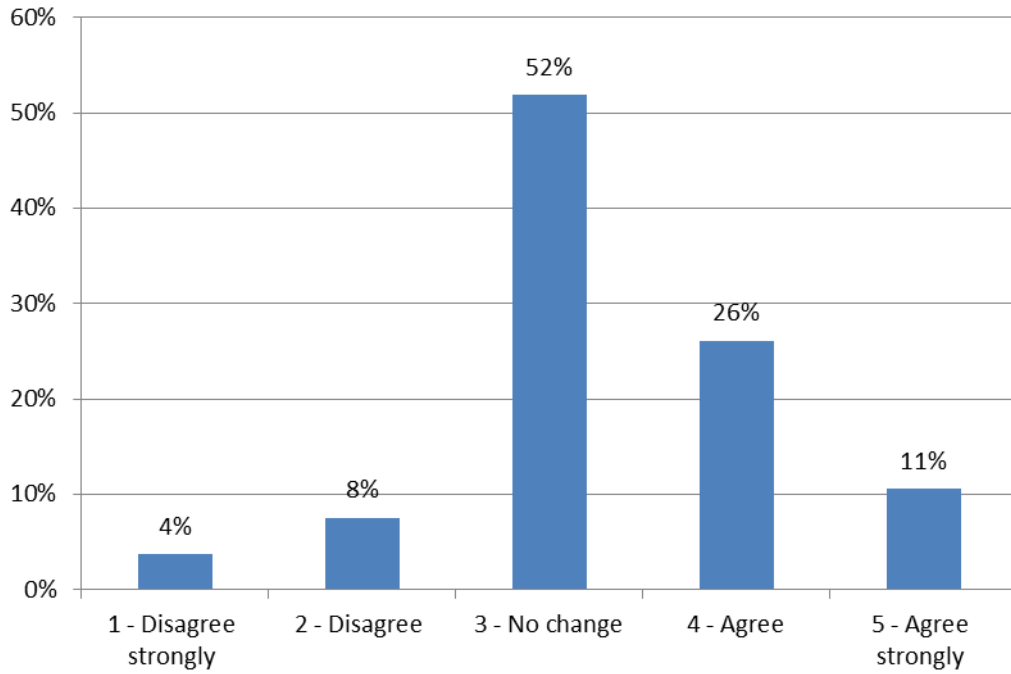


59 Of course, these benefits only follow if enforcing authority regulatory officers are aware of the existence of a Primary Authority partnership. Here the picture is a little mixed:

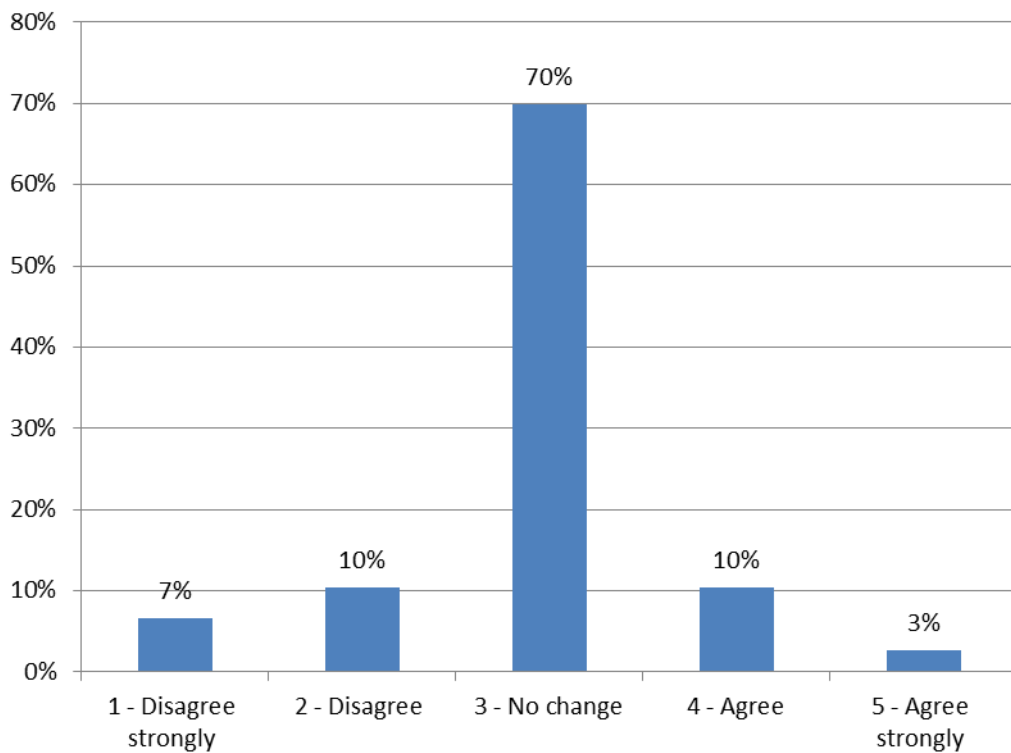


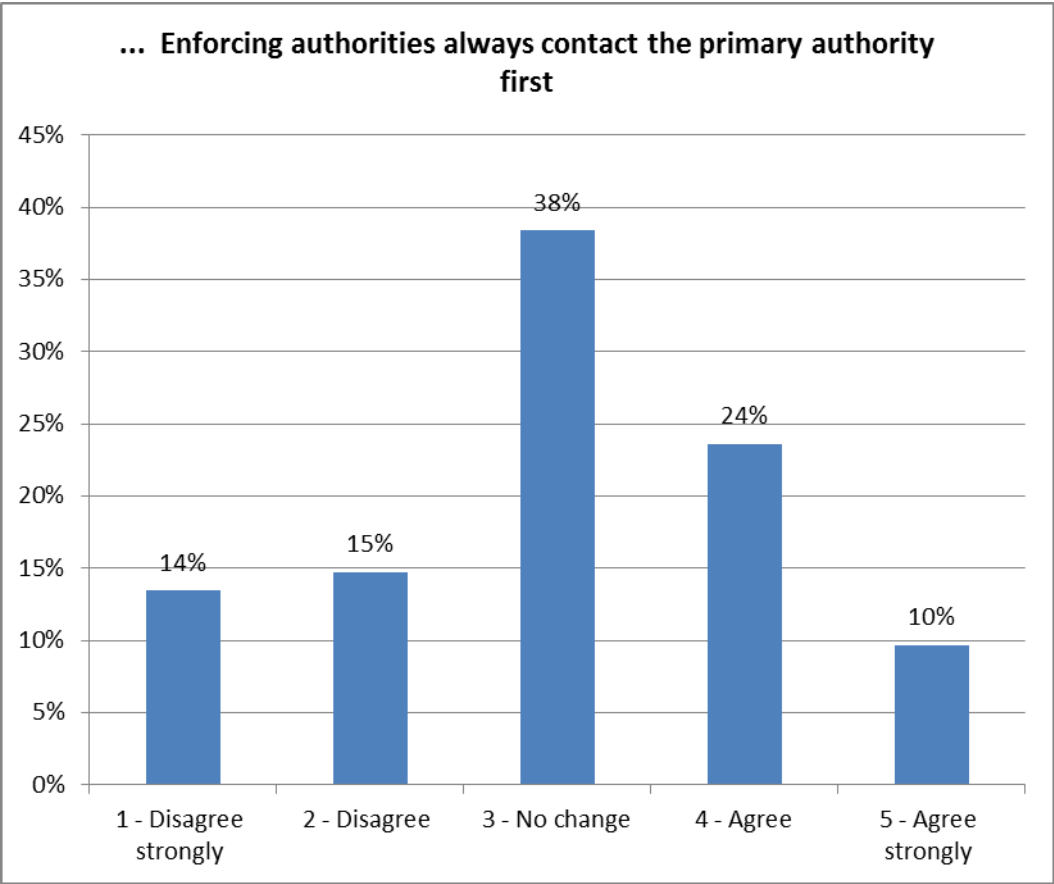
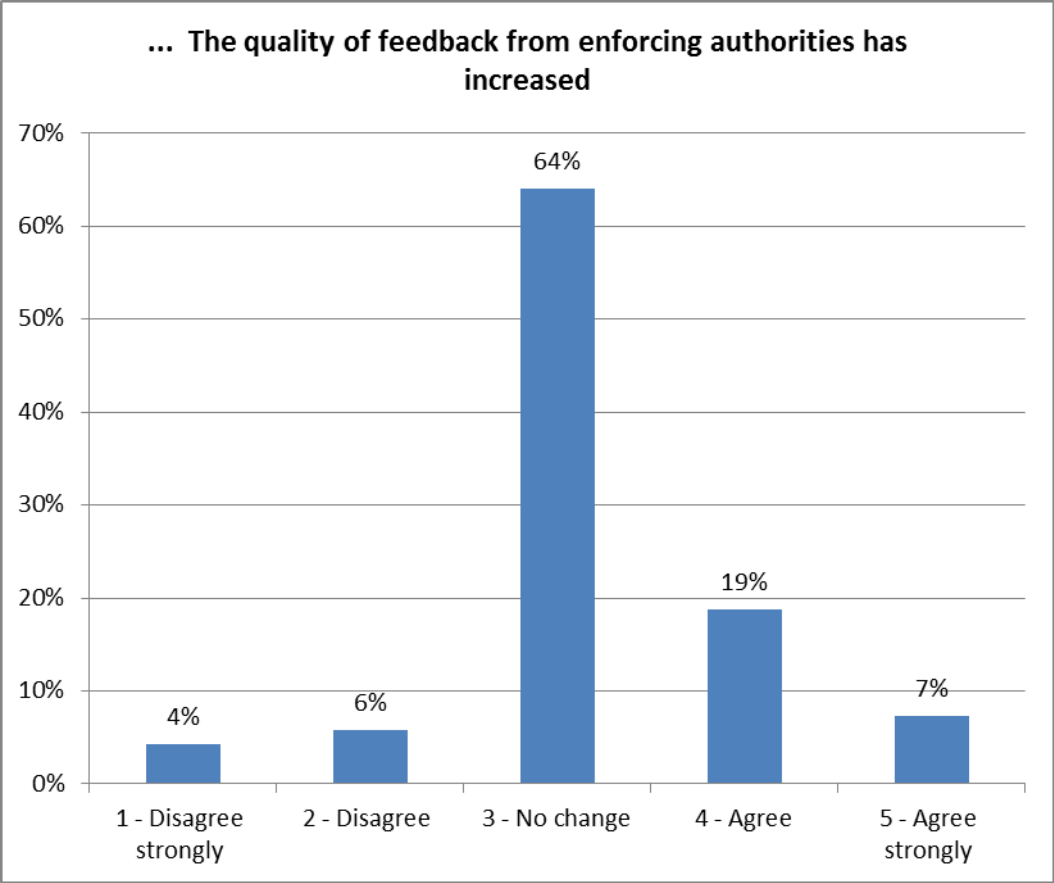
- 60 The three “Yes” responses total 89% of businesses, but this is represented by 84% of small/medium businesses as opposed to 93% of large businesses. This is a significant difference (though not massively so). Again the message is not getting through as effectively for small businesses – possibly because, as we found in our parallel qualitative research with enforcing authorities, most enforcing authorities do not automatically consult the Register to see if a small business has a partnership.
- 61 Finally in this section, businesses were offered a range of statements about their relationship with enforcing authorities and again asked (using a five point scale) to state the extent to which they agreed with them:

**Q27. On a scale of 1 to 5, how far do you agree or disagree with the following statements? Feedback from enforcing authorities has more impact on what our business does (i.e. the business makes changes as a result of feedback received)**



**... The quantity of feedback from enforcing authorities has increased**







- 62 None of these responses show significant (indeed, any) variation by business size.

### *The impact of inspection plans*

- 63 We were asked to review whether those businesses in PA in our sample that were known to have inspection plans had a different experience of enforcing authorities (arguably) as a result<sup>45</sup>. We therefore analysed the response to Q26 (did EA officers know the business had a primary authority partnership) and Q27 (the four statements just presented) to see if the responses from the nine businesses known to have inspection plans was different from those of the 266 not to have them.
- 64 Of course, nine is not a large sample and any correlation would have to be very great to be statistically significant. As a result, it is perhaps unsurprising that there is only one positive link – between the presence of an inspection plan and agreeing that the quality of feedback from enforcing authorities has increased.<sup>46</sup>

### *Fees and charges*

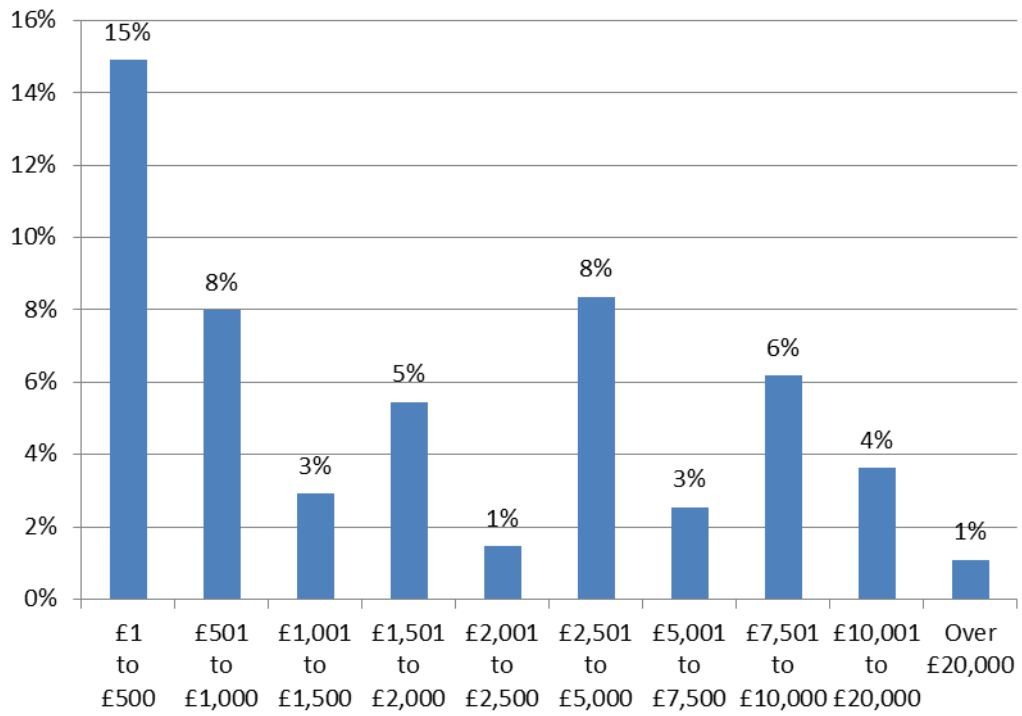
- 65 Businesses were asked [Q28] what fees and charges they had met in the most recent contract period. Of the 275 businesses, 16% did not pay anything (two because they were in credit from a previous year – i.e. their unused hours had been rolled over to the next period); 25% knew that a payment had been made (but not how much); and 4% did not know whether or not a payment had been made.
- 66 Of the remaining 55%, fees varied from £40.00 [sic] to £30,000. The median fee paid was £1809 with quartiles of £459 and £5063.
- 67 The diagrams below show the range of fees paid. *Note that the first graph is not a true histogram: up to £2,500 each bar represents a £500 range of fees while from £2,501 each bar covers a £2,500 range and the last two bars represent a £10,000 range and (theoretically) an infinite range respectively. The second, cumulative frequency graph may be easier to interpret.*

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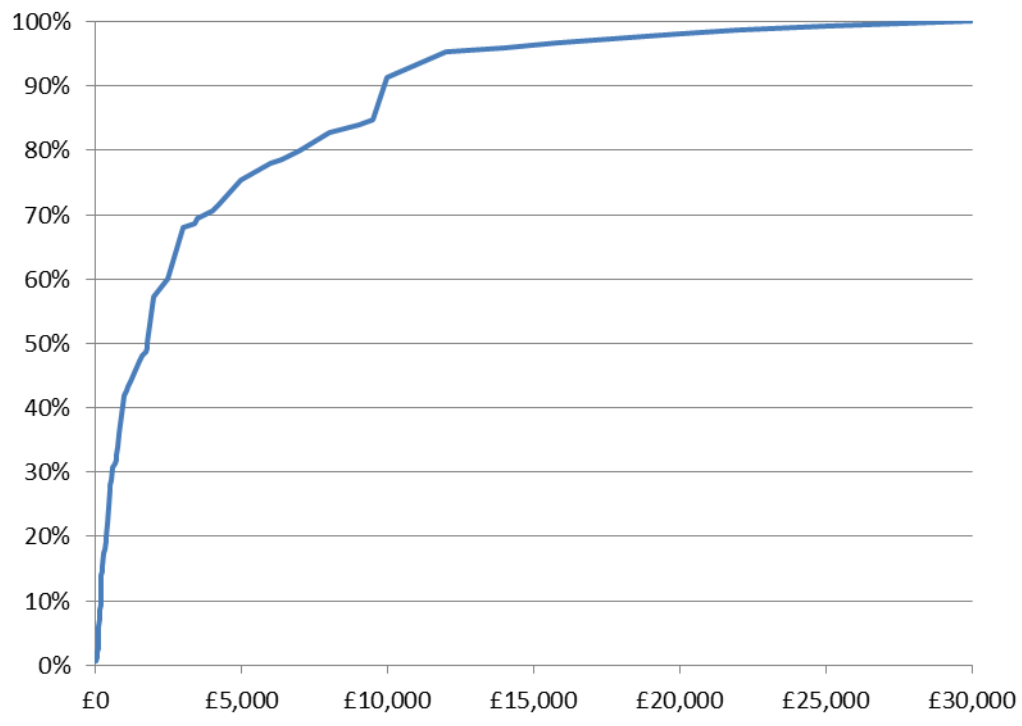
<sup>45</sup> Though strictly we are assessing correlation, not causation.

<sup>46</sup> Even abandoning the high bar of a statistical test, none of the other correlations would have survived *one* of the nine businesses with inspection plans “voting the other way”, which makes them too weak even to refer to in this report.

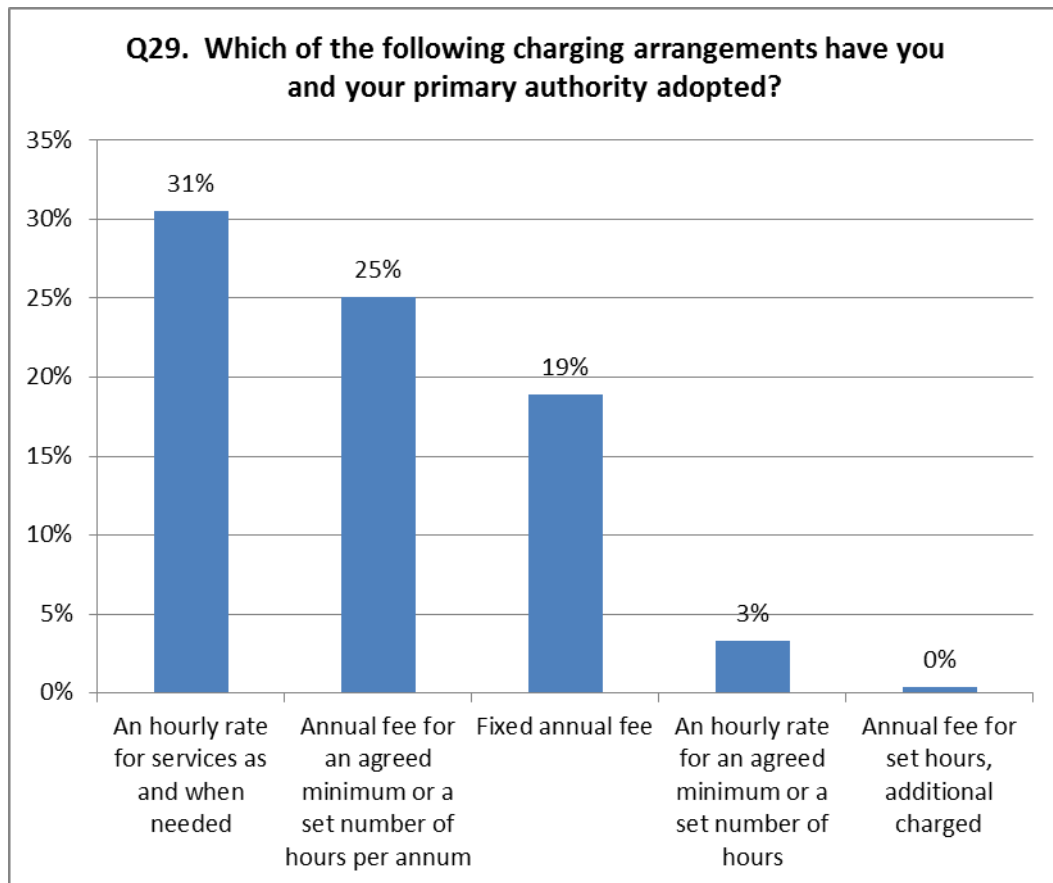
**Q28. What did you pay your primary authority for their Primary Authority partnership-related work in the most recent contract year?**



**Q28. What did you pay your primary authority for their Primary Authority partnership-related work in the most recent contract year?**



68 Charging arrangements varied, as shown below. Percentages given are over the whole sample (n=275):



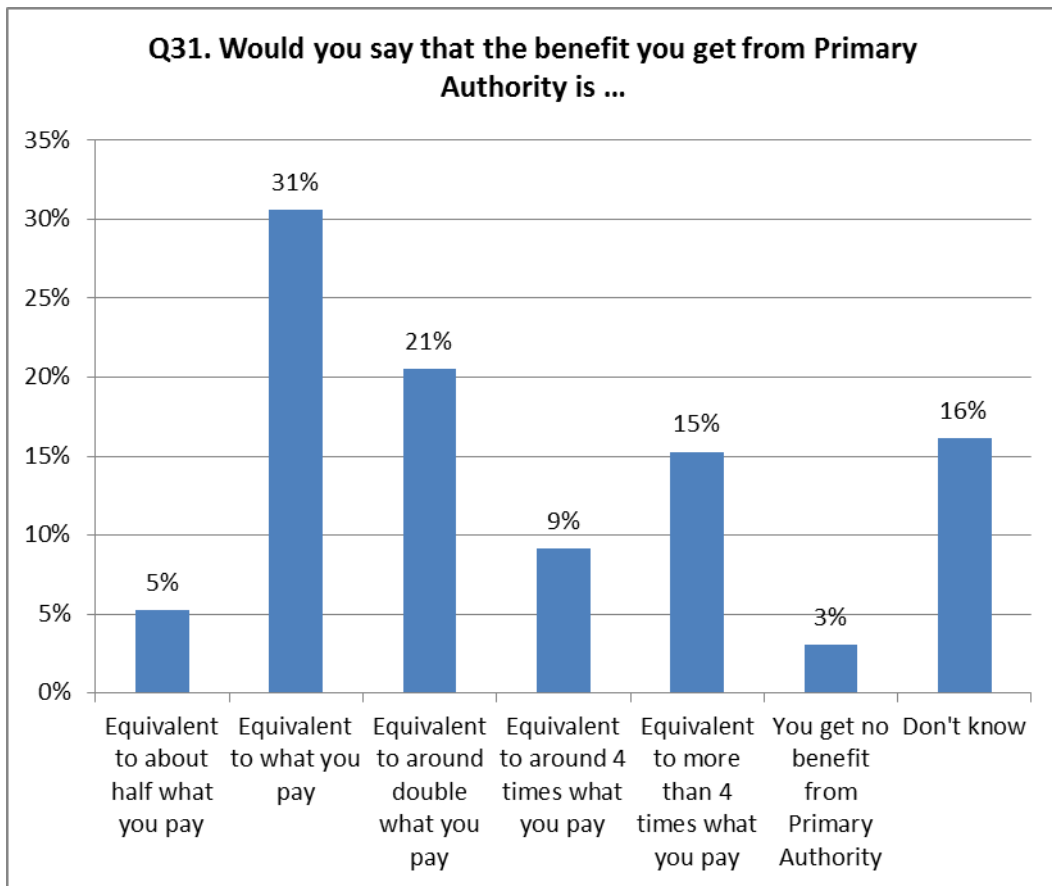
69 Businesses were also asked [Q30a] whether or not their Primary Authority agreement involved any “free hours” of support. In 50% of the 229 that responded to this question (those not making any payment were not asked) no free hours were included, and in 34% of instances respondent did not know. This left 28% of chargeable agreements where free hours were offered. The number offered varied from 1 to 80, with median 7.75 and quartiles 3.75 and 17.00.

70 Those businesses who paid for a number of set hours were asked:

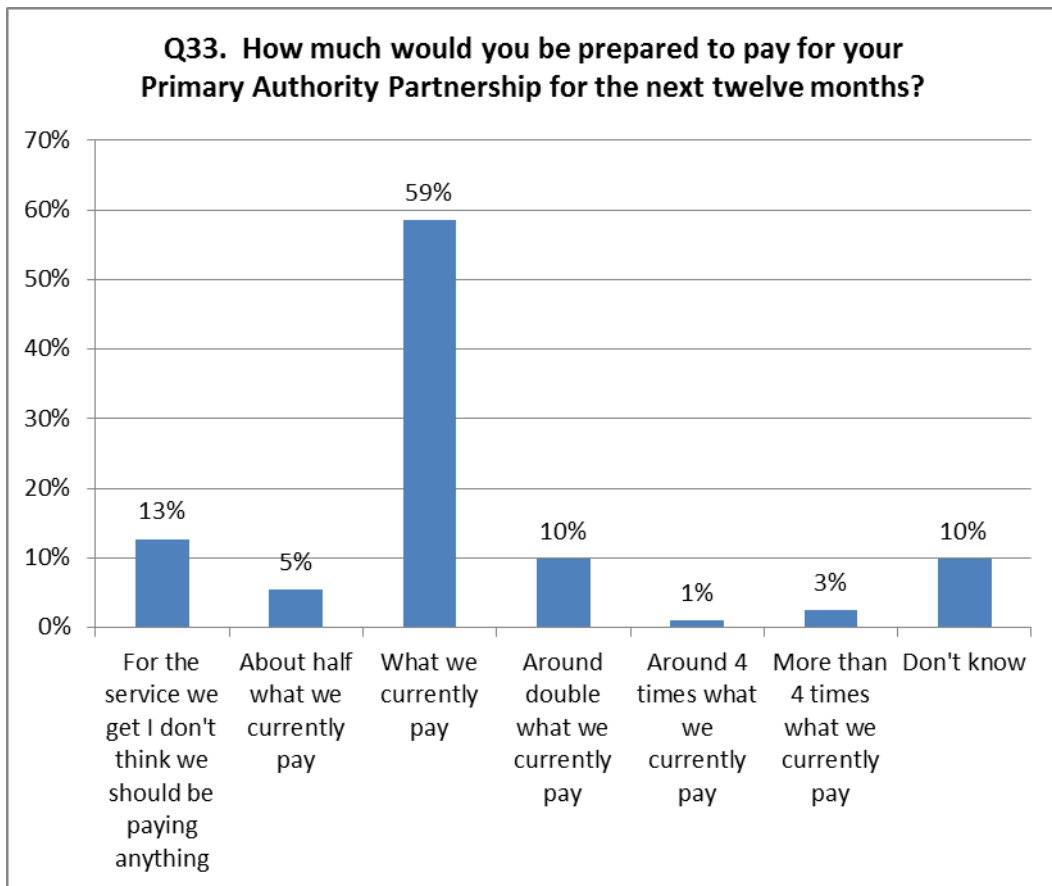
- Whether additional hours used above the set number were charged for. In 66 out of 70 instances (excluding “don’t knows”) they were [Q30b]
- Whether unused hours were “rolled over” or written off. In 23 out of 61 instances they were rolled over, in 38 written off [Q30c].

