



12 May 2016

Paper Title:	Update on the progress to deliver the Better Regulation Delivery Office (BRDO) Recommendations
Paper Reference:	NRW B 33.16
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Purpose of Paper:	Information
Recommendation:	To note and update our progress to meet the recommendations of the BRDO review.

Impact:	<p>The proposals in this paper help NRW to achieve the Well-Being of Future Generations Act (WoFG) principles in terms of:</p> <p>Looking at the <u>long term</u>: This work programme is an important step towards delivering our Regulatory Principles, with WoFG at our core. Although driven in the immediate term by the BRDO recommendations, the actions being undertaken have been designed to be synergistic with our ongoing programme of WoFG delivery and long term actions.</p> <p>Taking an <u>integrated approach</u>: The objective of an integrated approach is in line with BRDO’s recommendations. Several recommendations stress the necessity for enhanced communications between teams within NRW and more widely with stakeholders.</p> <p>Involving a <u>diversity of the population</u>: The programme is an internal piece of work, but through its impact on our regulatory operations, it will have a positive impact more widely. The Developing Customer Focus programme, with which this programme closely aligns, will be a key in ensuring that our approach is designed to serve our all of our stakeholders.</p> <p>Working in a <u>collaborative way</u>: The work programme has been designed and will be delivered in collaboration with several teams across the organisation. It has also been discussed with Welsh Government and BRDO. This approach delivers several key benefits including enhanced resource efficiency and stakeholder buy-in from the outset.</p> <p>Preventing issues from occurring: Delivery of the recommendations will ensure that we continue to be seen as an</p>
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	effective regulator, will preserve our reputation and allow continued access to our powers.
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Issue

1. This paper is to update the Board on the progress being made to deliver the recommendations detailed in the Better Regulation Delivery Office's (BRDO) document "A Review of Natural Resources Wales against the Principles of Good Regulation"¹. The BRDO review of NRW regulatory activities and how we meet the Regulators' Code² was previously reported to the Board in July 2015, February 2015 and October 2014. Regular updates to the board were requested.
2. Our revised 'Regulatory Principles'³ as endorsed by the Board in January 2016 describe our regulatory approach to delivering the sustainable management of natural resources. These Principles and the Business Area Review for Regulation will provide a framework alongside the Regulators Code that will help us to embed the principles of 'good regulation' in the work that we do.

Background

3. Natural Resources Wales (NRW) was subject to a review by the BRDO, commissioned by Welsh Government (WG) in the latter part of 2014/15. BRDO are part of the Westminster Department for Business, Innovation and Skills (BIS).
4. BRDO reviewed NRW's implementation of the Regulators Code which is required to allow our continued access to Civil Sanctions as set out in the Regulatory Enforcement and Sanctions Act 2008 (RES Act). The review was also to determine whether we are a "fit for purpose regulator". BRDO use a broad definition of regulation: their review encompassed many aspects of our work, ranging from our values and culture, approach to fairness and transparency through to how well we manage data and provide support to business growth. BRDO also examined how we deliver advice, guidance, permitting, compliance and enforcement drawing in work across our entire regulatory work.
5. The BRDO's review findings were positive and demonstrated that we are largely compliant with the Regulators Code. They stated that the review team were '*sufficiently convinced of NRW's intentions to achieve regulatory excellence through commitments made, policy developments in train and aspirations to build staff capability*'. Their report, published in June 2015⁴ set out recommendations which they expected NRW to address ahead of its next review, in 3 years time. These included:
 - *NRW needs to finalise its regulatory principles and start putting these into action.*
 - *Although significant improvements had been made to the NRW website interface over the duration of this review, more work still needs to be done.*
 - *NRW needs to recognise and exploit the ability of business to contribute to the outcomes it wants to see.*
 - *NRW should consider reviewing its policy and guidance documents to explain more specifically how they reduce the burden of their regulatory activity and how they support those they regulate to comply and grow.*

Assessment

¹ Department for Business Innovation & Skills, Better Regulation Office, "A Review of Natural Resources Wales against the Principles of Good Regulation" – June 2015 <http://www.assembly.wales/laid%20documents/gen-ld10285/gen-ld10285-e.pdf>

² ² Regulators Code - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300126/14-705-regulators-code.pdf

³ Our regulatory approach to deliver sustainable management of natural resources – our regulatory principles.

6. Since the previous update, the Future Regulation Group has undertaken a series of discussions with staff across the business in key work areas that are central to delivery of the BRDO recommendations. This process has identified project leads on the co-delivery of elements of a prioritised work programme (Annex 1) which includes the resources required to deliver the recommendations.
7. The programme has been prioritised based on both impact on our customers (i.e. improving our service) and scale of the task required. A number of high priority recommendations have already been addressed e.g. finalising our 'Regulatory Principles' document, developing an informal appeals process and providing online technical support FAQs relating to regulatory queries for NRW frontline staff.
8. We recently shared our approach and proposed Regulatory Business Area Review delivery model with the BRDO. This was via a joint workshop held on 17th March 2016 which had a particular focus on risk-based prioritisation and outcome measurement. Whilst flagging some areas for improvement (e.g. role of values, culture and competency in the regulatory community; risk-based transparency