### Value for money

71 Those paying for Primary Authority were asked whether it was worth what they *paid* for it (note the distinction with overall cost, which was surveyed in an open question as described in paragraph 37 and following above). This time, a closed question was used, as shown in the diagram below:



- 72 Percentages quoted here are of those paying for primary authority (i.e. excluding those where no fee is charged): n = 229.
- 73 In terms of business size, the small/medium businesses were in general slightly more negative than the large businesses (all the “no benefit” businesses are small/medium, for instance.) The difference in responses is significant at the 5% level.
- 74 Businesses (*all* businesses, not just those currently paying) were also asked the “mirror question” of how much they would be prepared to pay, compared to the current fee:

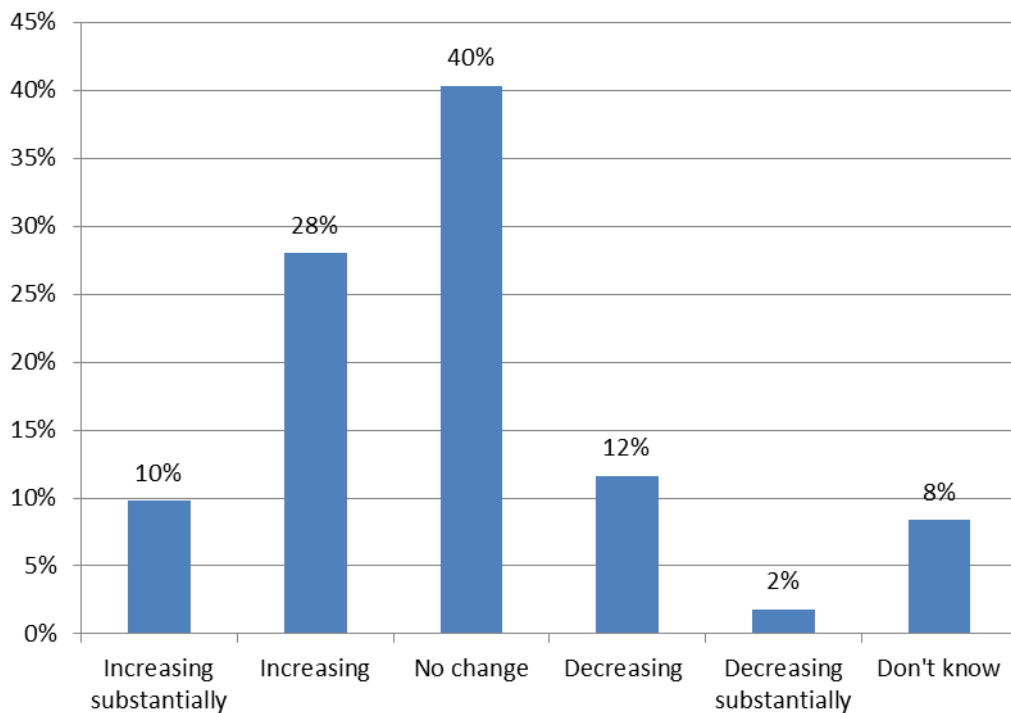


- 75 On this question, the difference between small/medium and large businesses was not (quite) significant.
- 76 Those not currently paying for Primary Authority were asked [Q32] whether payment had ever been mentioned (by the primary authority) or considered. Of the 44 who could answer this question, 59% said it had been considered and 41% said not.

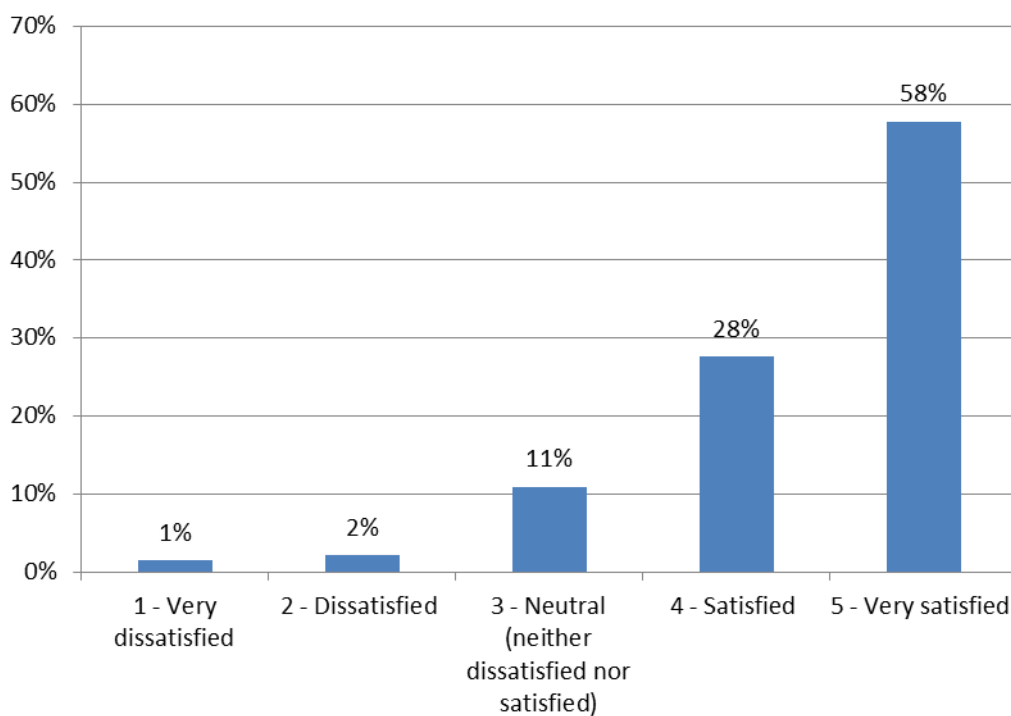
### Primary Authority in the context of regulation

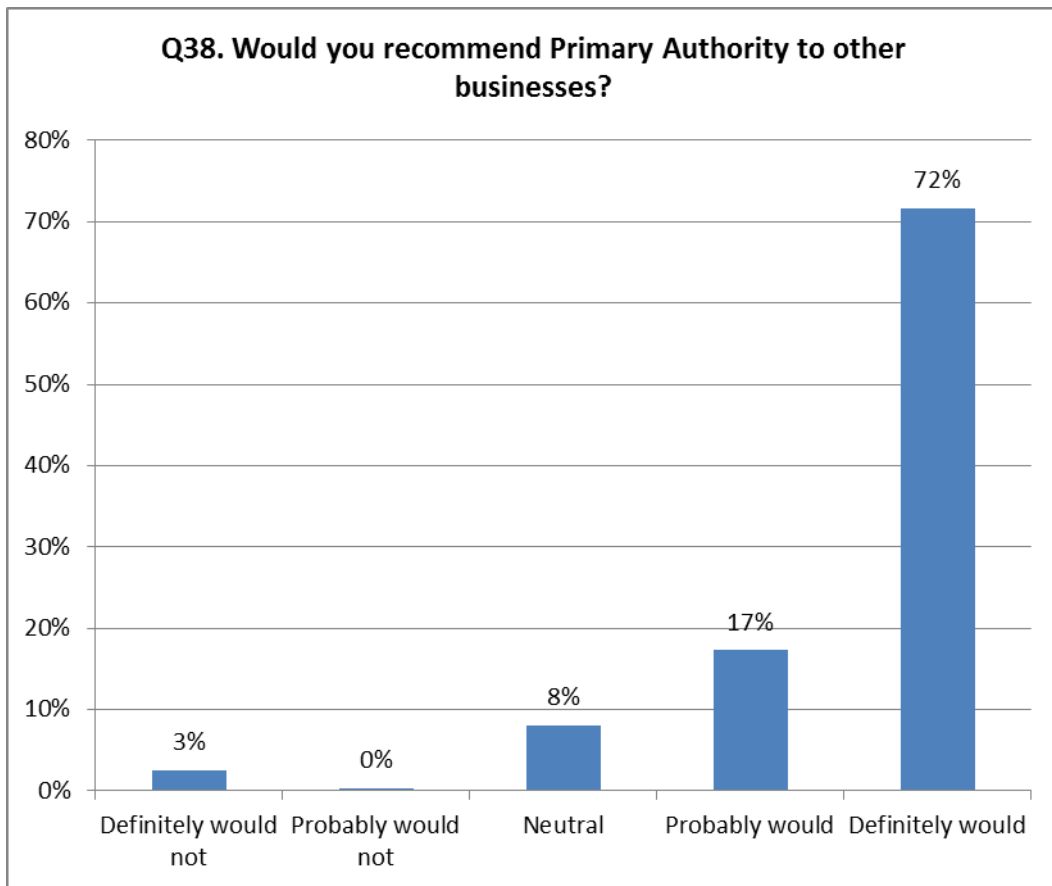
- 77 The last section of the business questionnaire asked some general questions aimed to place Primary Authority in the context of business regulation generally:

**Q34. Overall would you say that the total annual costs of local authority-related regulation on your business are generally increasing or decreasing year on year?**



**Q35. On a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, how satisfied or dissatisfied are you with your Primary Authority partnership with []?**





78 Neither Q35 nor Q38 showed any significant difference by size of business.

79 We were asked to compare the outcomes of Q35 – the overall satisfaction with Primary Authority – with the levels of activity (measured in days per most recent contract period) across the various activities listed in Q17a (see the table after paragraph 34 above). Specifically, interest was shown in whether there was any correlation between the businesses in PA that had high levels of activity and those that showed high degrees of satisfaction with PA.

80 The table below addresses this question, by showing the mean number of days per year against each activity split by the five-point satisfaction scale in Q35. “Other” has been omitted; blank cells are (indeed) cells for which there is no data. Note that (from the Q35 graph) there are very few dissatisfied or very dissatisfied business interviewees, so most of the distinctions are drawn between the other three responses.

Activity	Mean number of days per most recent contract period					
	Whole sample	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied
Providing advice to your business on regulatory matters	18.44		0.25	30.25	10.03	20.65
Familiarisation visits by primary authority staff to your business	2.58		0.75	0.44	1.93	3.10
Handling regulatory enquiries from enforcing authorities	11.08		10.00	19.73	3.85	13.64
Carrying out audits and checking compliance **	31.69	5.00	0.25	10.55	8.84	43.57
Promoting the existence of your primary authority partnership with enforcing authorities	0.76			0.81	0.619	0.80
Supporting training and development of your staff *	25.6		1.00	20.00	48.15	20.81
Drawing up and implementing an Inspection Plan	2.29				0.57	2.77

81 Rows where there appears to be a correlation between satisfaction and time spent are marked \* or \*\* as seems appropriate. In summary, high levels of satisfaction are particularly associated with time spent on:

- Carrying out audits and checking compliance
- Supporting training and development

but not, perhaps surprisingly, on providing regulatory advice, where the largest average hours is “neutral”.

### Improving Primary Authority

82 Finally, respondents were asked whether they had any suggestions for improving Primary Authority.



83 First, they were asked [Q39] whether they had views on which other regulated areas (if any) should be brought into scope of Primary Authority.

84 There were a number of suggestions of regulated areas that are already in scope for Primary Authority which the business thought might usefully be added to the business’s existing partnership – which was not the reading of the question we intended. Apart from these, the suggestions made are in the following table.

Suggestion	No of responses
Alcohol licensing .....	2
Areas enforced by the Health and Safety Executive.....	1
Construction.....	1
Crime and security matters .....	1
Dockside Revenue & Customs activities e.g. food .....	1
Early Years services .....	1
Emergency response planning.....	1
Environment Agency responsibilities.....	4
Finance related advertising .....	1
Fraud assistance.....	1
Licensing .....	5
Planning.....	1
Standardisation across England, Scotland, Wales, NI.....	3
Timber regulations .....	1

85 It will be seen that 7 respondents mentioned that they would wish aspects of licensing, including alcohol licensing to be brought within scope of PA; this was the largest single response and represents 3% of respondents.

86 Secondly, respondents were asked [Q40] for more general suggestions. The list of suggestions they made is given as shown in the table below. Effectively each suggestion is “out of 275” respondents.

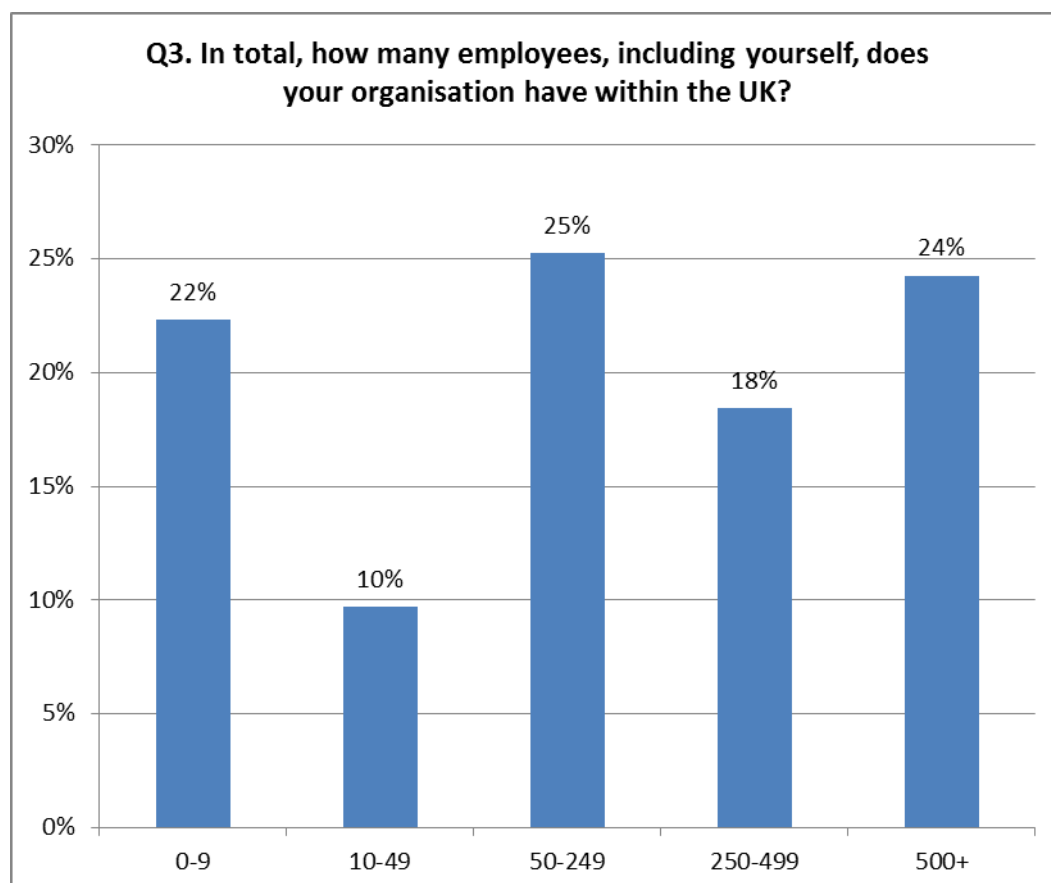
Suggestion	No of responses
Improve communication .....	38
Ensure all authorities and officers use scheme .....	17
Improve administration.....	12
Improve staffing .....	11
Reduce or refine charges.....	10
Improve web resources.....	7
Provide advice and training.....	6
Increase geographical scope .....	5
Other suggestions.....	7

## Detailed analysis of the *Businesses not in Primary Authority* questionnaire

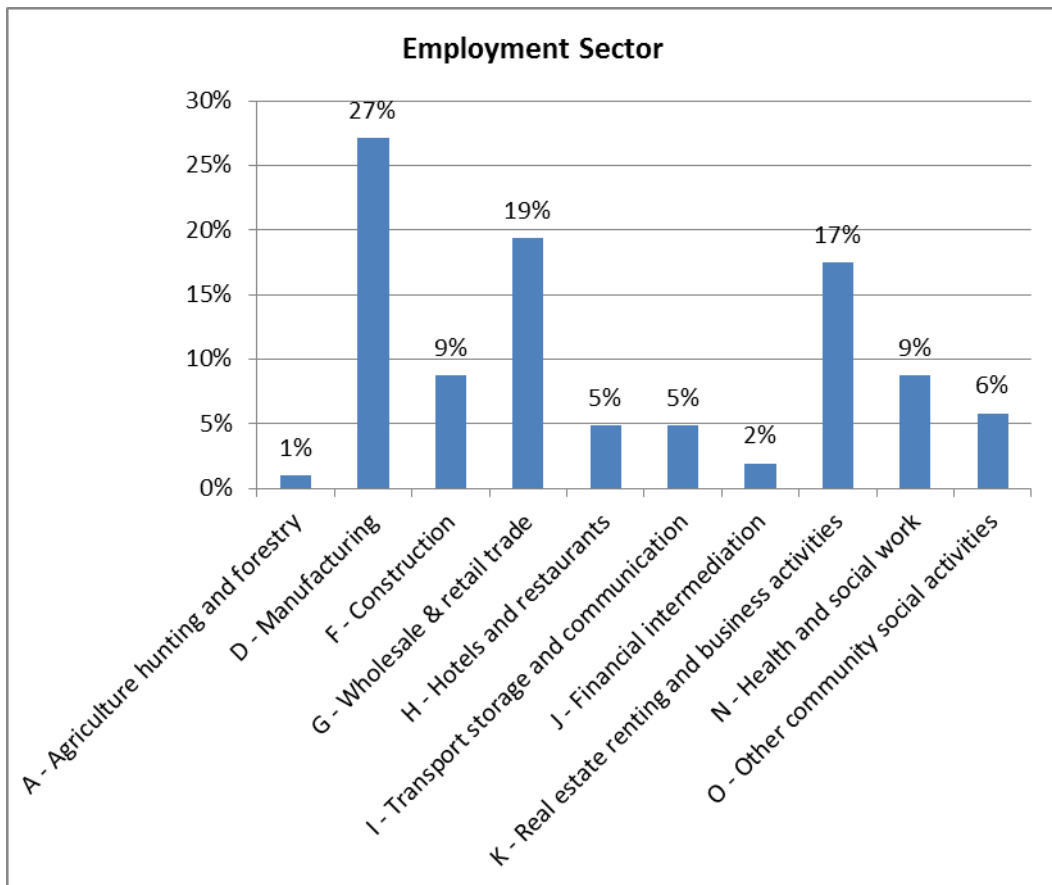
- 1 As part of our review of Primary Authority, we carried out a telephone survey of 103 businesses not currently in Primary Authority partnerships with local authorities. A copy of the telephone survey questionnaire is provided as part of Annex 1. Questionnaire question numbers, when not quoted in diagrams, are shown in square brackets.

### Characteristics of the sample

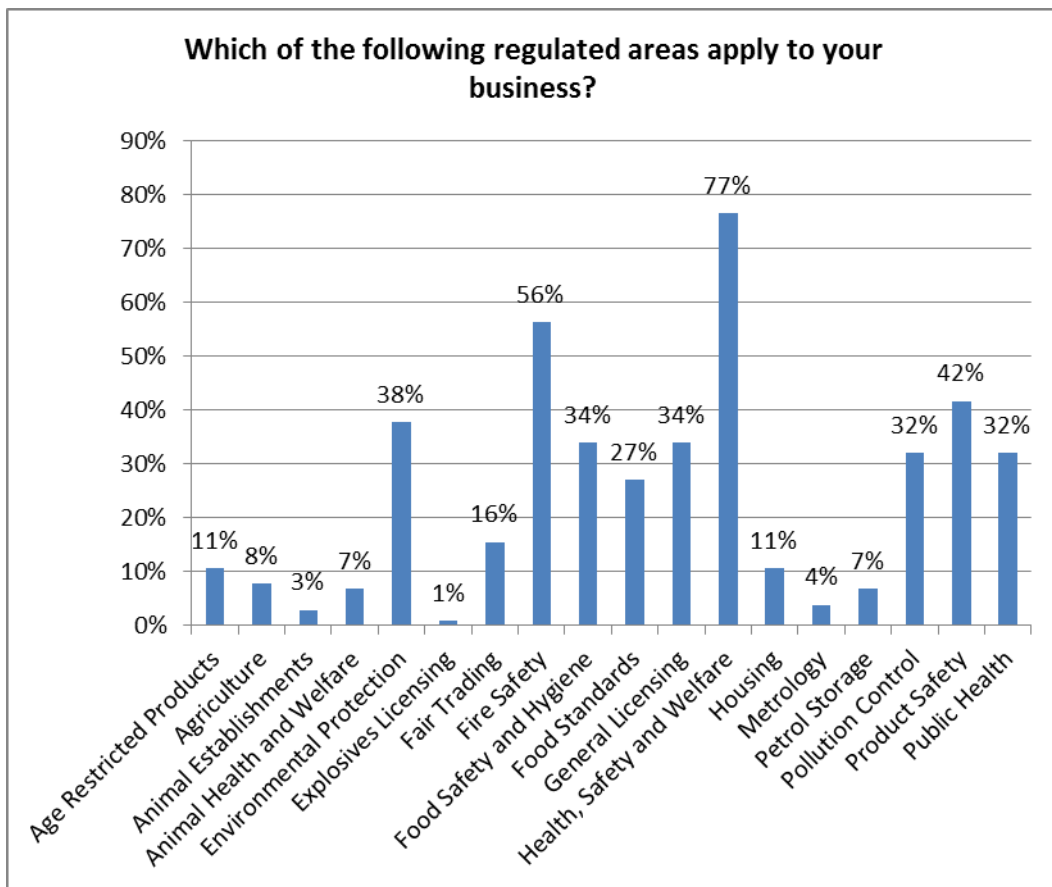
- 2 The 103 businesses in our sample all operated in more than one local authority area, so that (in theory) all were eligible to seek a Primary Authority partnership. The businesses varied in size, as represented by their number of employees [Q3]:



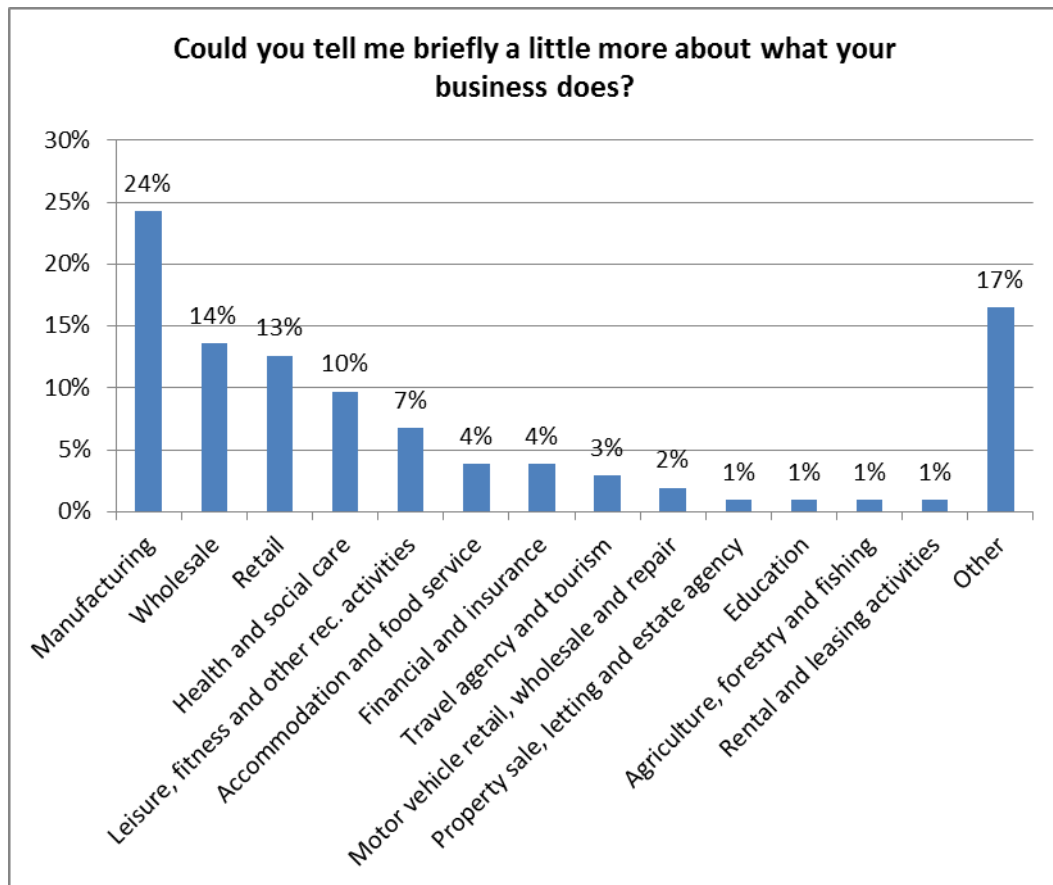
3 They were also drawn from a range of occupational and industrial sectors [S4]:



4 Businesses in the sample identified the following regulated areas as particularly applying to their businesses (respondents could identify more than one area):



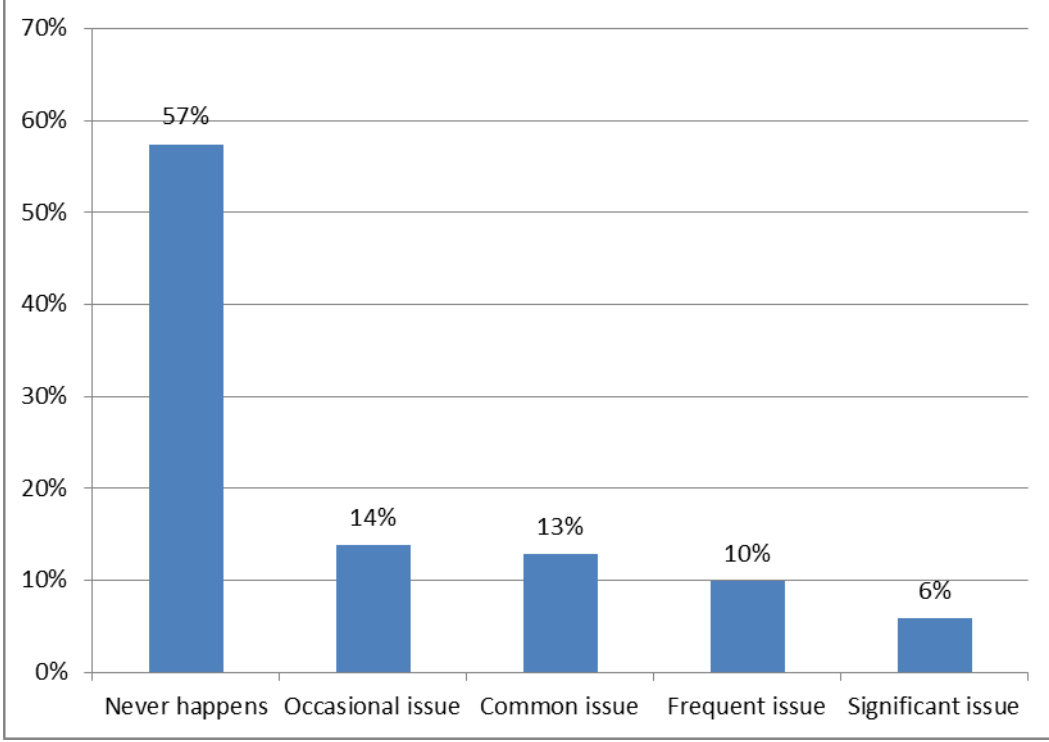
- 5 Businesses were also asked for a general description of their activities (in their own words): this is summarised below.



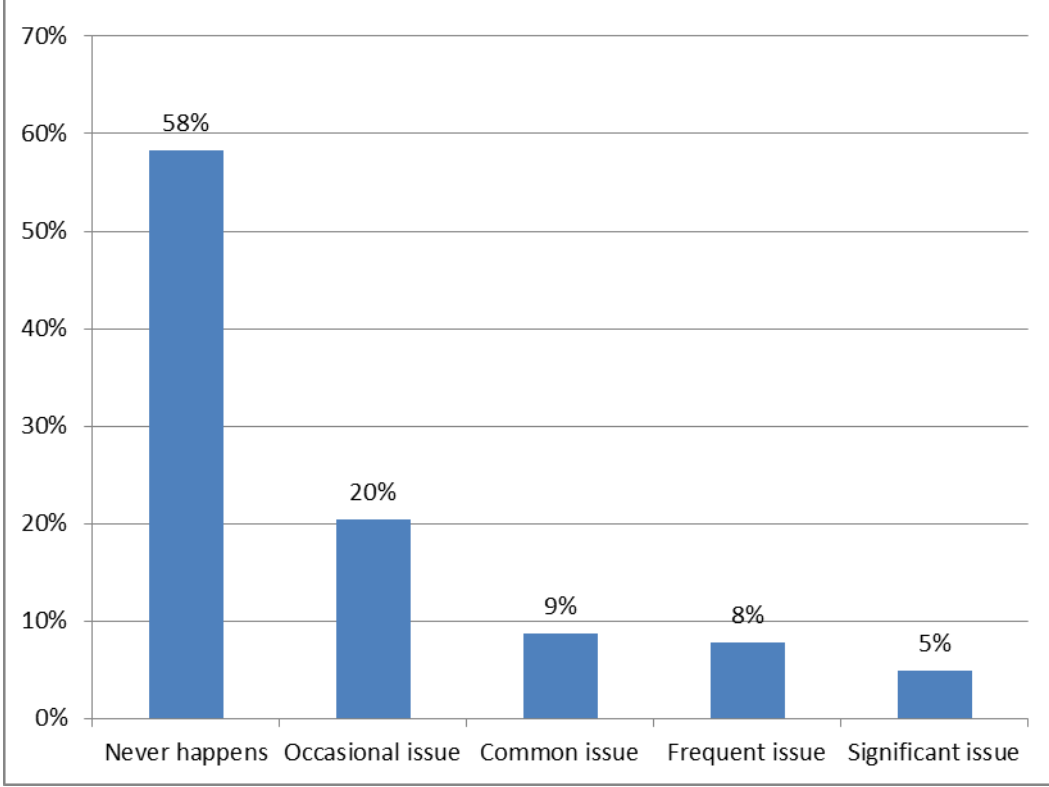
## Regulatory issues

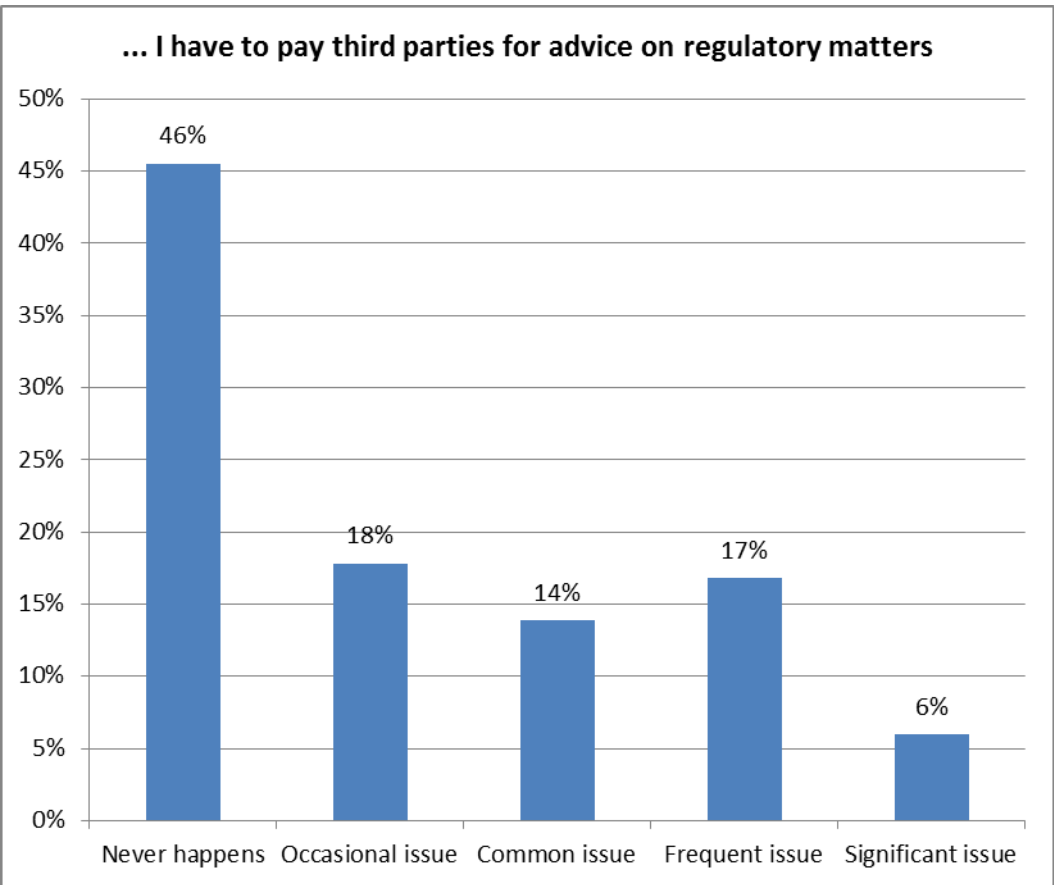
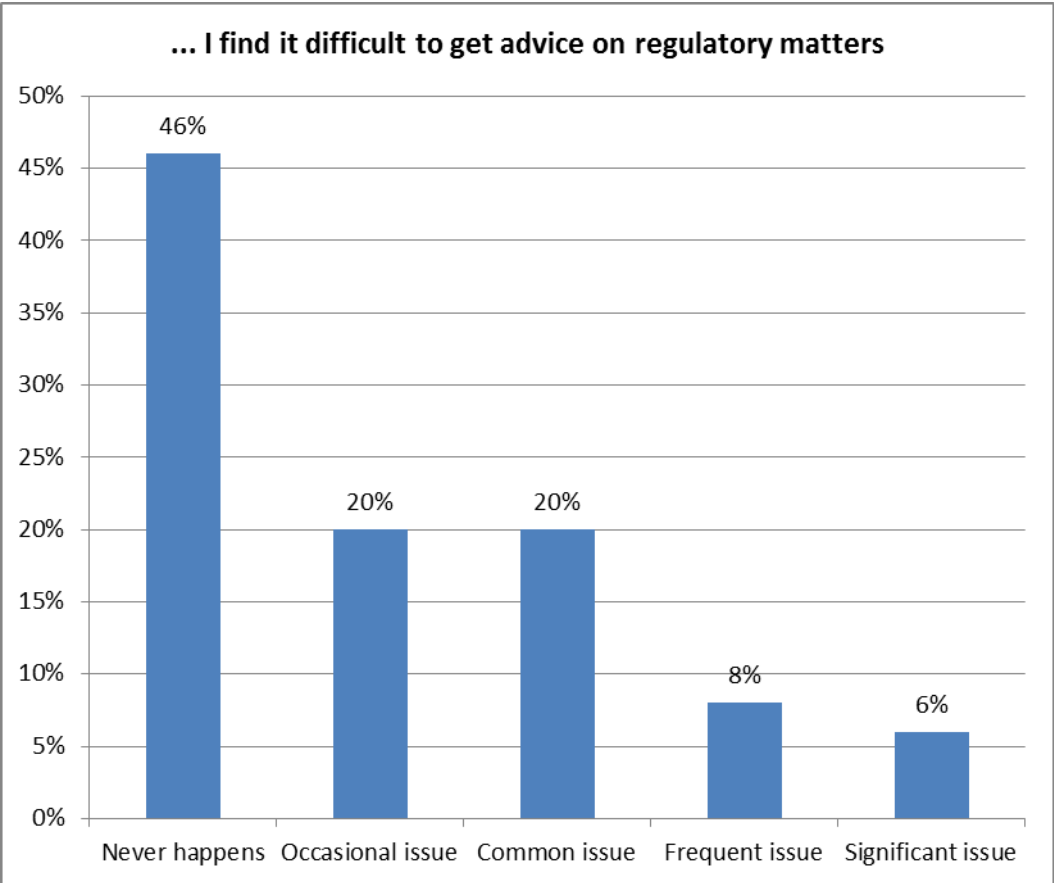
- 6 Businesses were first asked for a view on the extent to which a number of factors impinged on their business. For each factor, a five point scale was used, ranging from “significant issue” to “never happens”. The diagrams below summarise the responses. Nil responses have been omitted.

**Q4. On a scale of 1 to 5, to what extent do the following apply to your business? I get contradictory advice from inspectors from different local authorities about regulatory matters**

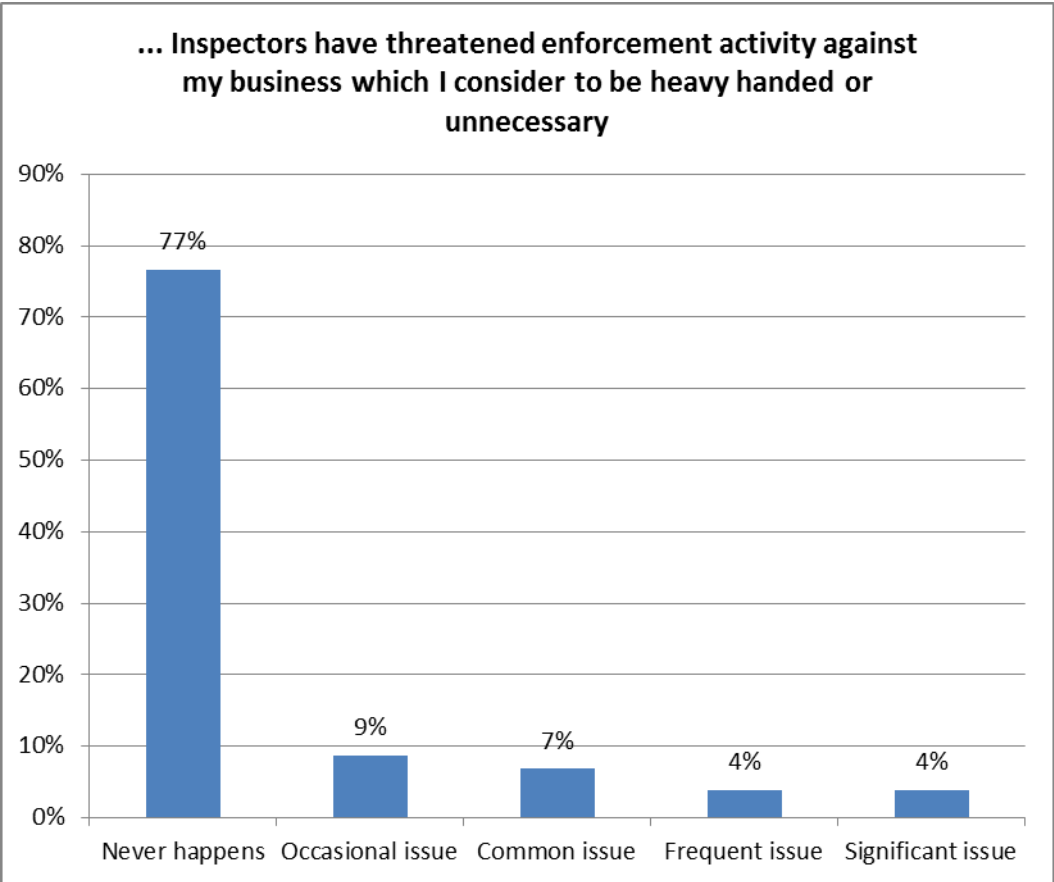
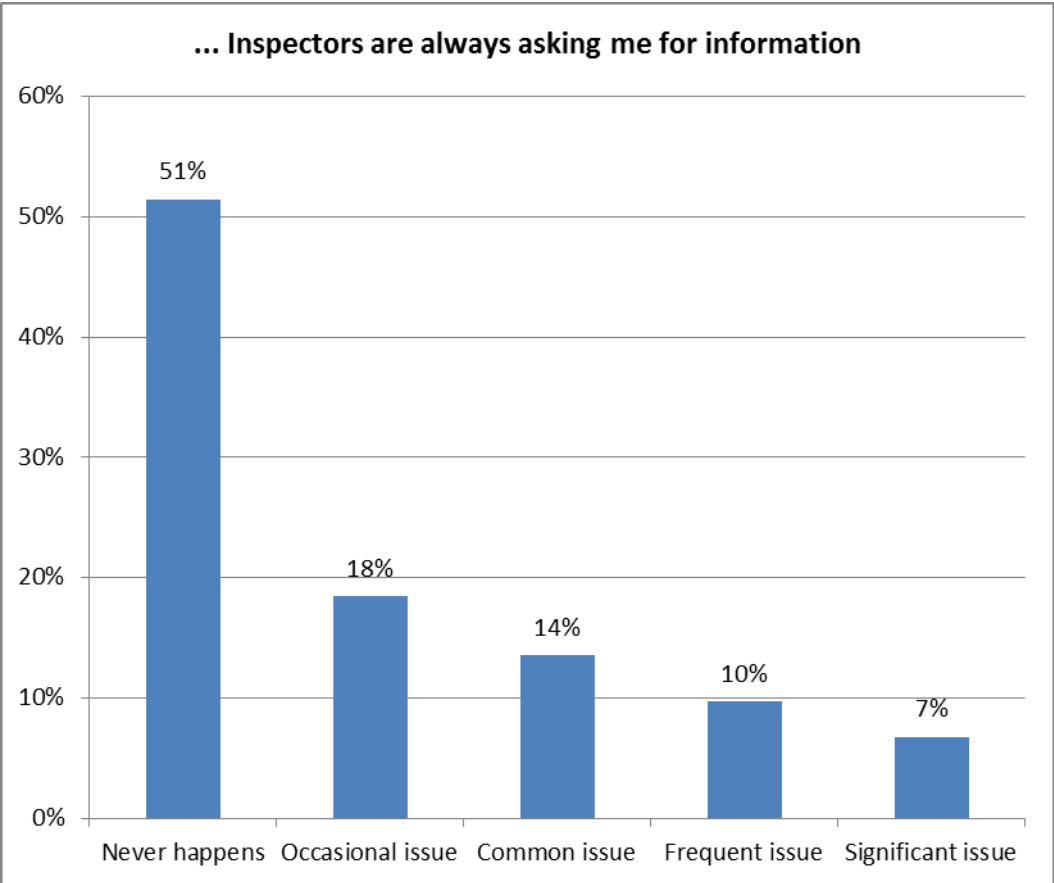


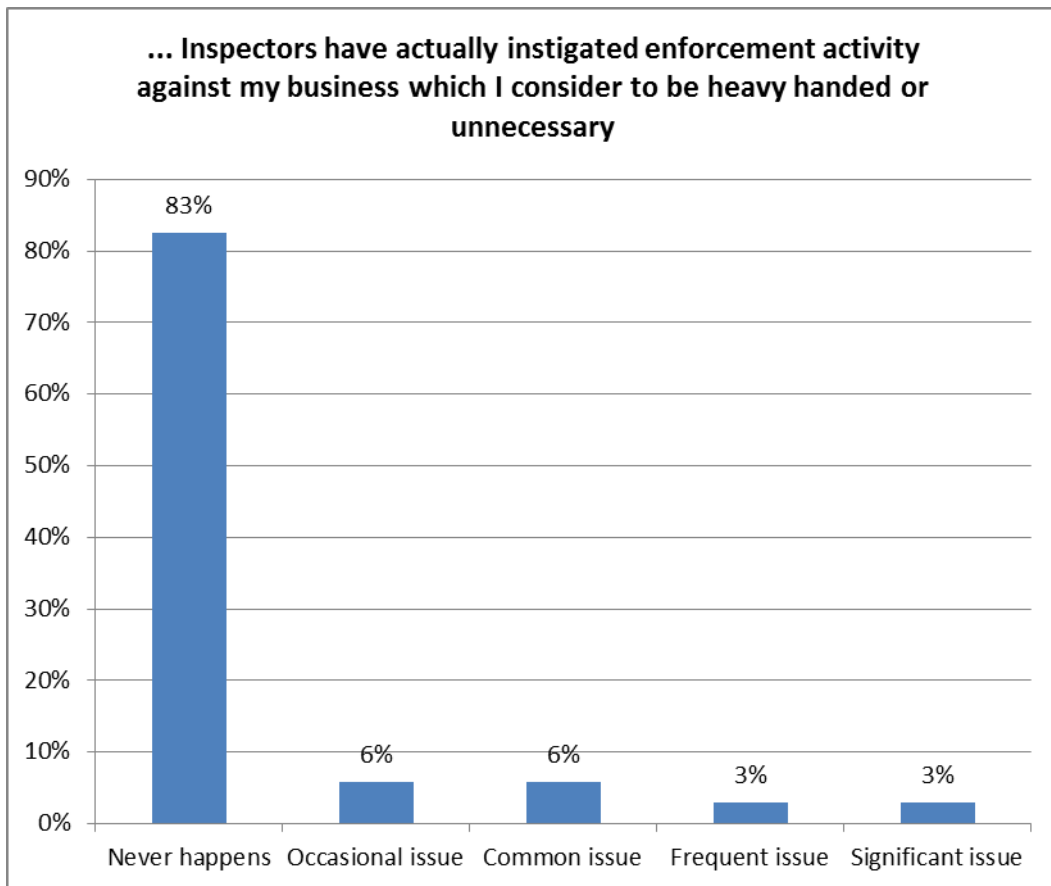
**... I spend lots of time dealing with inspectors who are asking the same questions over and over again**







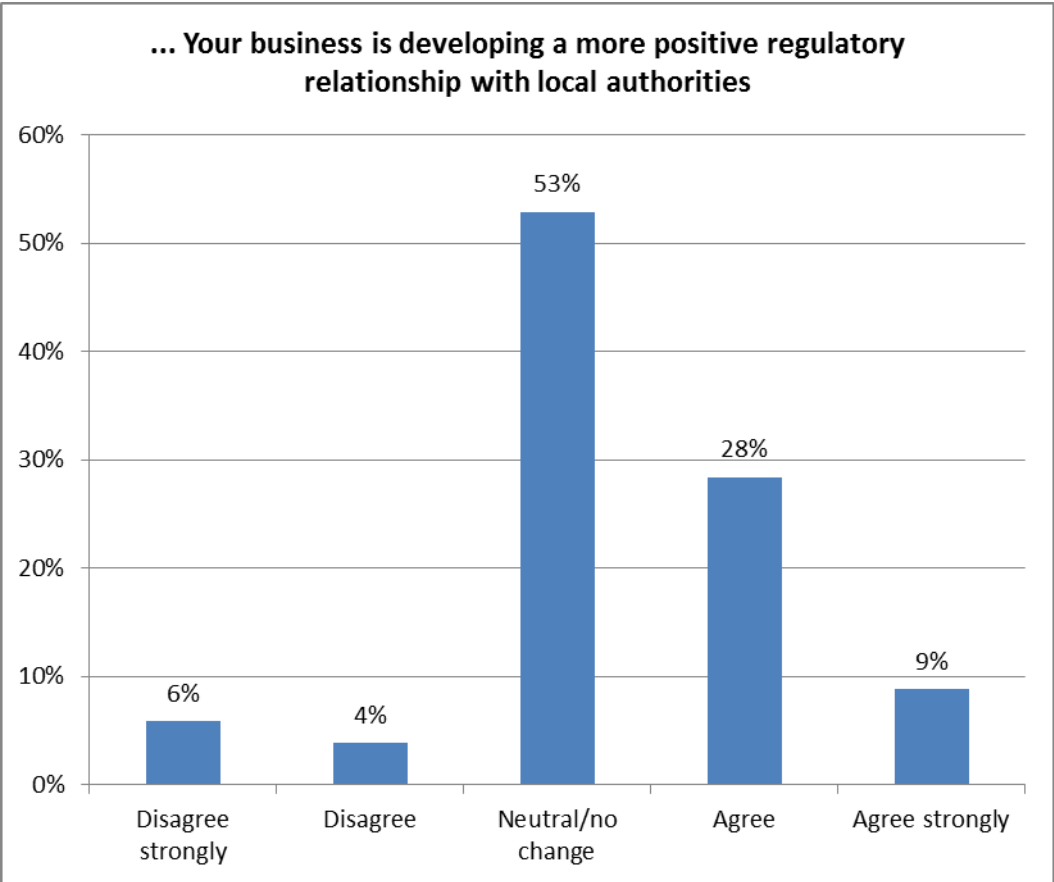
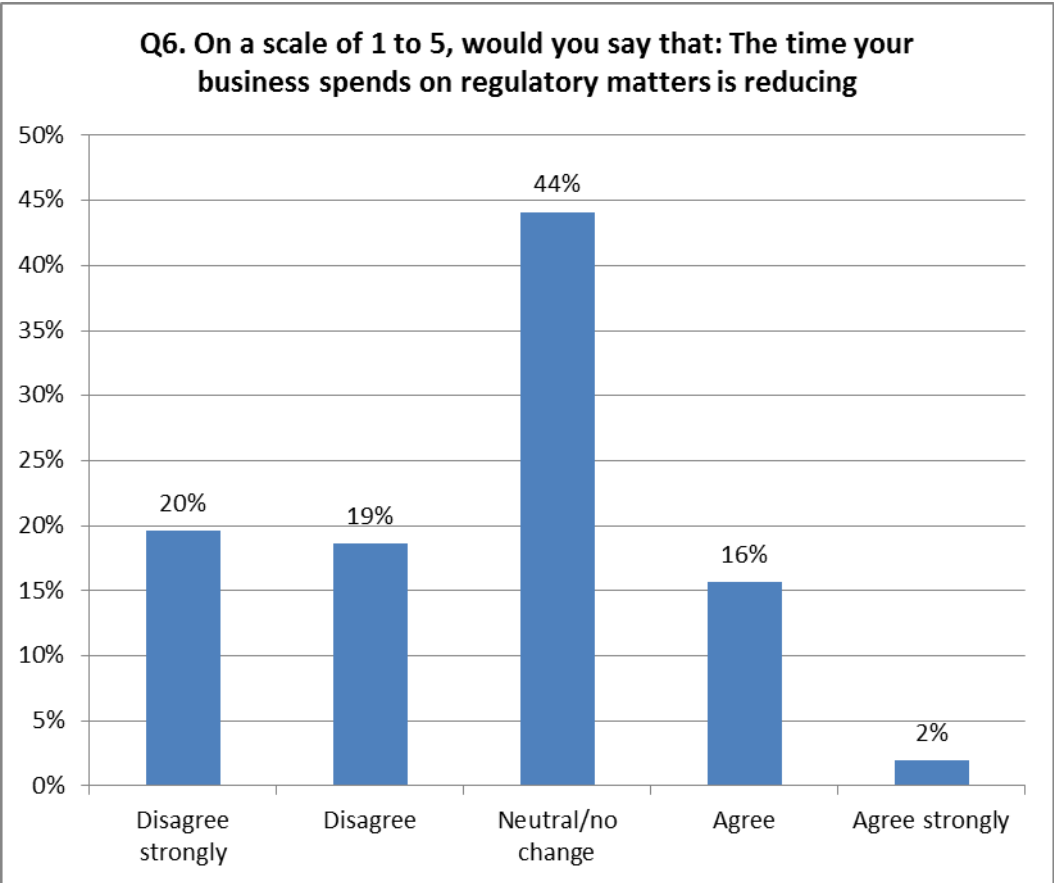


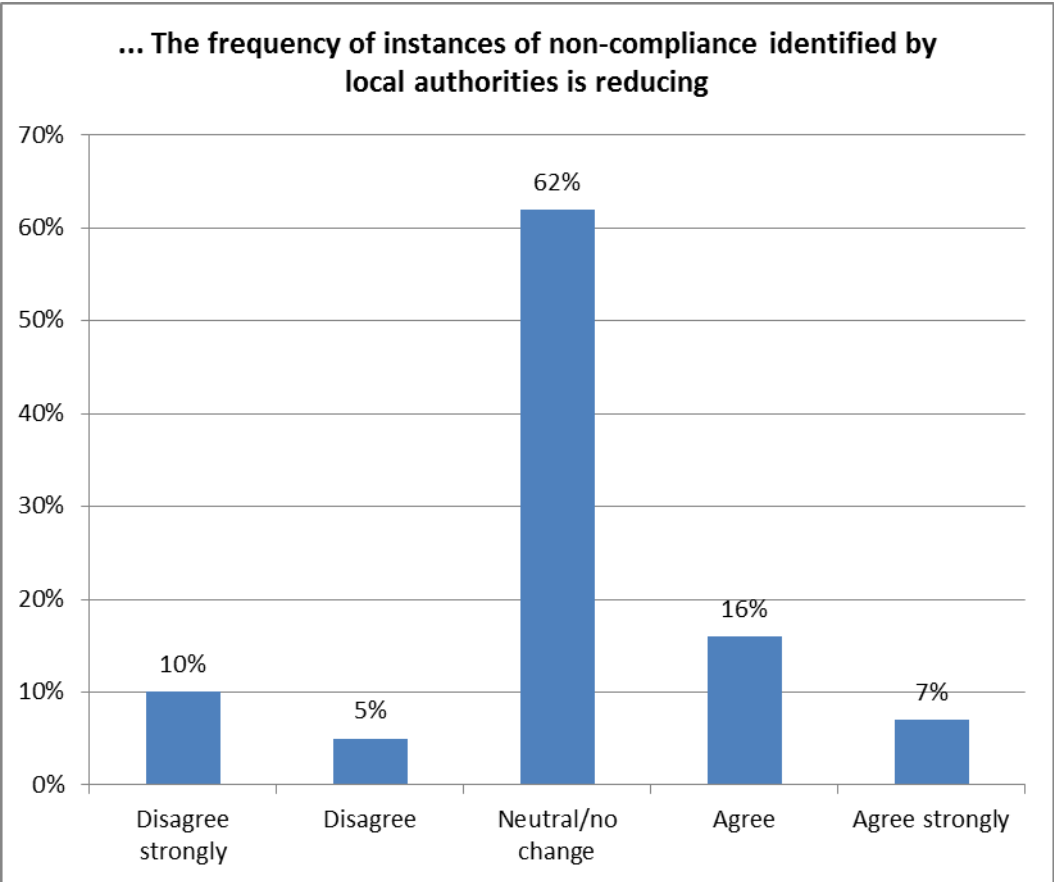
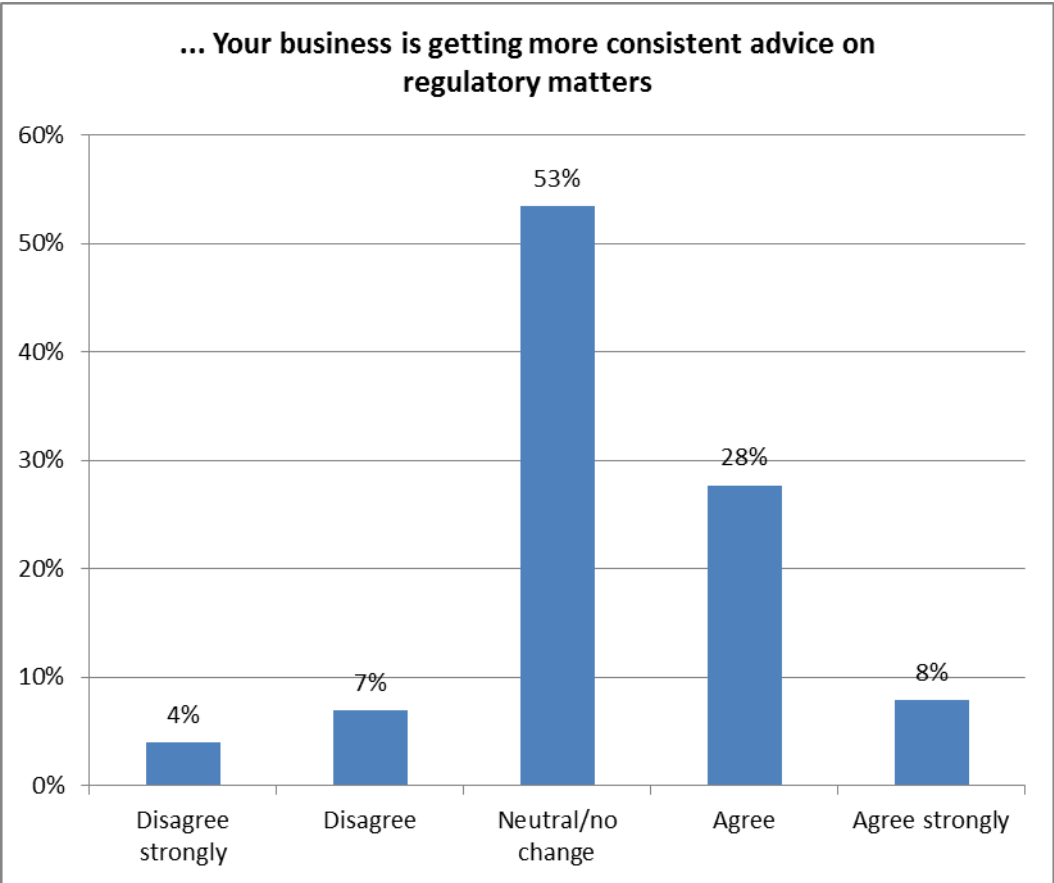


- 7 The next question [Q5] – following on from part of Question 4 above – focussed on businesses that pay for regulatory advice, and asked how much businesses paid in a typical year. The 39 answers given<sup>47</sup> varied between £100 and £25,000, with median £1,750 and quartiles £475 and £6,500.
- 8 Next, these businesses were offered a range of statements describing the impact of regulation on their business and asked whether they agreed or disagreed with them; again a five point scale was used. Nil responses have been omitted.

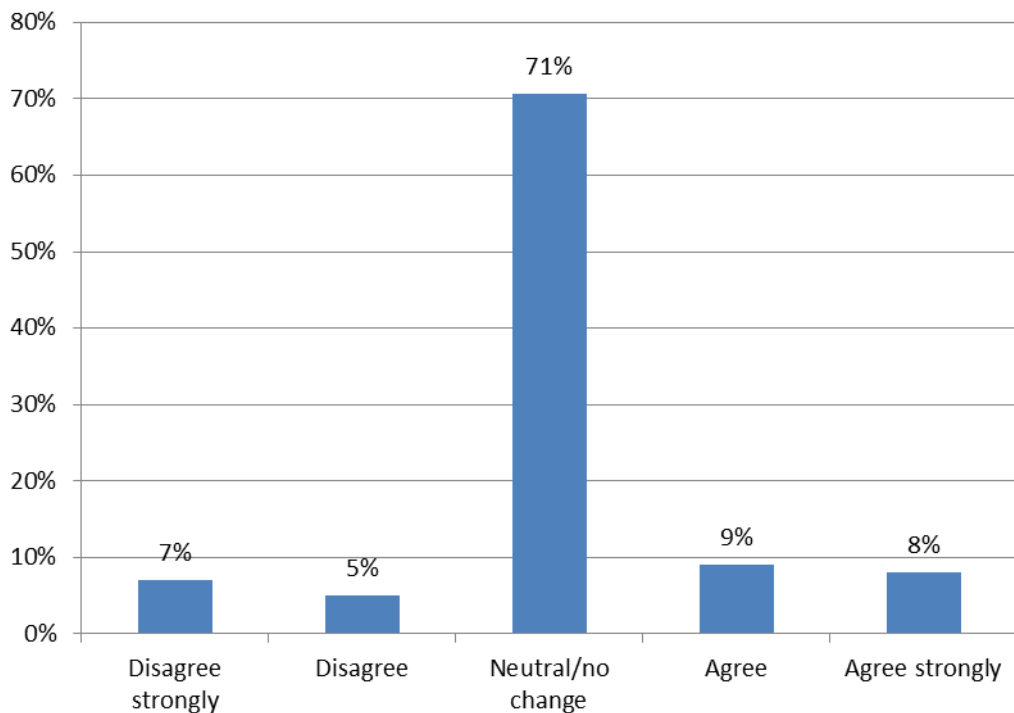
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<sup>47</sup> Responses from three businesses that claimed to pay less than £100 have been ignored.

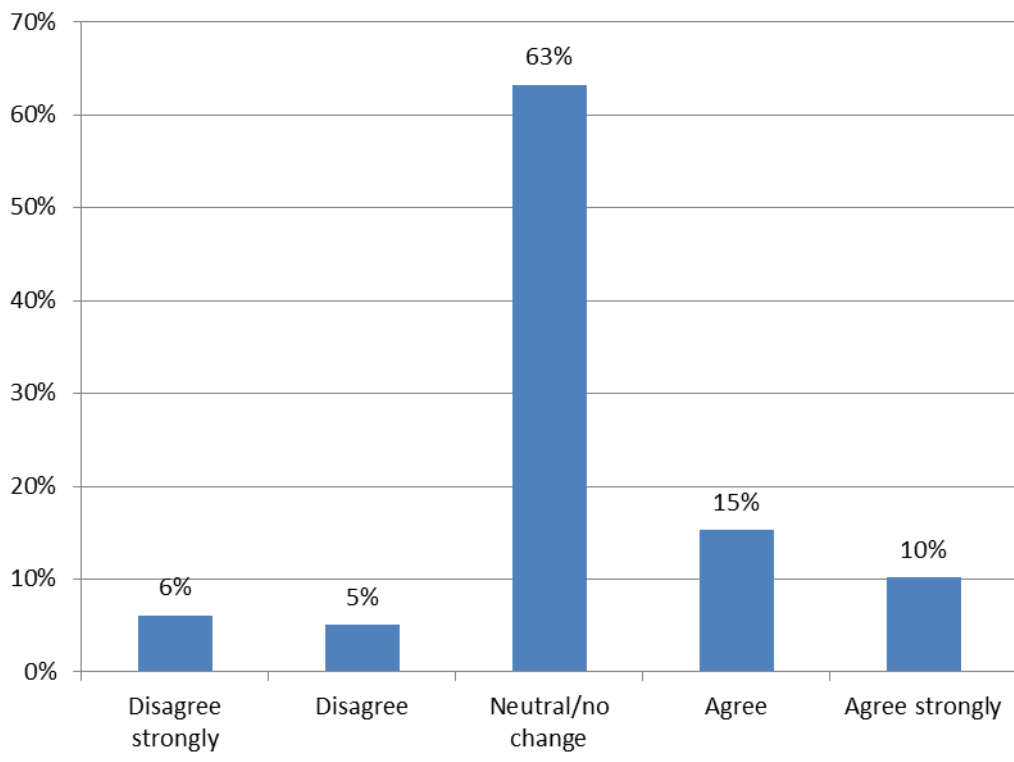


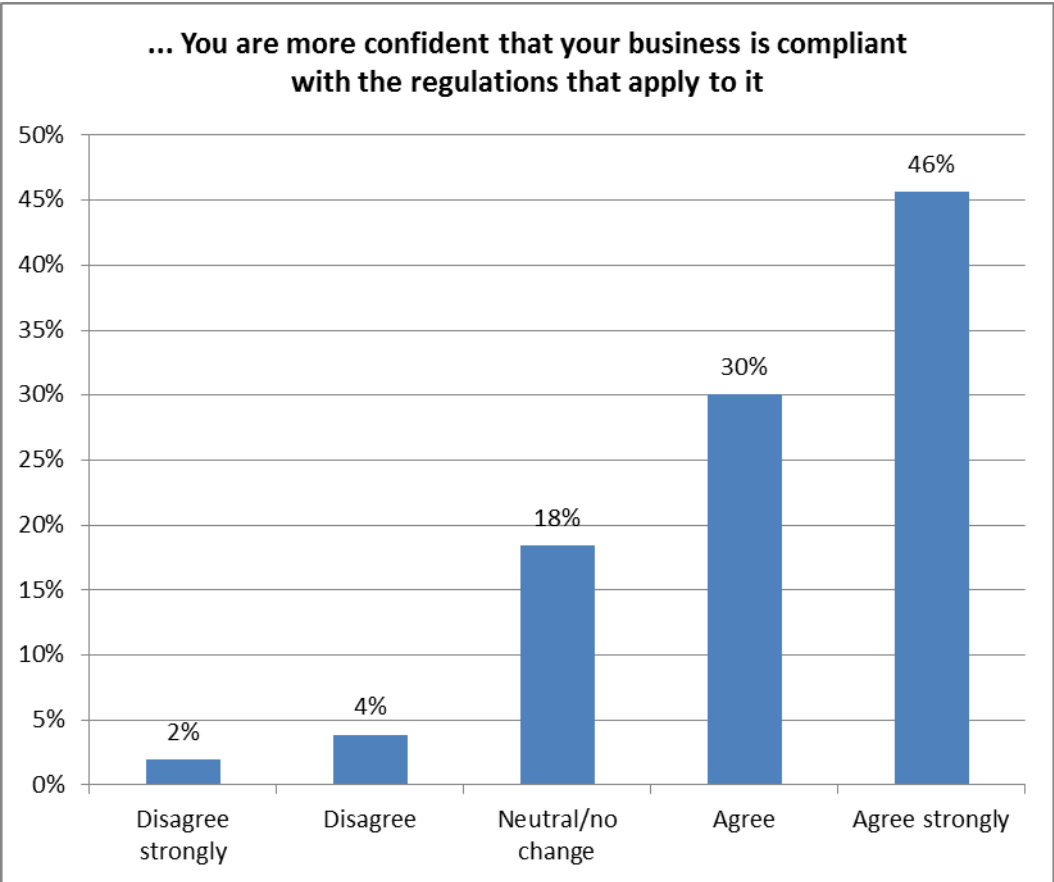
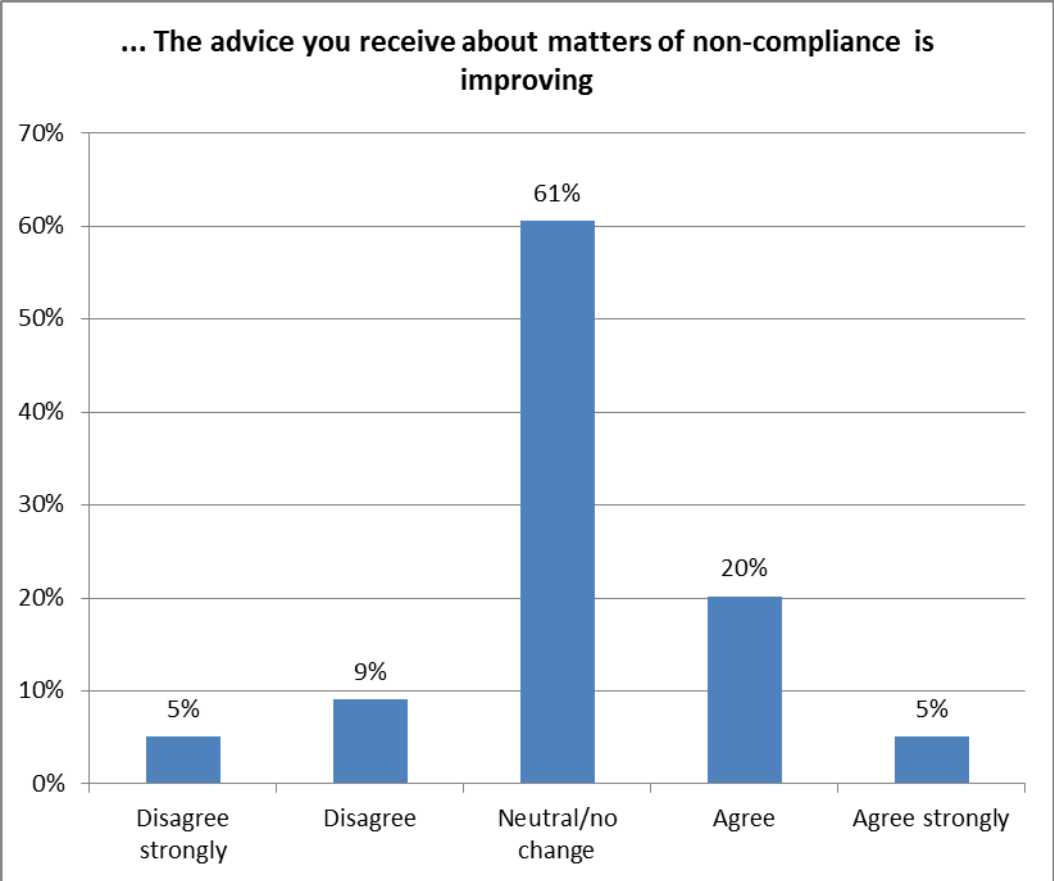


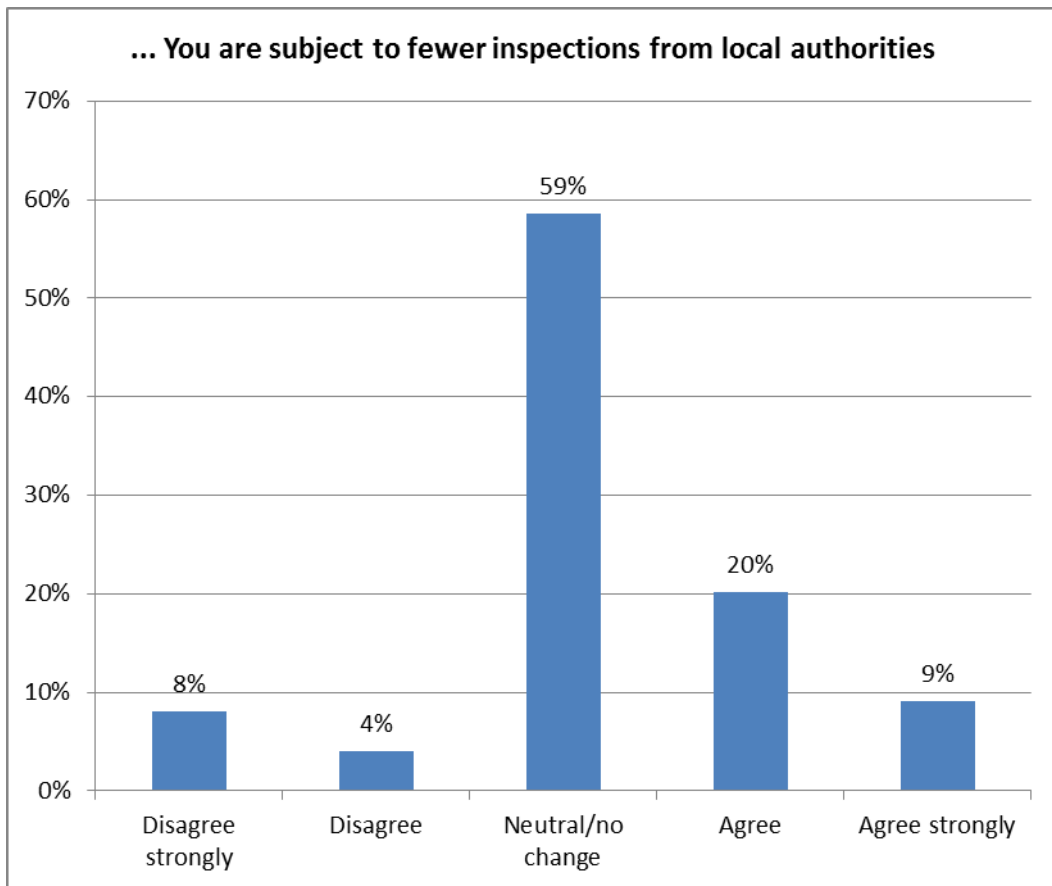
**... The number of times your business is issued with enforcement notices, warnings or some other formal notification of non-compliance is reducing**



**... Instances of non-compliance reported by local authorities are proving to be readily resolvable**



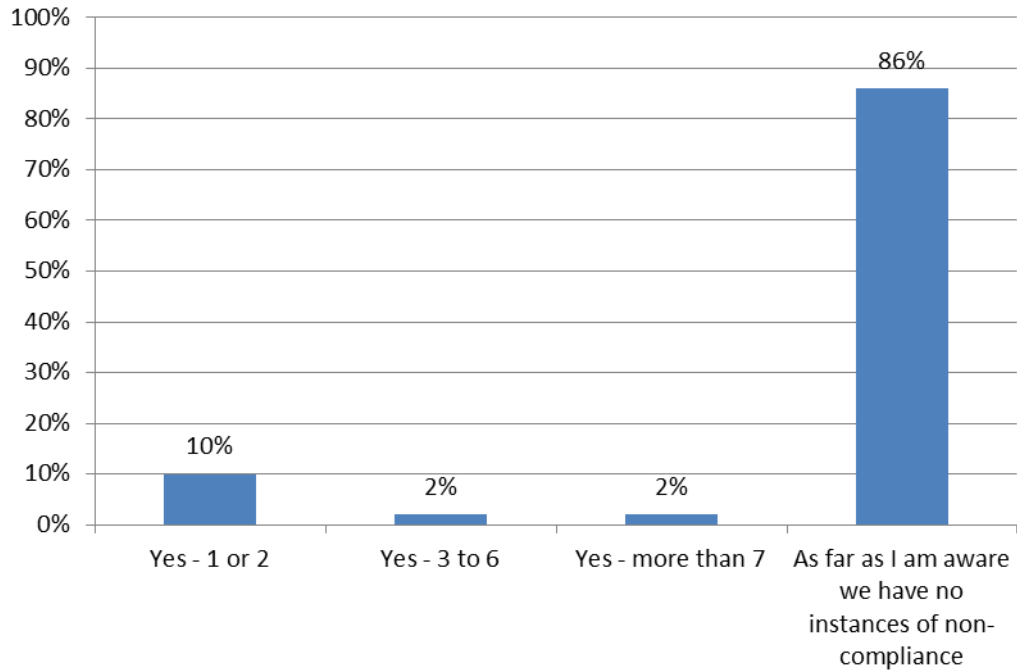




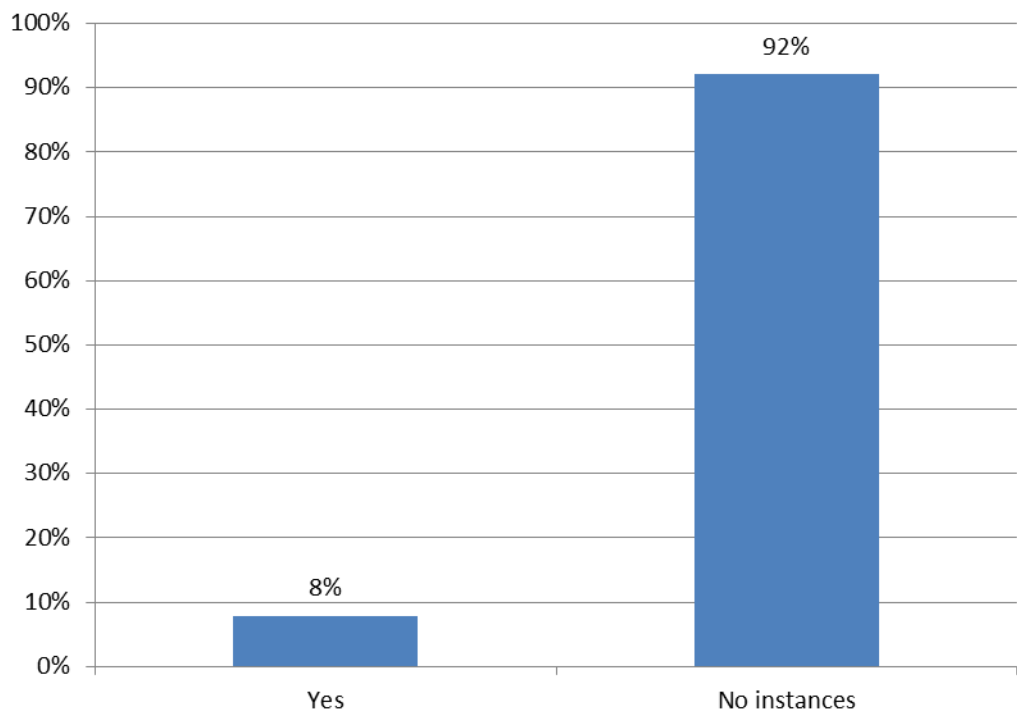
*Instances of non-compliance in 2014*

- 9 Businesses were next asked specifically whether they had experienced any instances of non-compliance in (calendar) 2014, first of an informal nature and then where formal action had been taken.

**Q7. During 2014 did your business have any instances of non-compliance that stopped short of enforcement notices, warnings or some other formal notification being issued by local authority regulators?**



**Q8a. Did your business have any enforcement notices, warnings or some other formal notification issued by local authority regulators during 2014?**





- 10 In the eight businesses where formal notifications were used (see previous diagram), six businesses received one notification during the year and one received two notifications. (One could not recall the number.) [Q8b]

*The costs of regulation (where issues have been identified)*

- 11 Taking together the responses to questions 5 to 8, 93 out of the 103 businesses surveyed identified one or more issues related to regulation. These 93 respondents were then asked [Q9] if they could put a value on the cost implications (annually) of these issues. 37 (36%) believed that they could<sup>48</sup>. The annual value they put on these issues [Q10] varied from £100 to £3.8m, with median £5,500 and quartiles £1,955 and £21,250.
- 12 Interviewees who declined to name a figure were instead asked [Q11] whether in their view the figure was likely to be:

... in the hundreds of pounds	5 respondents
... in the thousands	11
... in the tens of thousands	5
... more than this	3

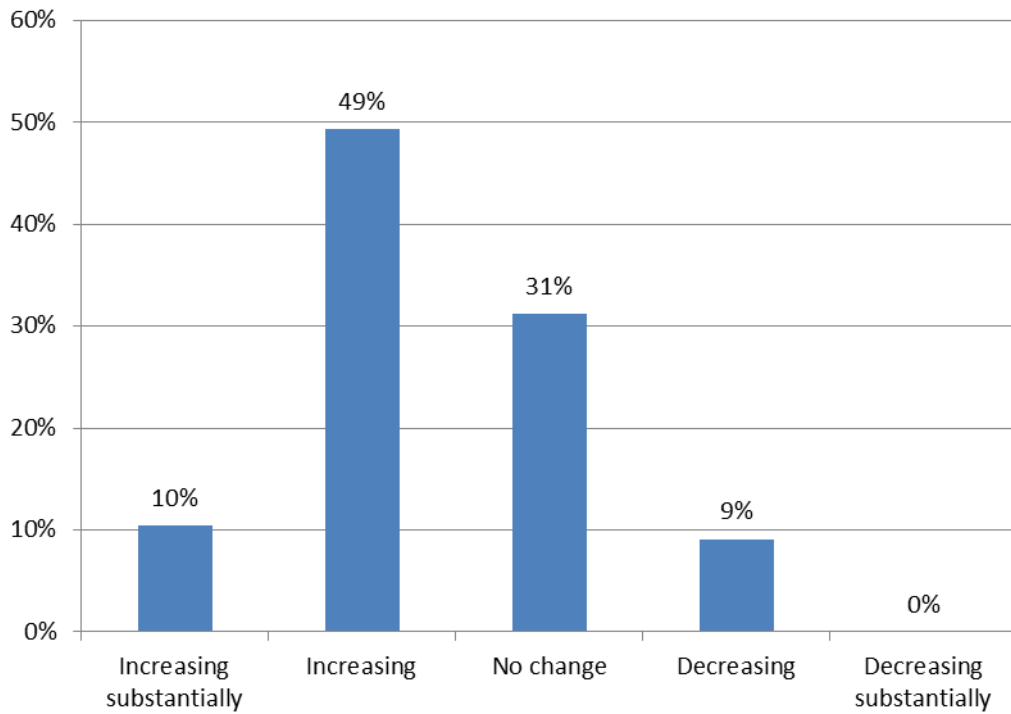
27 respondents declined to express a view even in these terms.

- 13 All those interviewees that had identified issues related to regulation were asked whether in their view the costs associated with regulation were stable, increasing or decreasing. They were subsequently asked how much they would pay to see issues associated with regulation reduced:

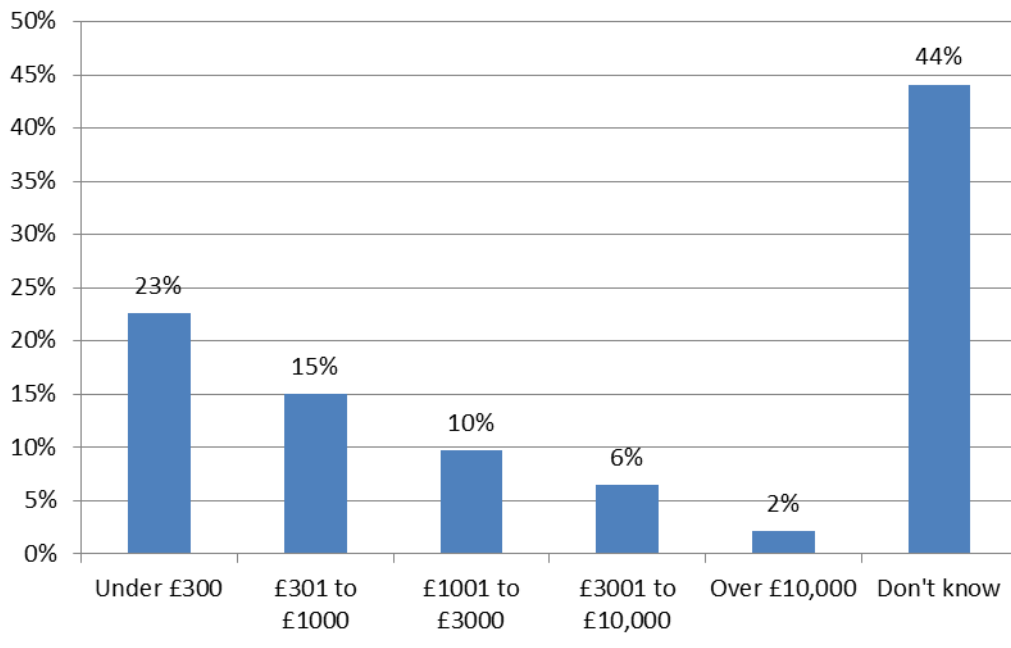
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<sup>48</sup> Again, respondents who suggested figures of less than £100 have been ignored.

**Q12. Overall would you say that the total annual costs of local authority-related regulation are generally increasing or decreasing year on year?**



**Q13a. How much would you be willing to pay per year to see the sort of problems you have recently experienced with local authority regulation go away or be significantly reduced, the associated costs reduce and regulation become more manageable?**



- 14 Again, those who did not want to state a figure were asked [Q13b] whether the likely figure was likely to be:

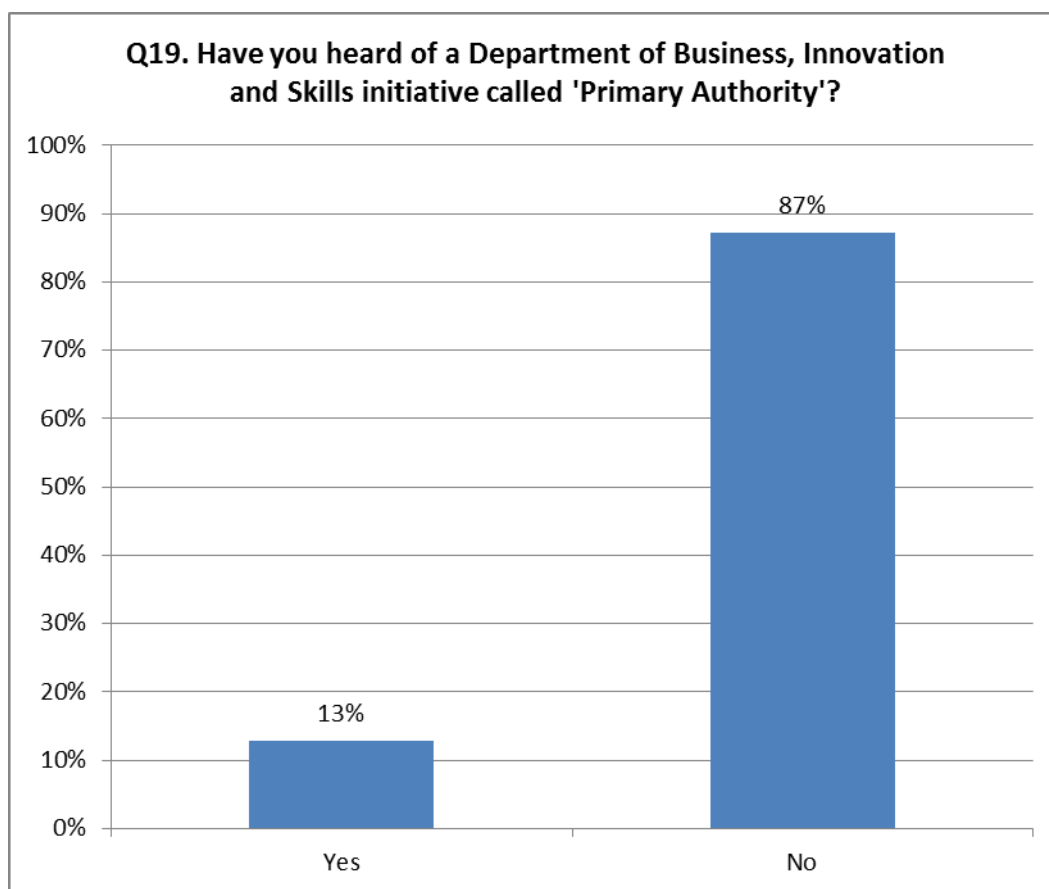
... in the hundreds of pounds	3 respondents
... in the thousands	1
... in the tens of thousands	1
Unable to say at all	36

*The costs of regulation (no issues identified)*

- 15 It will be recalled from paragraph 11 that ten businesses had not identified any particular issues with regulation. Nevertheless, they were still asked [Q14] whether they could put a monetary value on what regulation costs them every year.
- 16 Three respondents could not help, and four believed regulation cost them nothing. The three remaining businesses mentioned £100, under £300 and £10,000 respectively [Q15 and 16].
- 17 Eight out of these ten believed that these costs were not changing significantly year on year [Q17], and none were prepared [Q18a and b] to state a figure they would pay (i.e. into a primary authority partnership) to have them reduced.

## Knowledge of Primary Authority

- 18 All 103 businesses in the sample were asked whether they had heard of Primary Authority:



- 19 Of the 13 that had heard of the initiative, six had considered whether it might be relevant for their business [Q20], and five claimed to have assessed the benefits it might bring [Q21]. Two could not discern any benefits while three were more equivocal [Q22]; but (self-evidently) none had proceeded.
- 20 Once a description of Primary Authority had been read out, however, 40 of the 103 respondents (39%) believed that the initiative might be of interest to them [Q25]. These respondents were then given a range of benefits that might accrue from Primary Authority and asked if these would be of any particular interest [Q26]: the table below records their responses.

Possible benefit	Number finding benefit of potential interest (out of 40 respondents)
Providing you with informal advice on regulatory matters	38
Supporting training and development of your staff in regulatory matters	34
Formally approving your approach to matters subject to regulation - once approved your approach could not be challenged by any other authority in most instances	32
Raising awareness of your business's approach to regulatory matters with enforcing authorities	30
Carrying out audits and checking your compliance with regulations	29
Handling regulatory enquiries from enforcing authorities on your behalf	27
Providing input into/advice on internal procedural documentation covering areas subject to regulation	27

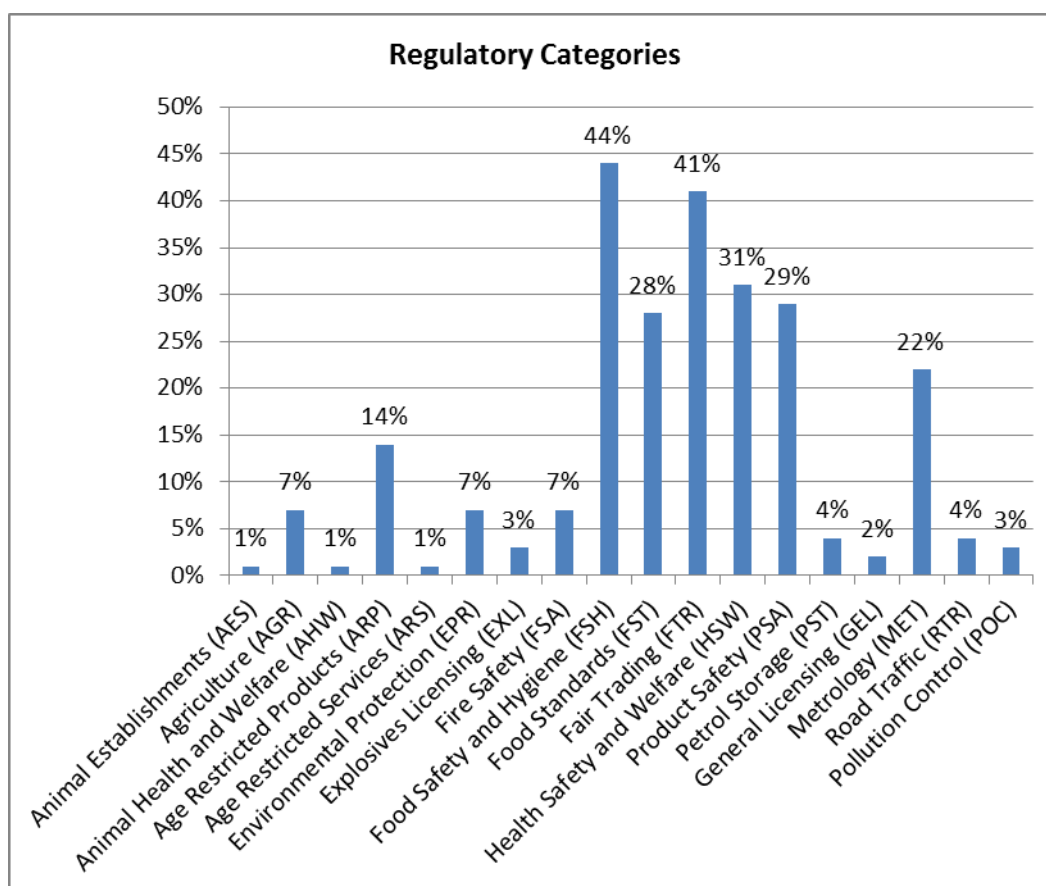
- 21 Finally, 30 out of the 40 businesses whose interviewees had expressed interest in Primary Authority asked for their details to be passed to BRDO so that they could be contacted further [Q27].

## Detailed analysis of the *Primary Authority* [LA] questionnaire

- As part of our review of Primary Authority, we carried out a telephone survey of 100 local authorities currently in Primary Authority partnerships with businesses. A copy of the telephone survey questionnaire is provided as part of Annex 1. Questionnaire question numbers, when not quoted in diagrams, are shown in square brackets.

### Characteristics of the sample

- The 100 local authorities in the sample had Primary Authority agreements covering a wide range of regulated areas, as shown in the diagram below [Q2].



- Of the 100 agreements, 37 covered just one regulatory area, 27 covered two regulatory areas, 16 covered three areas and 19 covered four or more.<sup>49</sup>

<sup>49</sup> There was one “don’t know”. Note that percentages are not given in this section where the full sample is discussed since (e.g.) 74 LAs out of 100 is indeed 74% and the repetition would become tedious.

## Setting up the partnership

- 4 Of the 100 local authorities surveyed, 62 had not made a specific charge to the partner business for setting up the partnership [Q3]. 18 interviewees were unaware of whether or not a charge had been made.
- 5 The remaining 20 interviewees reported setup charges varying between £120 and £6,000, with median £762 and quartiles £196 and £1,999.
- 6 The same 20 interviewees were also asked [Q4] how many hours' input from LA staff this setup charge represented. 18 responded with figures ranging from zero to 108, with median 10.2 and quartiles 2.6 and 22.5. (Two did not know.)
- 7 Fifteen out of the twenty believed [Q5a] that the charge made fully covered the costs of all the hours in question; three believed it did not<sup>50</sup>. (Again, two did not know.)
- 8 Authorities were asked [Q7a] whether it was their normal practice to make a charge for setting up a partnership. 38 said that it was; 55 said that it was not. (7 did not know.)
- 9 Where possible, authority interviewees who said it was normal practice to make a charge, but who had stated that no charge was made in this instance, were asked why an exception had been made [Q7b]. 9 LAs were able to answer this question. Reasons given were:
  - It was an early partnership, and/or the LA were trying to attract organisations to join them (7 mentions)
  - Because of the specific nature of the relationship (3 mentions)
  - Because of LA policy at that time (2 mentions)
  - The organisation concerned had charitable status (1 mention).

## Expanding the partnership

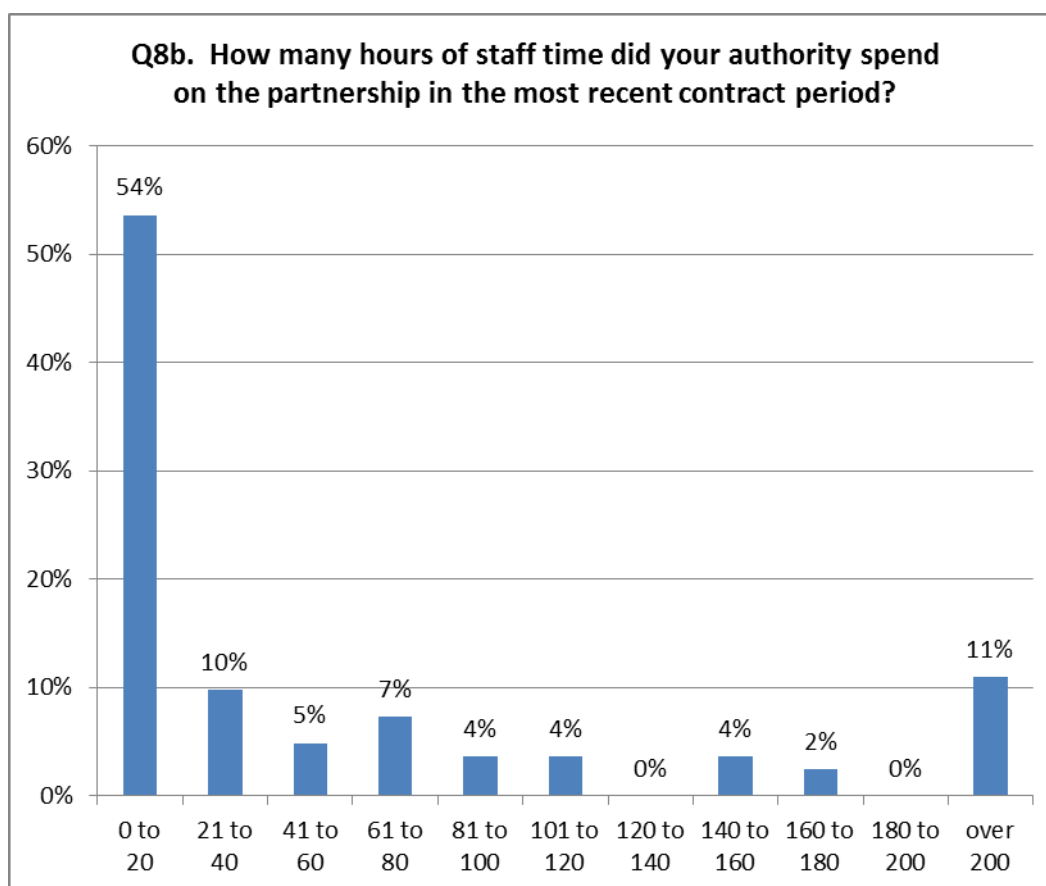
- 10 Of the 100 partnerships, eight had added additional regulated areas since the partnership was first formed (92 had not) [Q7c]. Seven had not charged for the work involved in doing this, and the eighth had charged just less than £2000 [Q7d] (which did not cover all the LA staff hours involved) [Q7e].

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<sup>50</sup> Reckoning [Q5b] that the charge made covered around a quarter, a half and 90% of the hours put in respectively.

## Current partnership activity

- 11 Of the 100 partnerships, 88 were regarded by the LA interviewee as being “active” – that is, some activity had taken place during the most recent contract year – and 12 inactive [Q8a].
- 12 The 88 active partnerships<sup>51</sup> were asked how many hours of LA staff time they had invested in the partnership during this most recent contract period. Setting aside 6 “don’t knows”, the figures quoted varied from 1 hour to 3,848 hours. The median number of hours is 17.5 with quartiles 7.2 and 82.2. The figures quoted are also summarised on the diagram below.



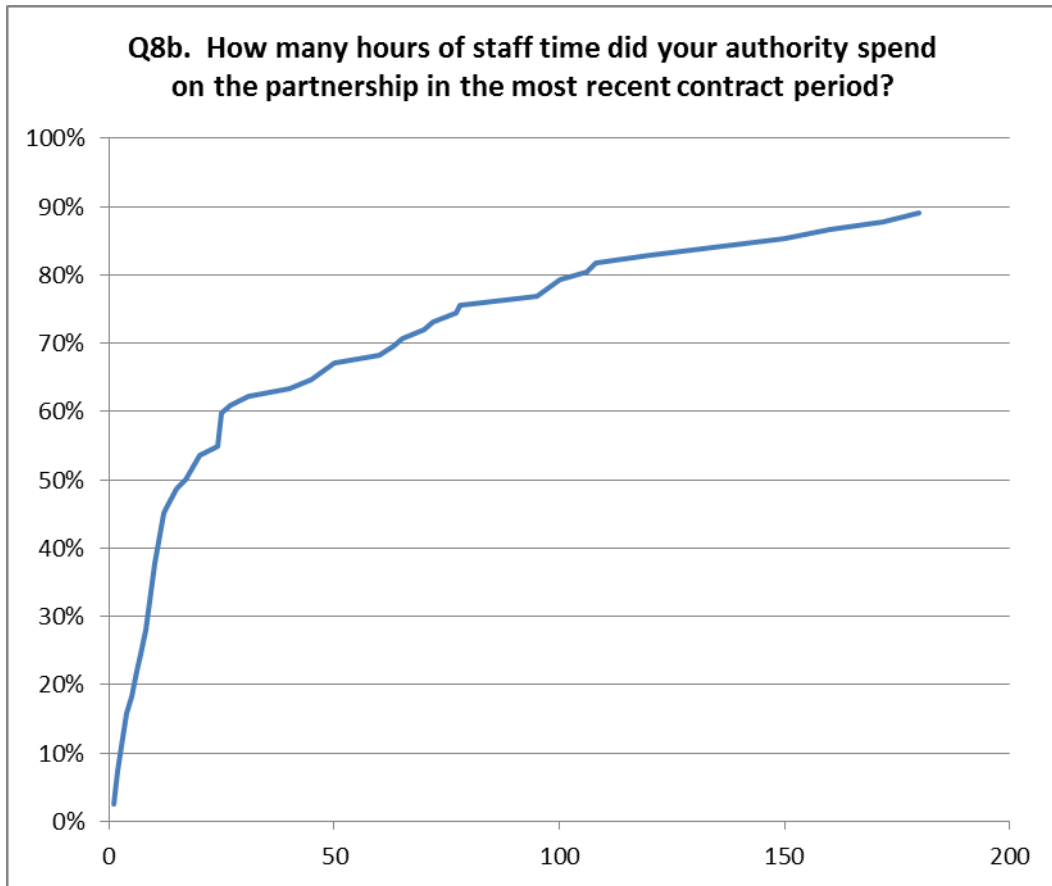
- 13 A further diagram (below) summarises the same information in a different way, as a cumulative frequency graph. In such a graph, each data point is plotted cumulatively, so that one can see (e.g.) that 30% of partnerships spent 9 hours or less, and 80% spent 106 hours or less.
- 14 The graph is not strictly complete, stopping (as will be seen) when 90% of the responses received have been accounted for. The graph omits the seven

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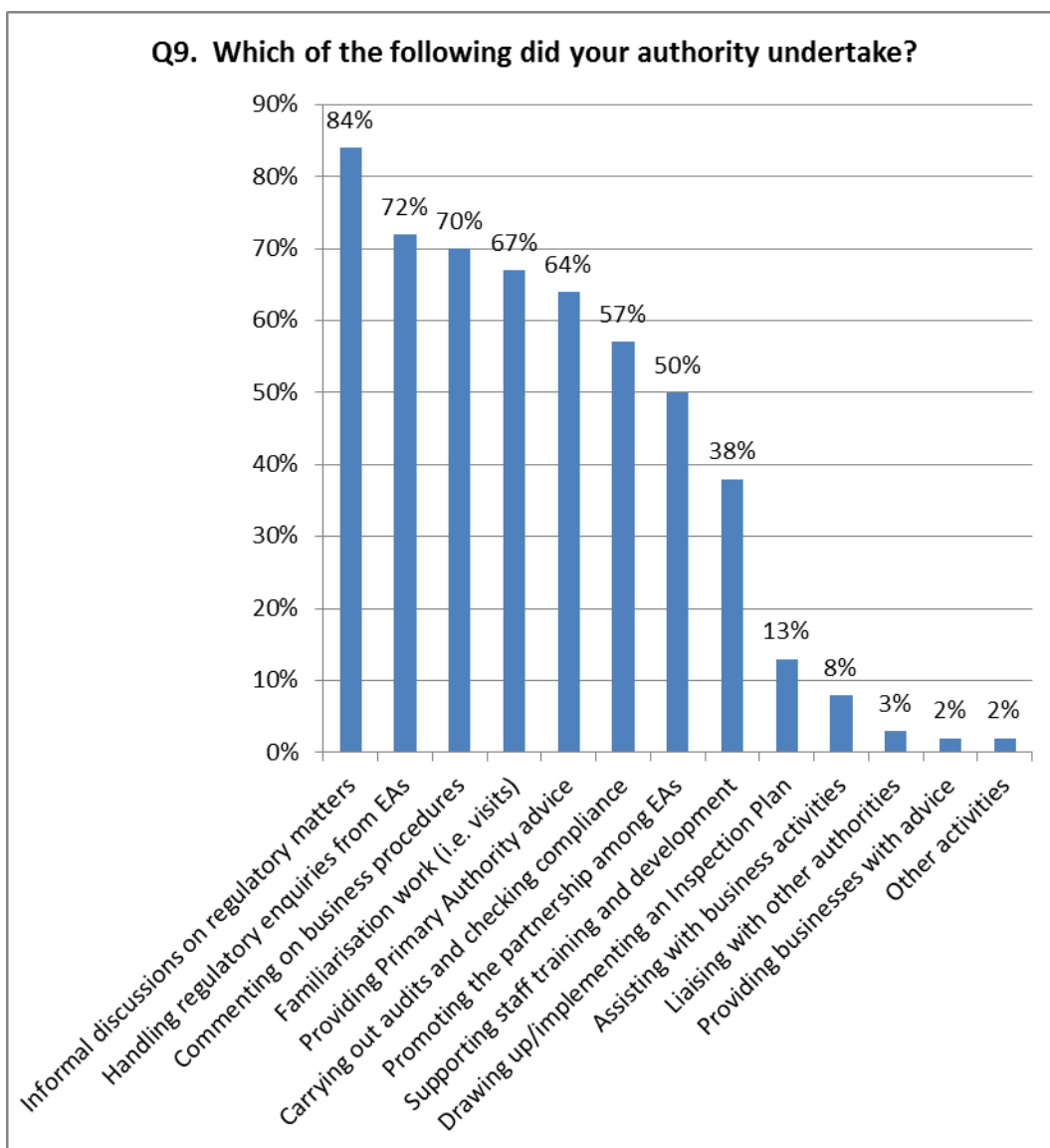
<sup>51</sup> From now until the end of this subsection (paragraph 18) only the 88 LA interviewees with active partnerships were asked about the activities undertaken (for self-evident reasons). Thereafter all interviewees were asked all questions.



largest responses given – 250, 260, 450, 800, 1080, 3500 and 3848 – because to include them would so distort the vertical axis as to render the diagram meaningless.

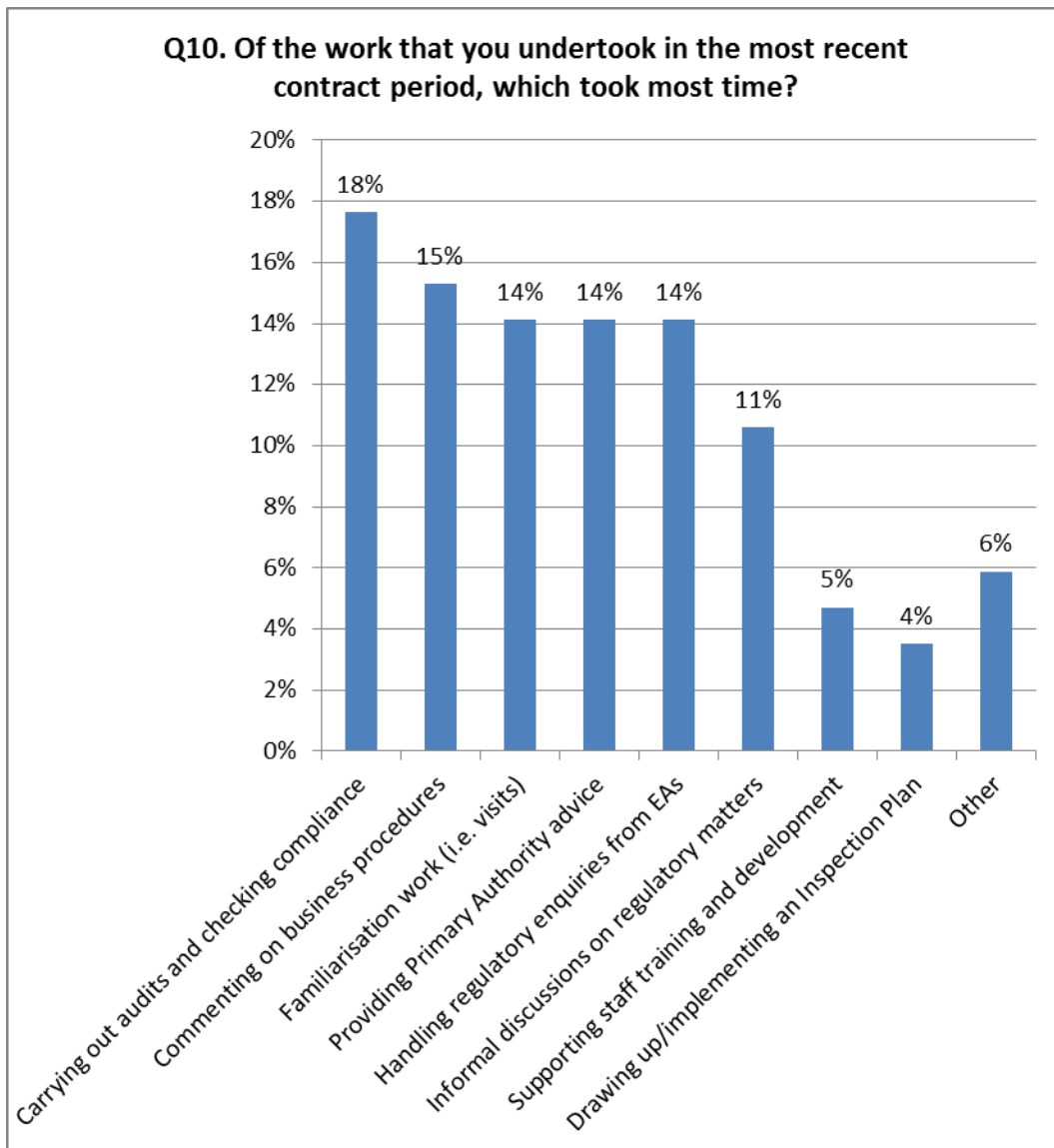


- 15 We provided interviewees with a list of activities that Primary Authority partnerships commonly undertake and asked them whether they had undertaken each activity during the most recent contract year. The responses are as shown below.



16 Clearly multiple answers are possible: typically, six, seven or eight activities were mentioned by a given interviewee.

17 LA interviewees were asked which activities took the most time. 88 were able to answer this question, as shown below:

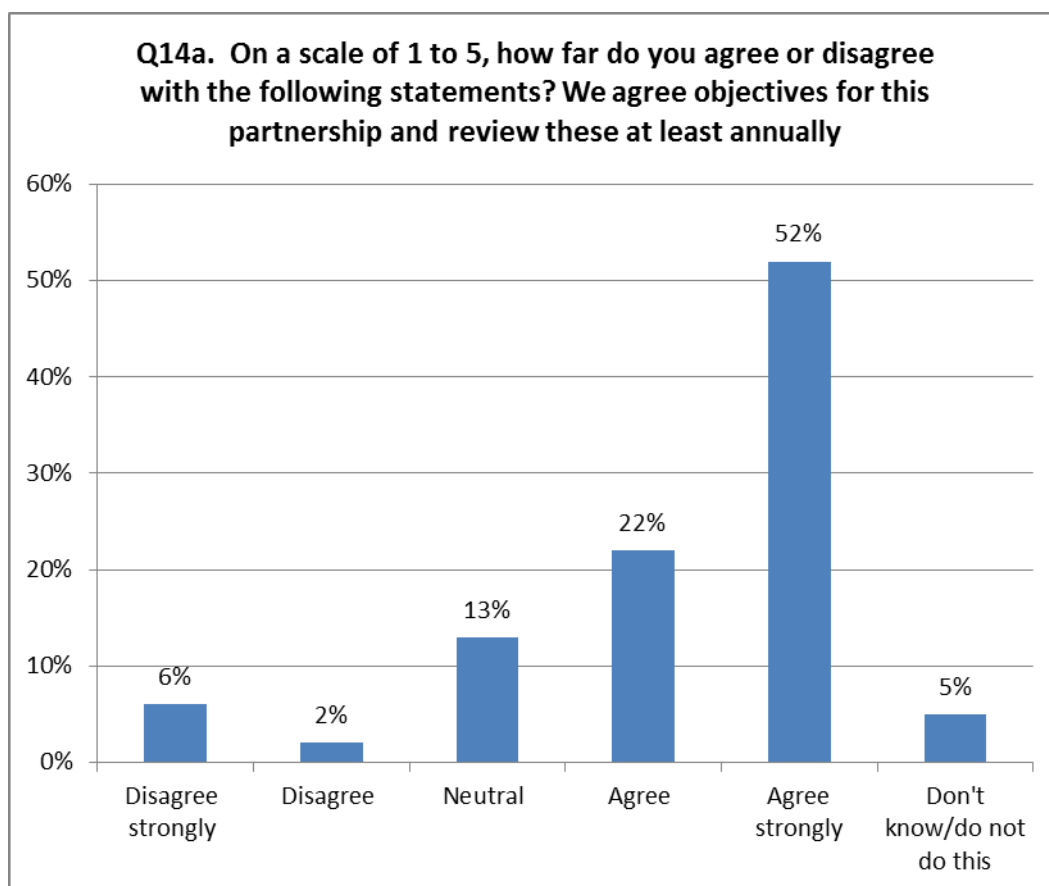


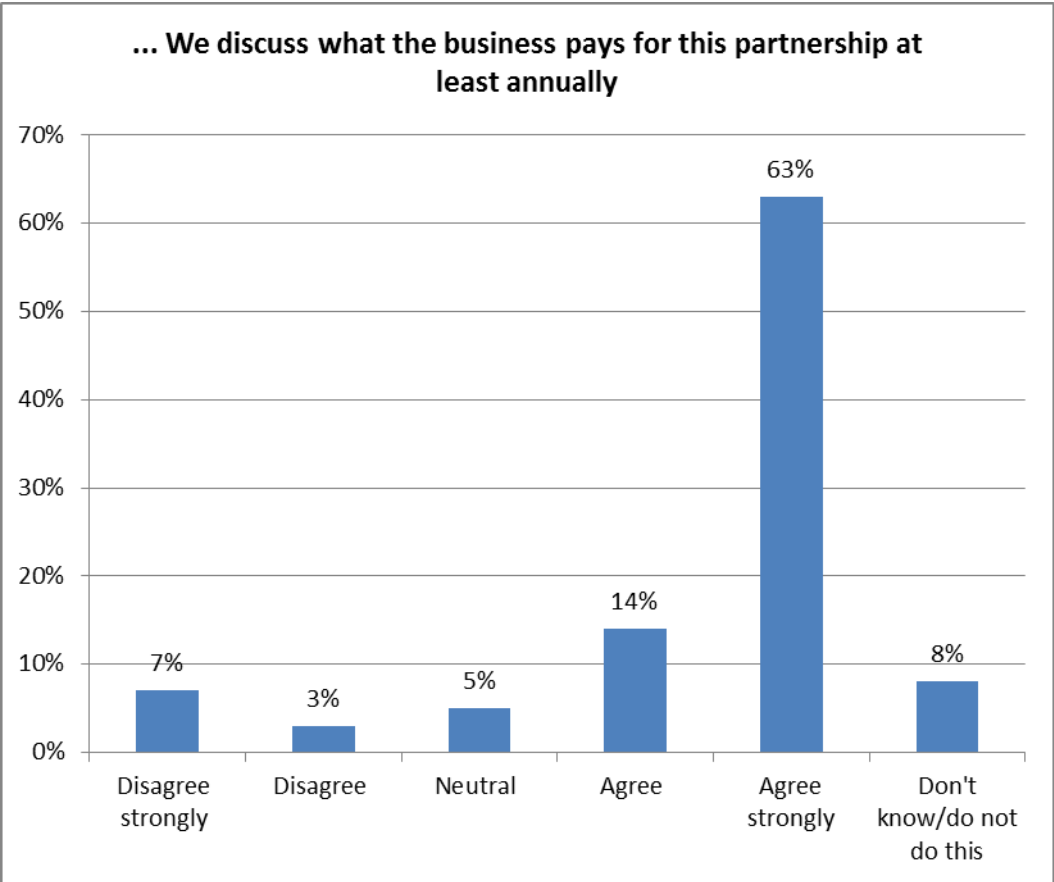
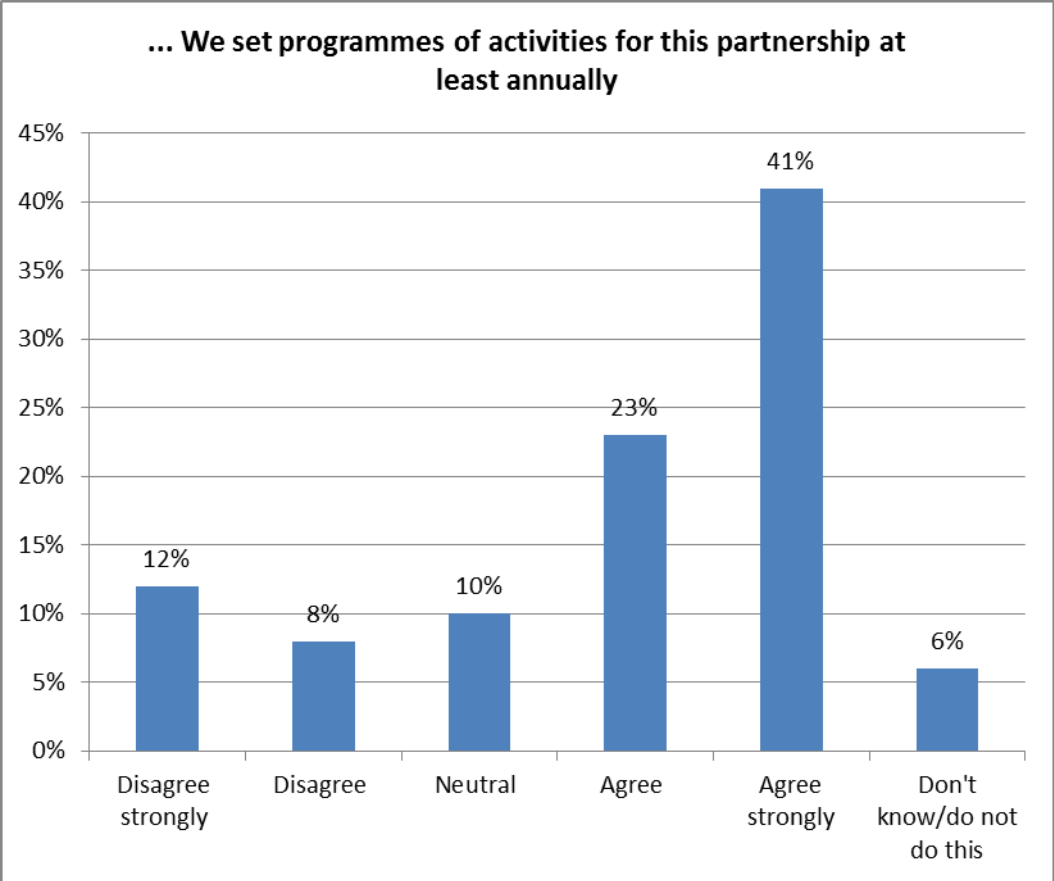
18 64 LA partners had provided Primary Authority Advice; these were asked [Q11] whether the advice had been published on the Primary Authority Register. 19 (30%) said all of it had been; 8 (13%) said some; 32 (51%) said none. (The rest did not know.) Asked [Q12 and 13] why advice/all advice did not go on the register, LA interviewees provided the following reasons:

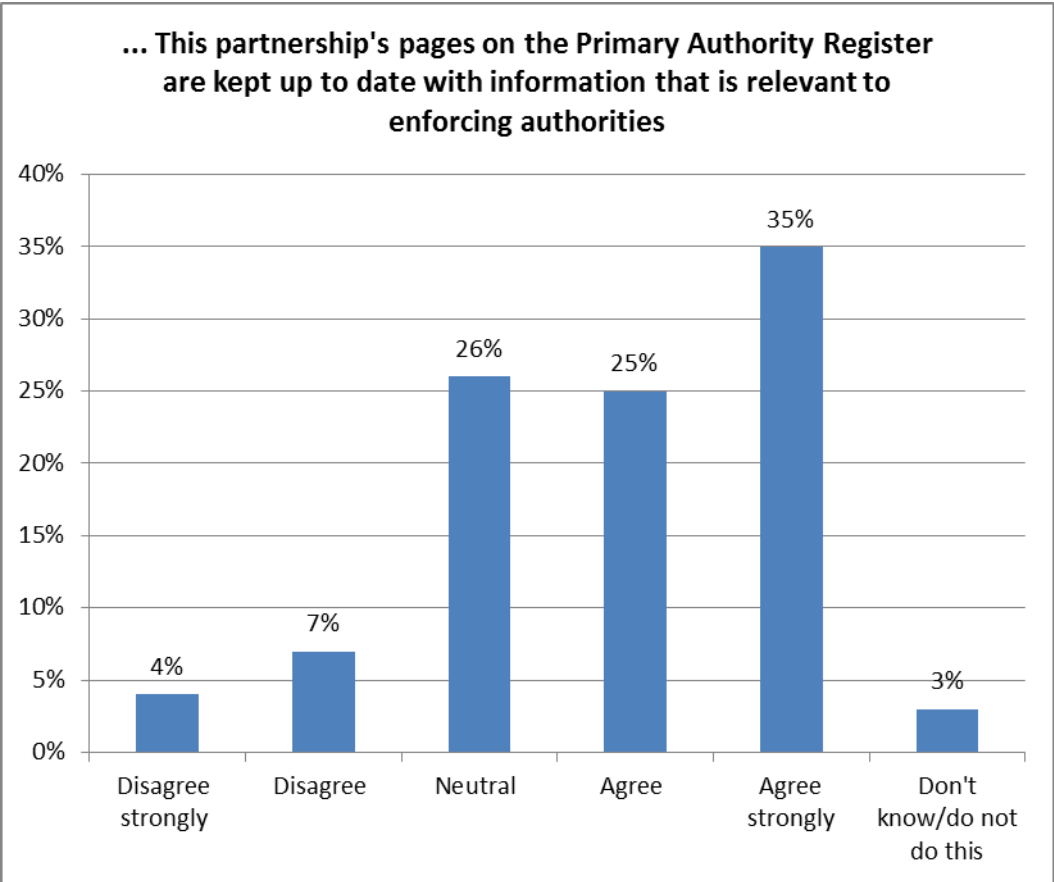
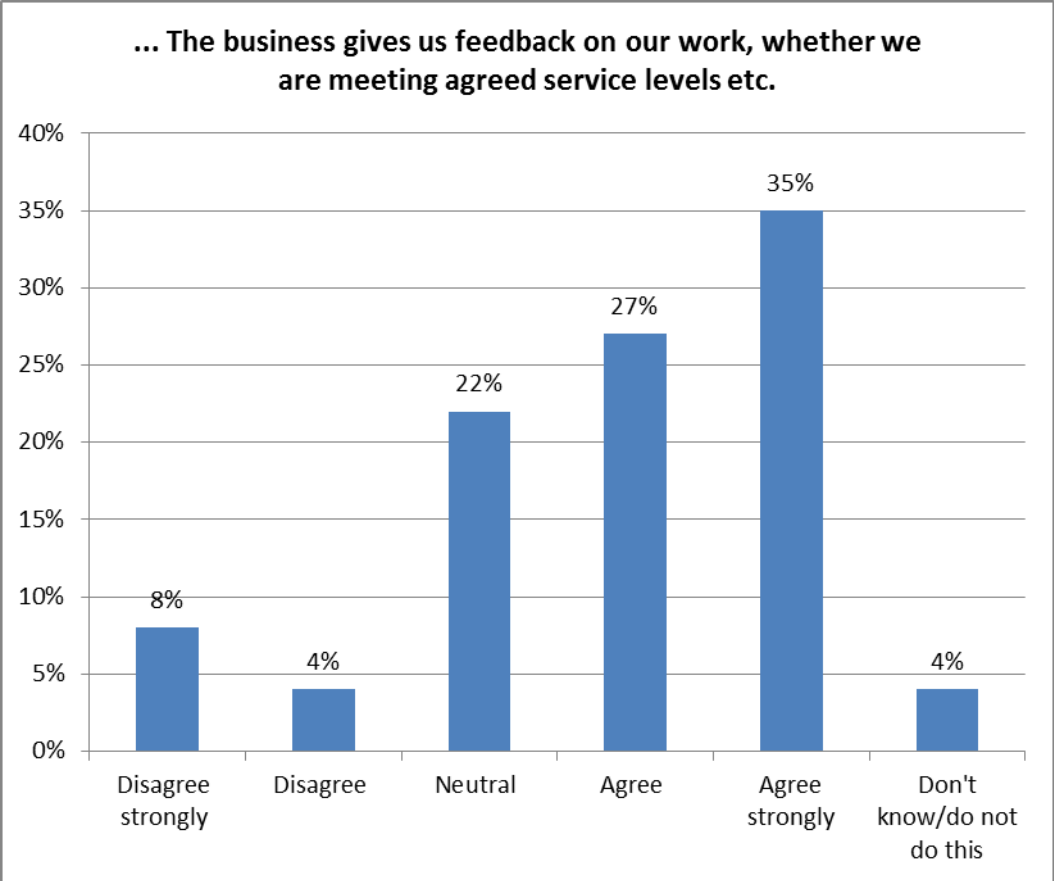
- There was no need (18 mentions)
- Advice not finalised, it will go on the register eventually (14)
- Early days of Primary Authority (4)
- The advice is too sensitive (3)
- Other reasons (2).

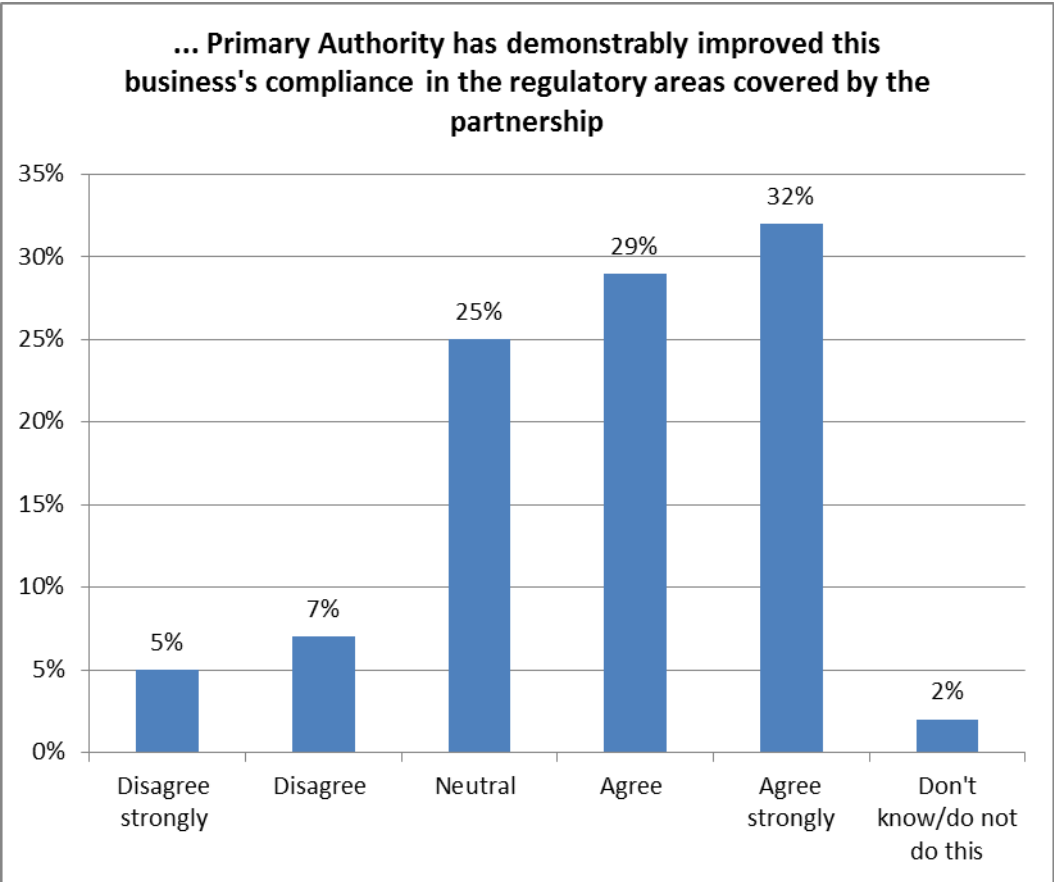
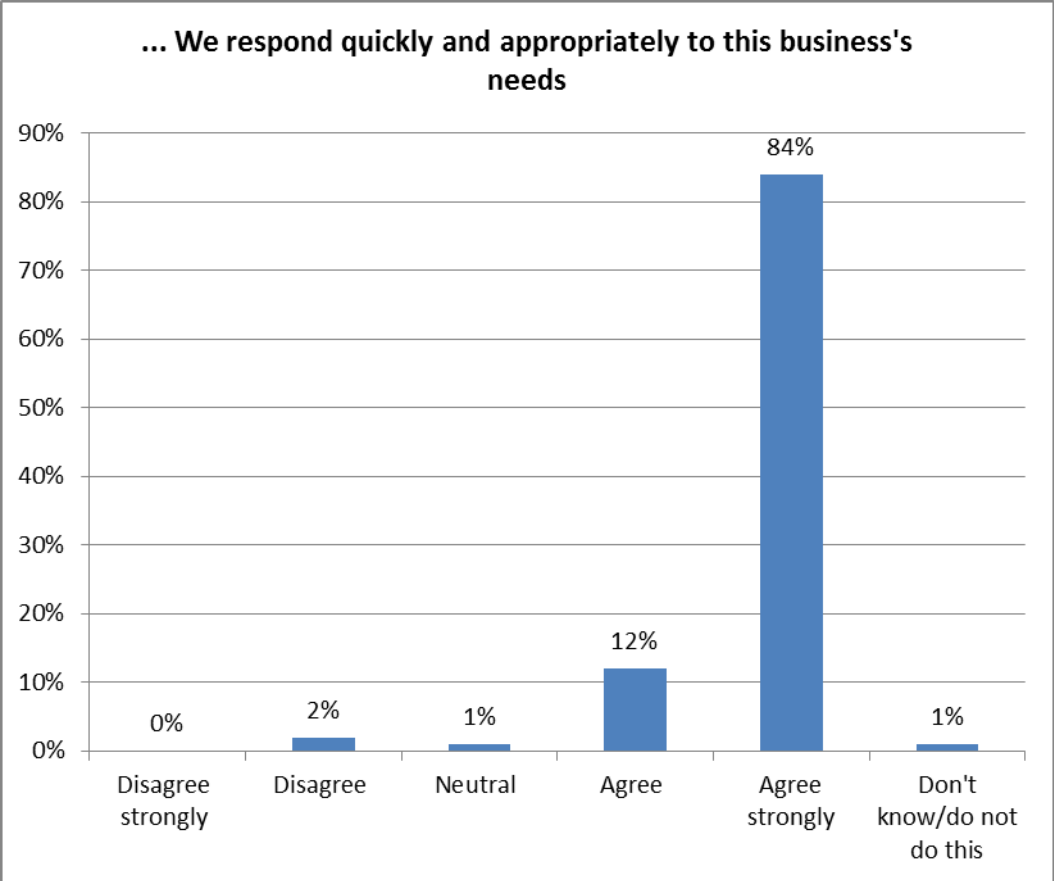
## Planning and managing the partnership

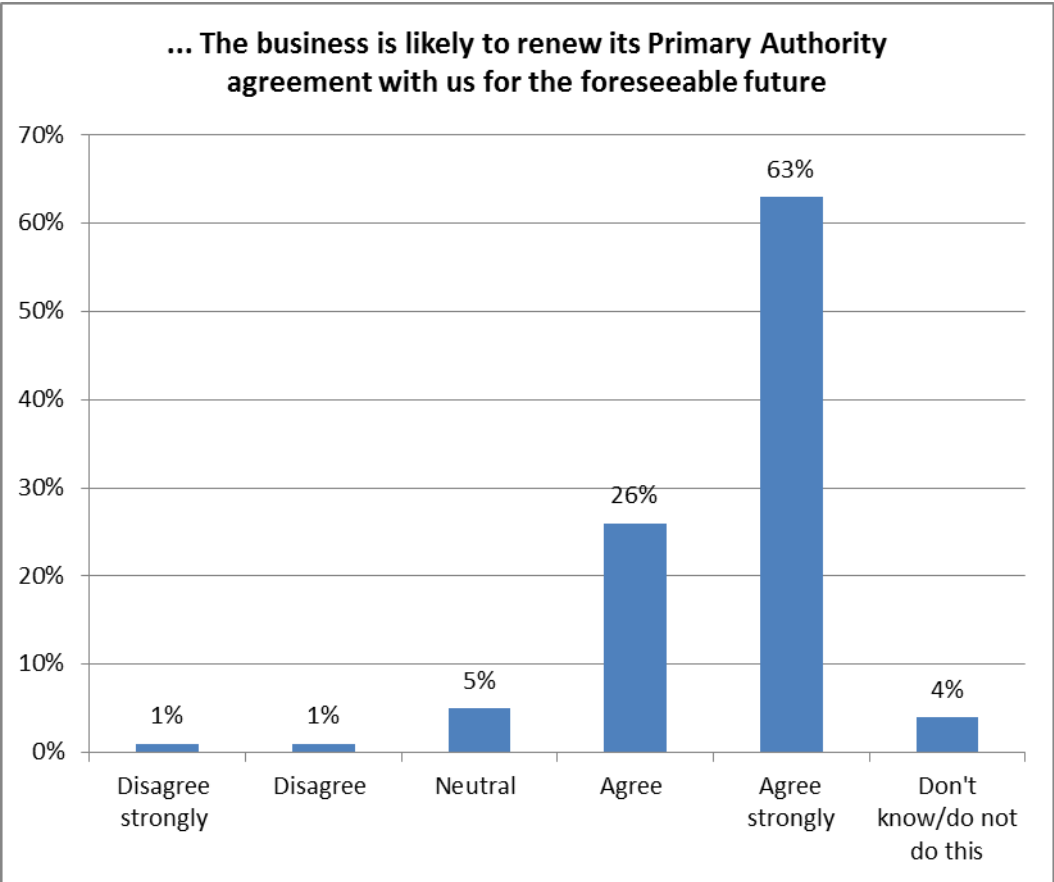
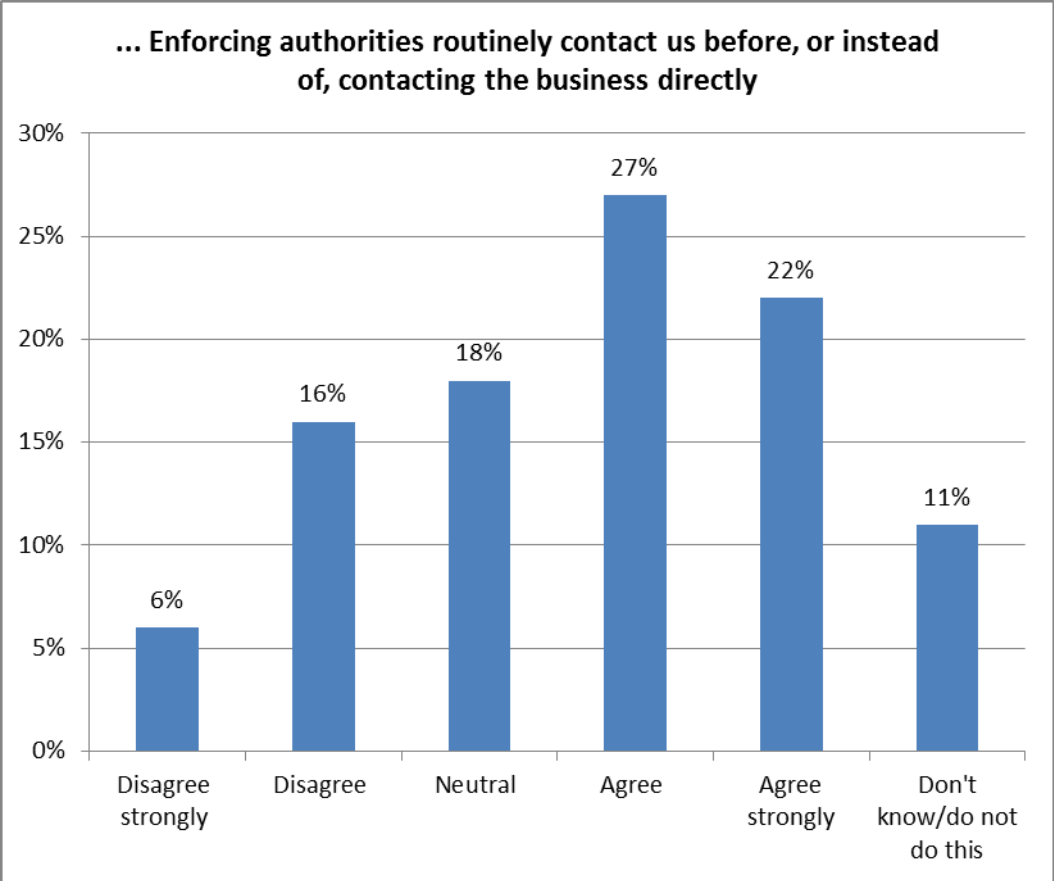
- 19 In the next section of the questionnaire, interviewees were presented with a set of statements and asked (using a five point scale) whether they agreed or disagreed with them. The statements, and the responses given, are shown in the next sequence of diagrams.
- 20 It is worth noting that (from this point on) all LA interviewees were asked all relevant questions. It was not thought appropriate to cease asking questions of the twelve LA interviewees who had reported that their partnership was not currently “active” (see paragraph 11) since to do so would have effectively involved terminating the interview at this point.



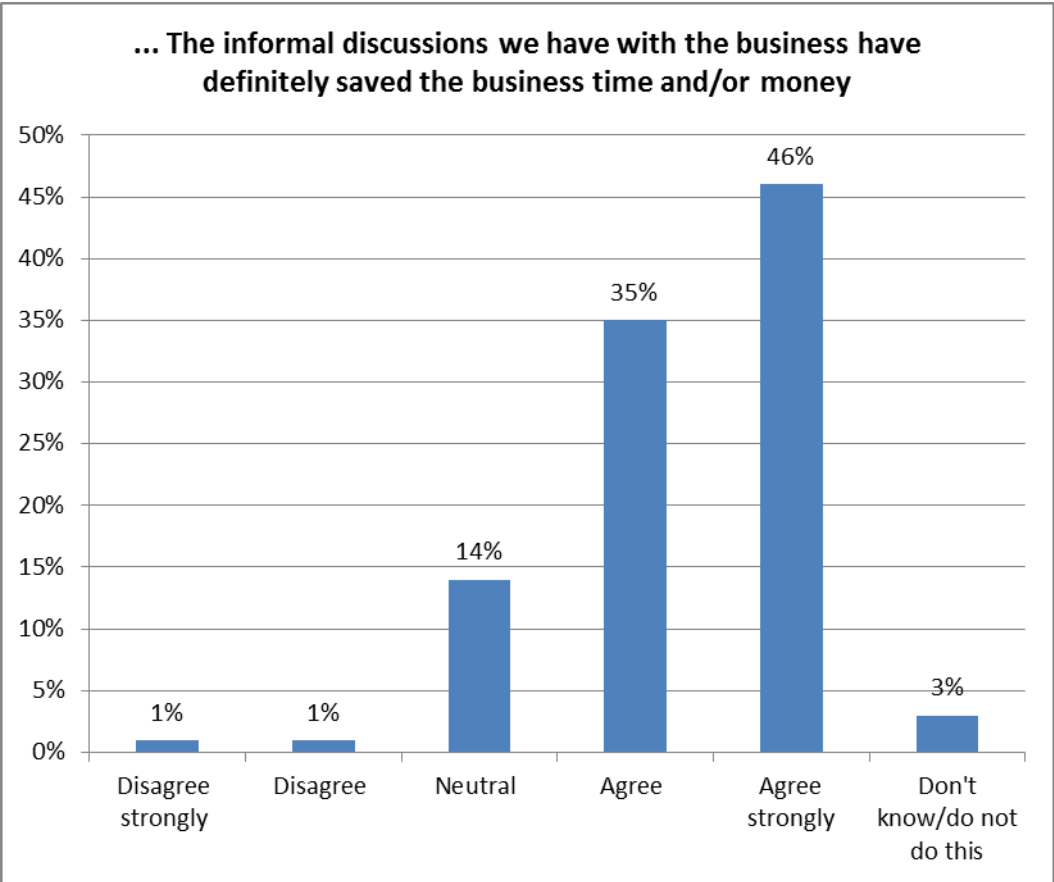
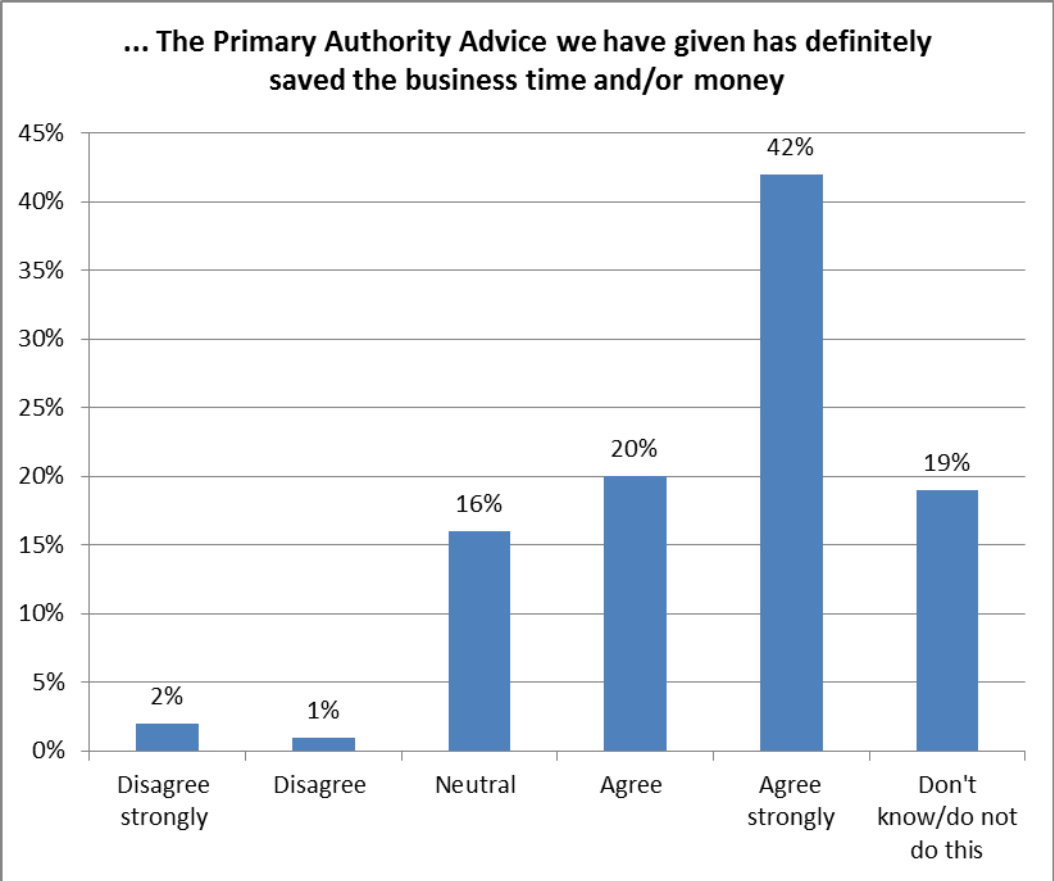












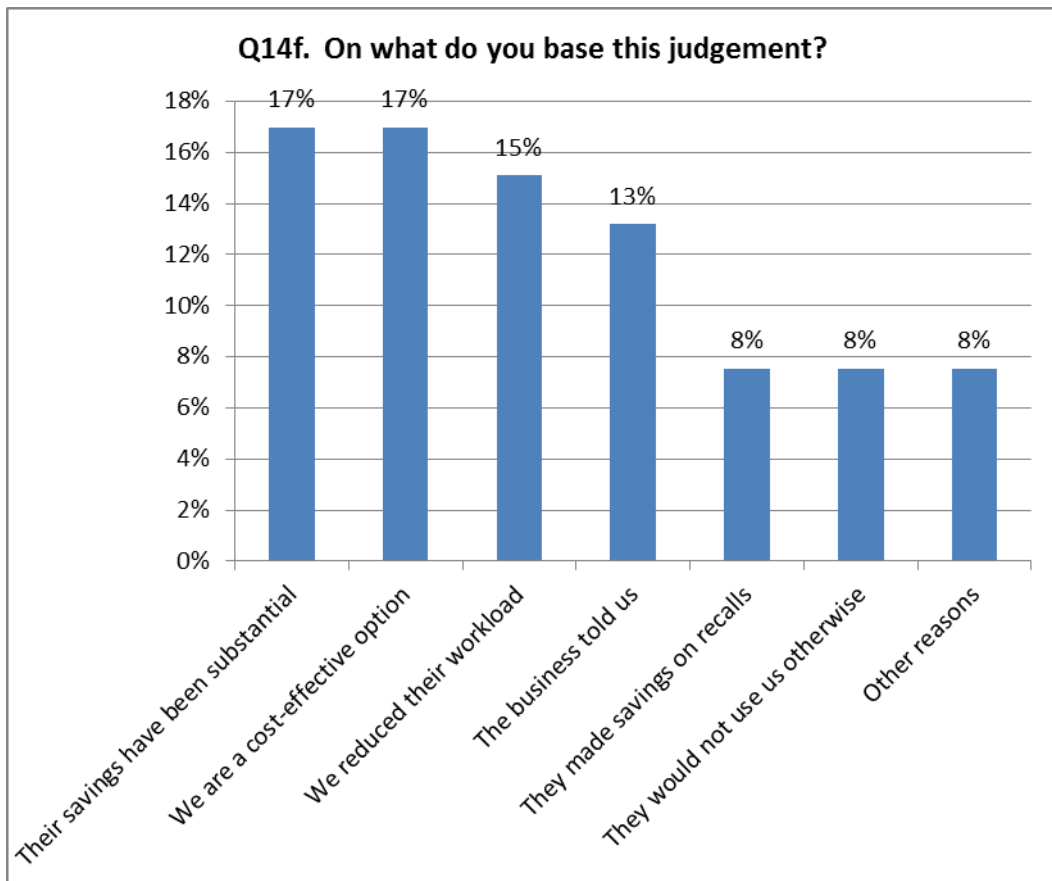
21 With reference to the last two questions, the 62 LA respondents who believed that Primary Authority advice and/or informal discussions had saved the business money were asked [Q14b] how much they believed had been saved. 44 (71%) did not know, and two (3%) thought “not very much”. Ranges were offered to the remainder, who stated:

- The business had saved up to £10,000 (5 responses)
- ... between £10,000 and £100,000 (7 responses)
- ... over £100,000 (3 responses).

22 However 53 of these 62 respondents (85%) believed [Q14d] that the business’s savings had exceeded any costs that the business incurred, and only two (3%) believed they did not. (The remainder did not know.) Asked to quantify the ratio of savings made [Q14e], the 53 respondents listed values between 2:1 and 100:1.

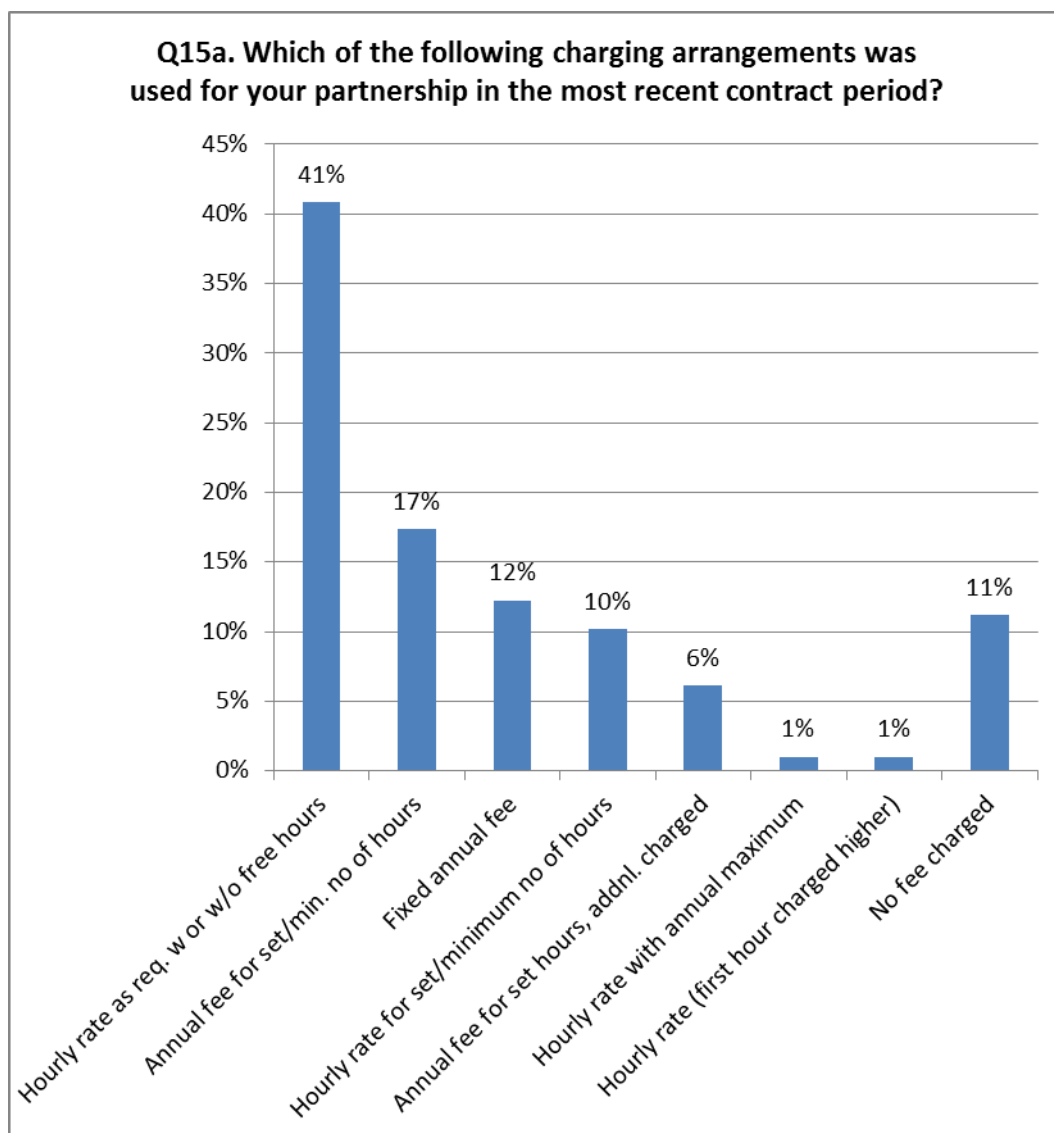
23 These 53 respondents largely based their views on discussions they had had with the business, rather than on their own information [Q14f]; some suggested businesses would not pay if there were no benefit in Primary Authority for them (and that therefore the fact that agreements were renewed from year to year meant that benefit must exceed cost in the business’s eyes).

Reasons given for this judgement are shown in the graph below.



## Charging arrangements

- 24 LA respondents were asked the basis of their charging arrangements. Some standard suggestions were offered or LAs could report their own arrangement if it was not one of the standard ones. 98 responses were given (including “no fee”):

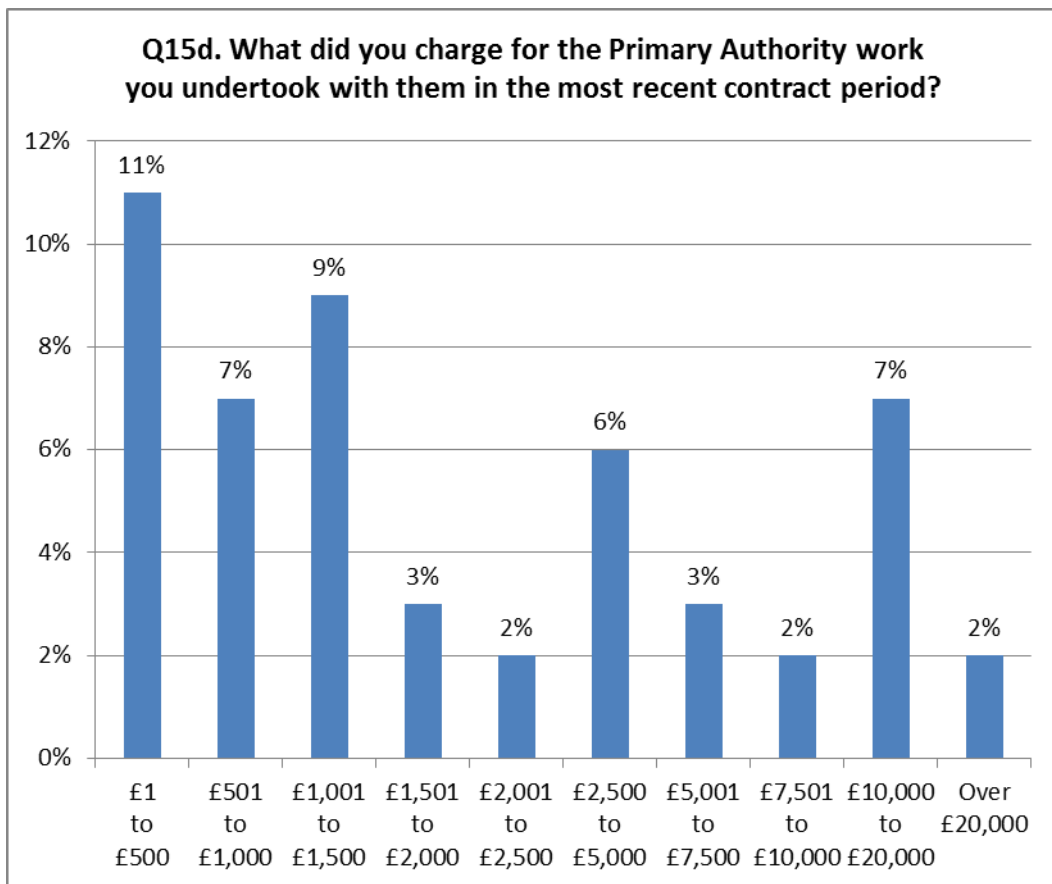


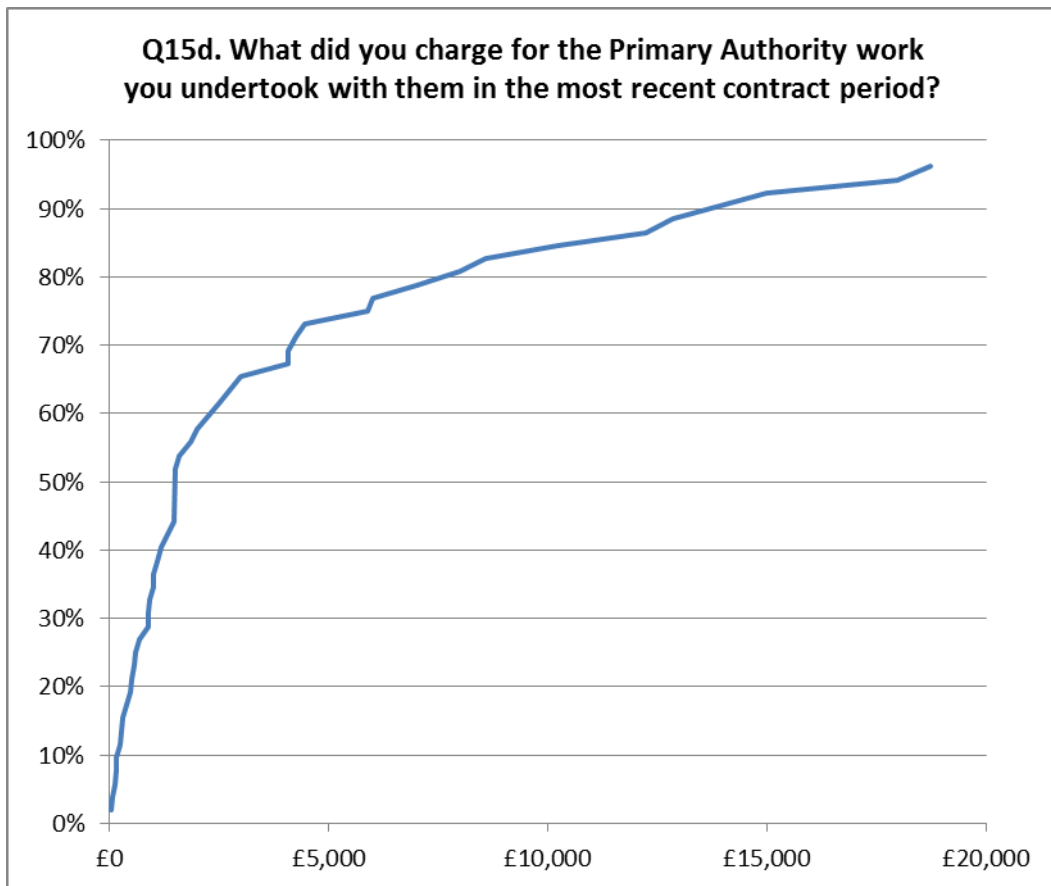
- 25 Where free hours were included in the charging arrangements, and respondents knew how many free hours were included [Q15b], they varied between 1 and 37 hours annually, with median 8 and quartiles 4.5 and 15.
- 26 Where set hours were included in the charging arrangements, respondents were asked [Q15c] whether “unused” set hours were carried forward or lost. (If hours are carried forward, then a set hours arrangement becomes close to a “pay in advance” hourly rate.) Of the 25 respondents identifying set hours, 12 said they were rolled over and 9 said they were written off. (The remainder did not know.)

27 The 89 respondents who said a fee was charged were asked how much they charged businesses during the most recent contract period. 37 did not know what had been charged. The remaining 52 respondents quoted figures between £34.00 [sic] and £77,480.

28 The median figure charged was just under £1500, with quartiles £625 and £5975. More details of charges are given in the figure below.

29 *Note that the bars to the right of the first diagram represent a wider range than those to the left. In the second, cumulative frequency diagram the two figures above £20,000 are omitted: these are £26,350 and £77,480 respectively. Percentages shown are of the respondents who charged a fee (n=89).*





30 Respondents were asked [Q15e] whether the charge made was intended to cover

- all hours' input (69 out of the 89 who made a charge, or 78%, said "yes")
- all hours' input except the free hours specifically identified (14, or 16%)
- only a proportion of hours (4, or 4%).

Two did not know.

31 Where only a proportion of hours was covered the proportion quoted was 20%, 30%, 60% and 75% respectively.

32 Respondents were also asked whether the hourly charge made (i.e. excluding "free hours") was intended to:

- Cover the full salary cost [Q15f]? 65 of the 89 said "yes" and 17 said "no"
- Make a contribution to overheads [Q15g]? 56 said "yes" and 22 said "no".

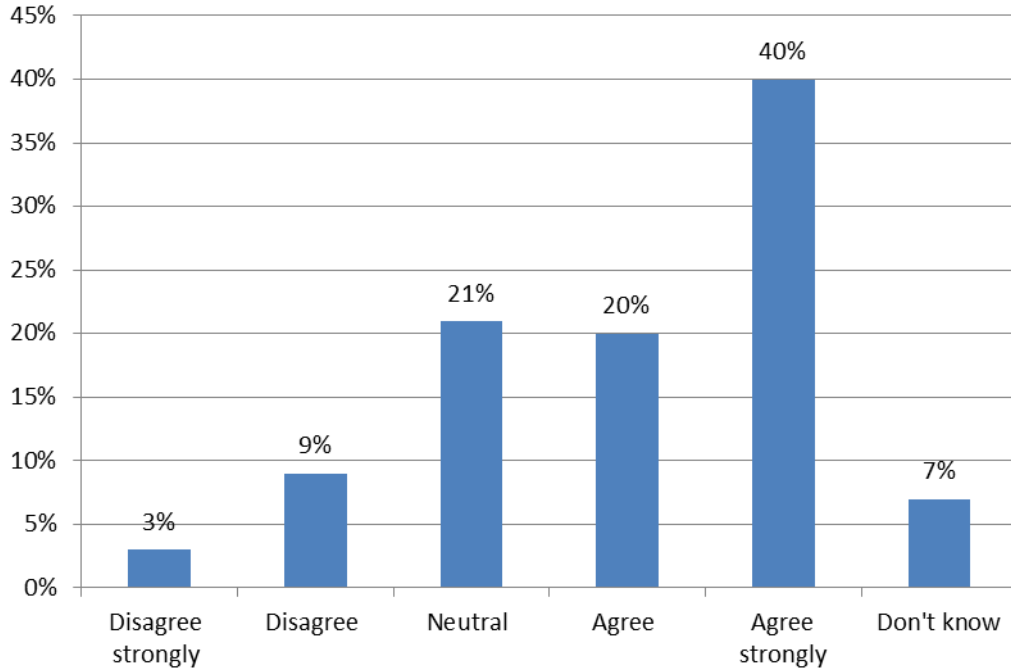
(In both instances the remainder did not know.)

- 33 Asked [Q16] whether a change was proposed to charging arrangements for 2015, 64 of the 100 respondents said no change was proposed. Of the 29 who were proposing a change, 15 were proposing to increase the fee charged (and 8 to “review” it, which might be assumed likely to lead to an increase) while 2 were intending to reduce the number of free hours. (The remainder could not be definite about what was proposed.) [Q17]
- 34 Finally in this section, 82 of the 93 respondents who could express a view [Q20] were confident that their authority would fully recover all the costs it incurs for the work undertaken for their Primary Authority partnership in 2015. 6 were not confident, of whom four believed [Q21a] that to cover their costs they would need to charge double or more. The six suggested [Q21b] that the reasons their LA did not charge a full recovery rate were:
- That the business should be allowed to benefit (3 mentions)
  - That the Primary Authority was still a “pilot” as far as they were concerned (2)
  - That the service was too small scale to be (properly) charged for (2).

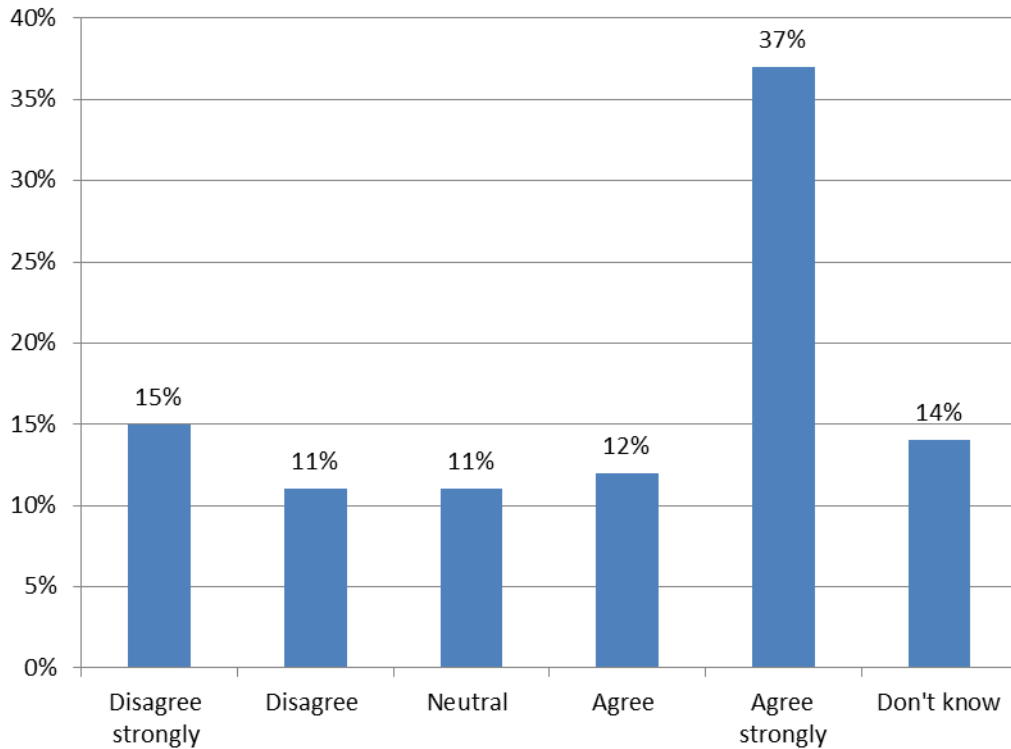
### Policies and procedures

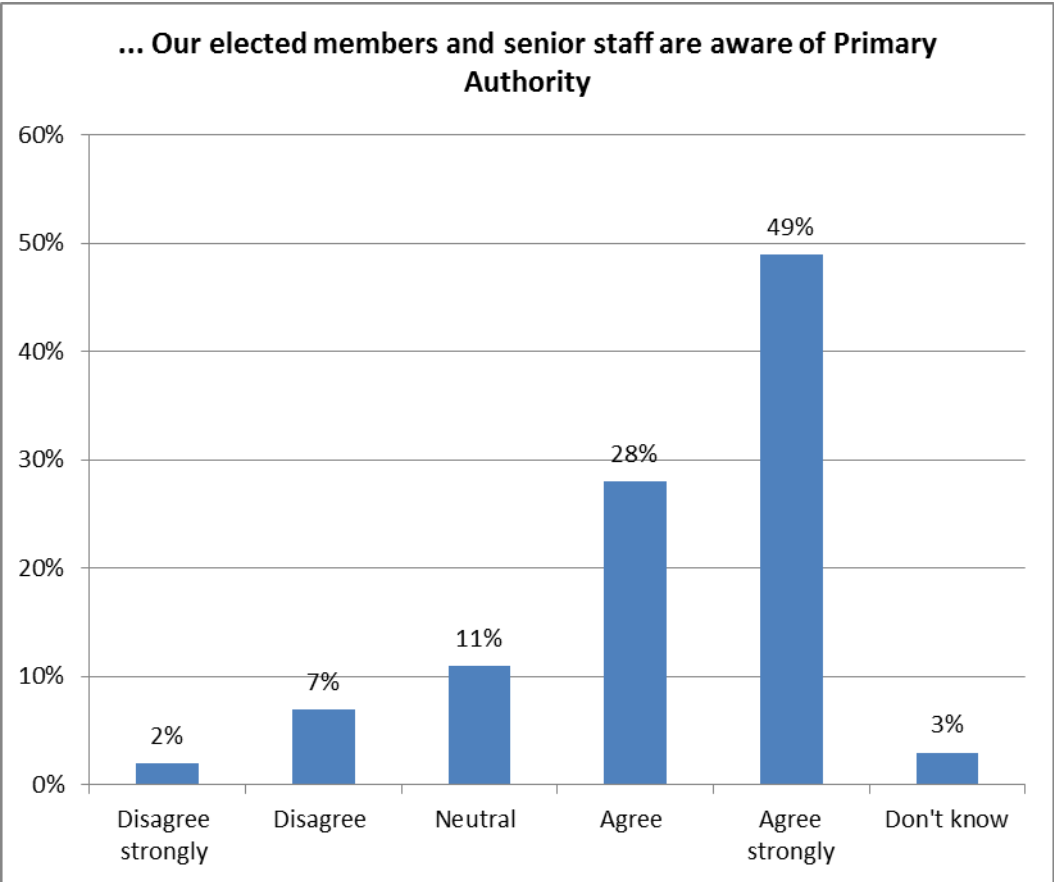
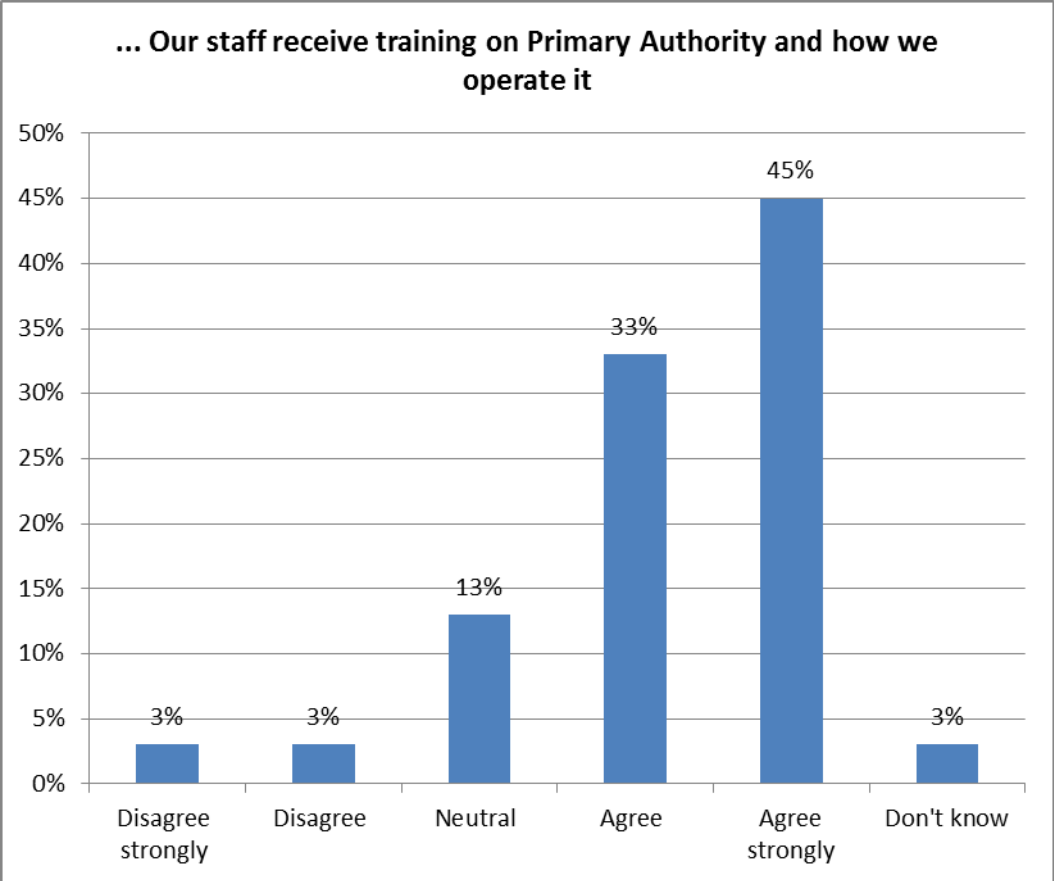
- 35 Next, LA interviewees were offered a number of statements about Primary Authority and asked whether they agreed or disagreed with them (using a five point scale). The statements, and the LAs’ responses, are given below.

**Q23. On a scale of 1 to 5, how far do you agree or disagree with the following statements? We have written policies and procedures that cover how we operate Primary Authority and work with our Primary Authority business partners**

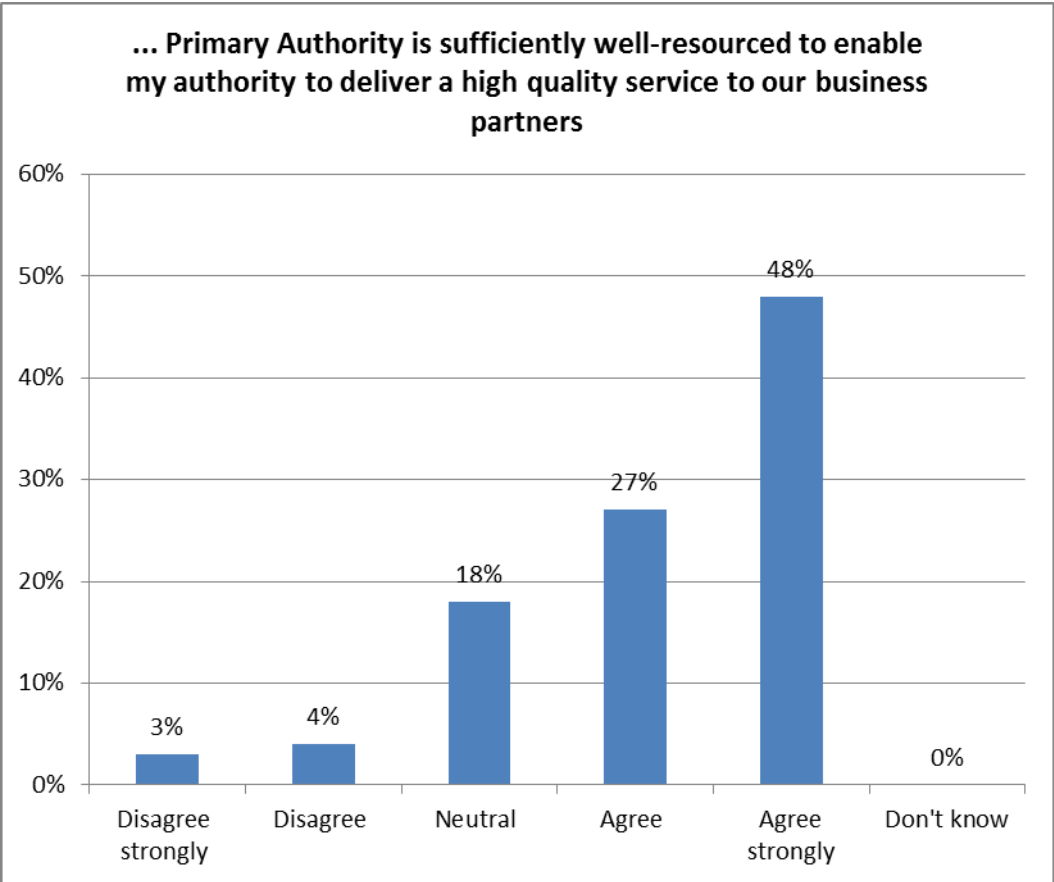
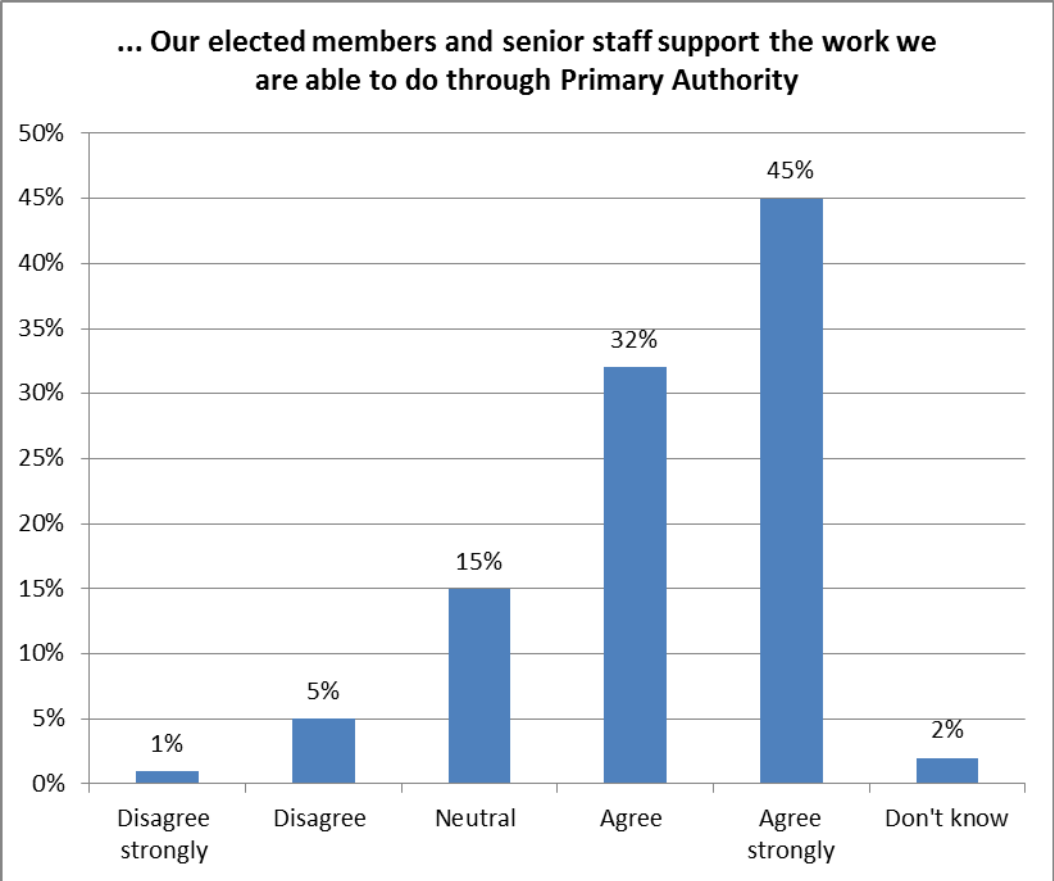


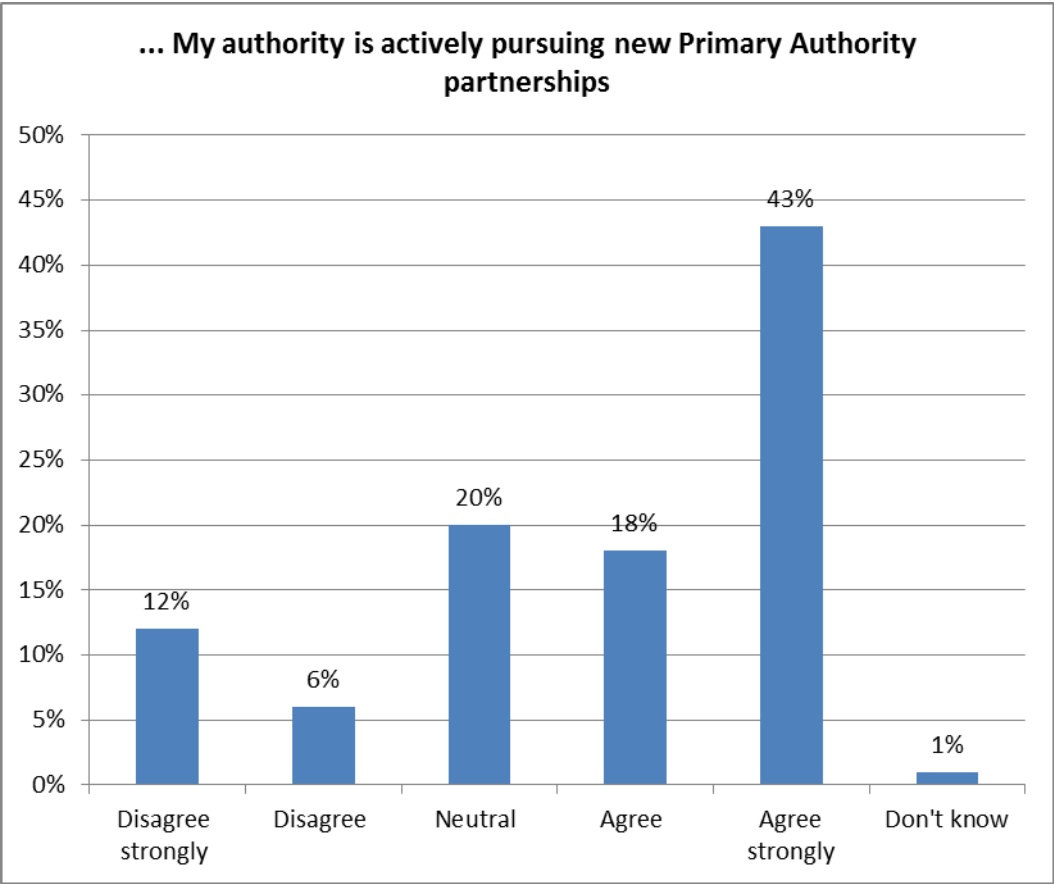
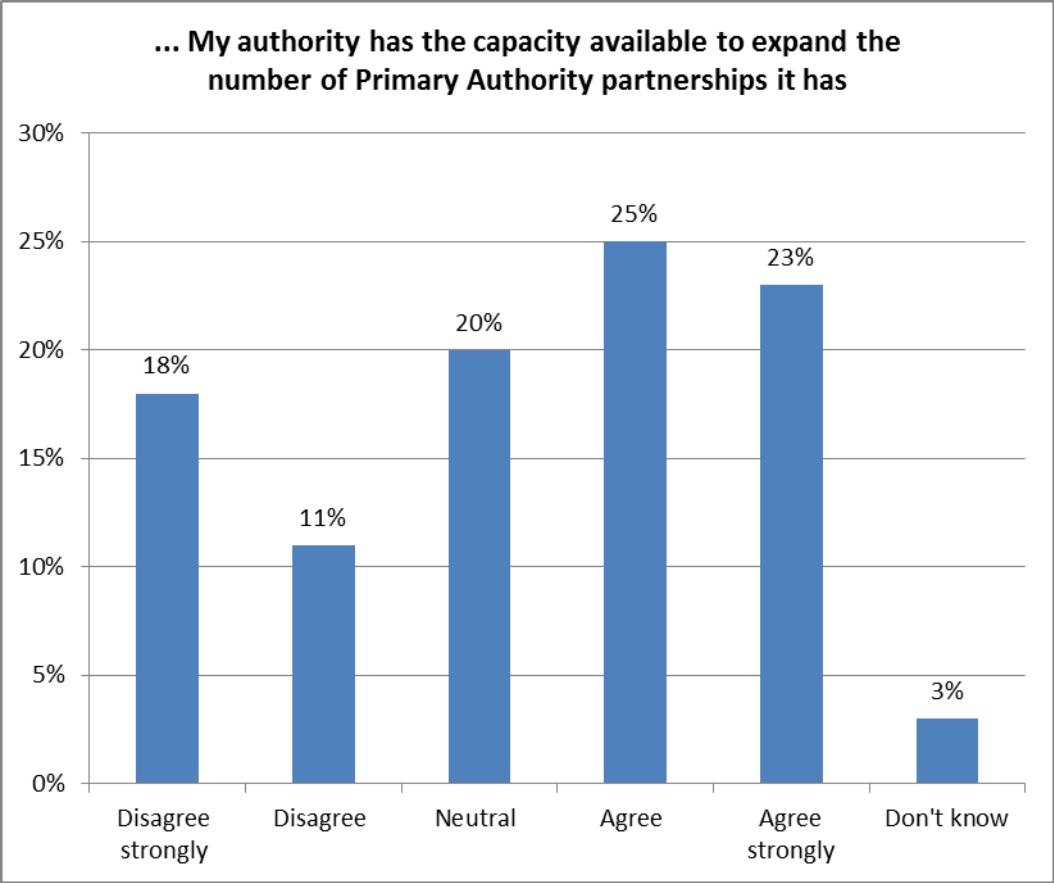
**... Our charging policy is publicly available and readily accessible to any business interested in Primary Authority**









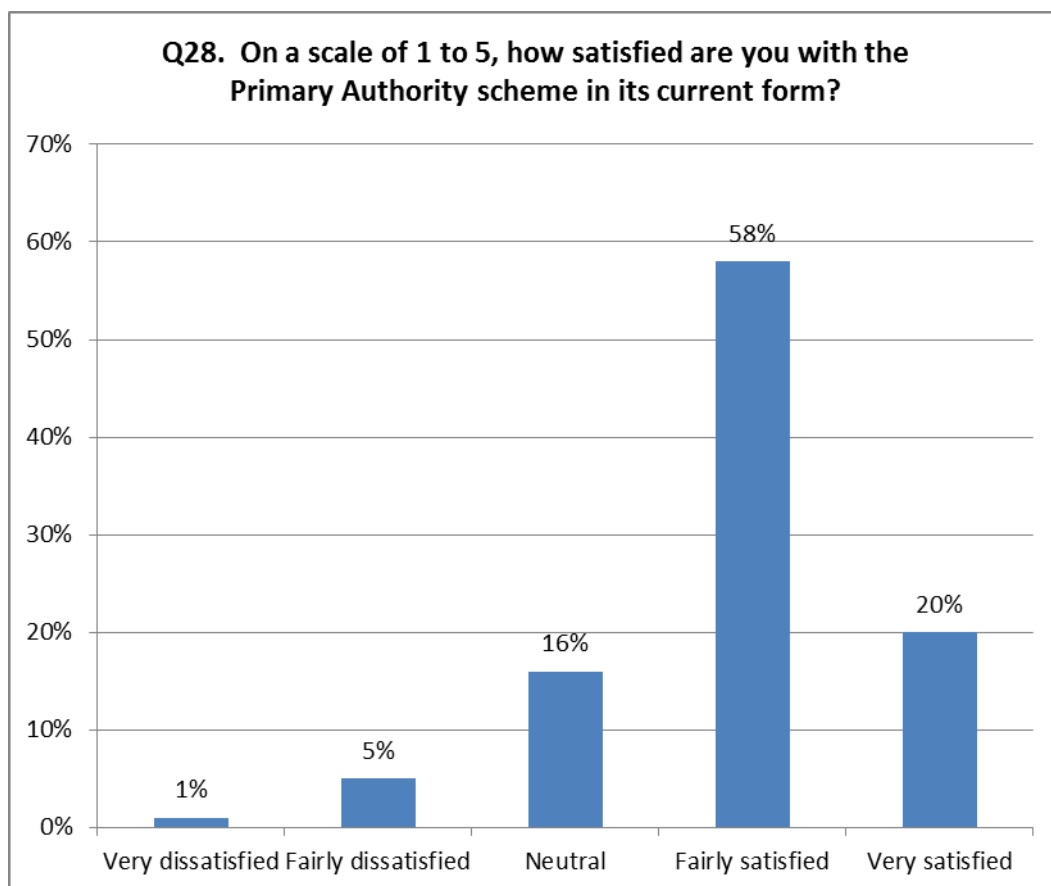


### *Handling of income; competition*

- 36 LA respondents were next asked [Q24] whether their department/team retained the income it received from Primary Authority partnership(s), or whether it was “handed over” centrally. 53 out of 100 believed it was retained, 7 handed over (the remainder did not know).
- 37 When asked [Q25] about competition from other local authorities based on fees, 31 were aware of such competition and 67 were not.
- 38 34 respondents believed [Q26] they were under pressure to increase the income their LA received from Primary Authority; 62 believed they were not.

### Final conclusions

- 39 Finally, LA respondents were asked for their overall satisfaction with Primary Authority, on a five point scale:



- 40 Asked [Q29] to suggest potential improvements, respondents made the following points – effectively each suggestion is “out of 100” respondents:

Suggestion	Mentioned by
Improve website	36
Improve registration and IT	20
More advice and training	11
Improve communication	7
More resources like staff or funding	7
Improve procedures	7
Enforcing agencies to follow procedures correctly	6
More support from BRDO	5
Other suggestions	2
No suggestions	27

41 Asked [Q30] whether any other regulated areas (if any) should be brought into scope of Primary Authority, some respondents suggested areas already within scope, which they would presumably like to see added to their particular partnership. However there were fourteen other responses, are shown in the table below.

Suggestion	Mentioned by
Advertising Standards.....	1
Caravan Site Control & Development Act .....	1
Early Years services .....	2
Egg Inspectorate.....	1
Environment Agency responsibilities.....	1
Hazardous Chemicals.....	1
LG Miscellaneous Provision Act.....	1
Licensing .....	4
Standardisation across England, Scotland, Wales, NI.....	2

42 It will be noted that 4 respondents mentioned that they would wish aspects of licensing to be brought within scope of PA; this was the largest single response and represents 4% of respondents.

## Background note on Primary Authority

- 1 Primary Authority is a statutory scheme which allows businesses regulated by multiple local authorities to form a partnership with a single local authority: this local authority, once nominated by the Secretary of State, is known as the ‘primary authority’ for the business and is able to issue robust and reliable regulatory advice which is recognised by other local authorities that regulate the business (known within the scheme as ‘enforcing authorities’). The primary authority may also guide inspections and other local checks on the business’s compliance by publishing an inspection plan.
- 2 Partnerships can cover regulatory areas such as fair trading, food standards, health and safety, petroleum licensing and others (a full list “as at the time this study was commissioned” is in the table below).

Box 1. Primary Authority regulated areas	
Age Restricted Products	Food Standards
Age Restricted Services	General Licensing
Agriculture	Health Safety and Welfare
Animal Establishments	Housing
Animal Health and Welfare	Metrology
Environmental Protection	Petrol Storage
Explosives Licensing	Pollution Control
Fair Trading	Product Safety
Fire Safety	Public Health (Welsh Regulations)
Food Safety and Hygiene	Road Traffic

- 3 Primary authority aims to build better relationships between businesses and local regulators, delivering local regulation that is consistent at a national level, but sufficiently flexible to address local circumstances.
- 4 Primary Authority is administered by the Better Regulation Delivery Office (BRDO) on behalf of the Secretary of State.

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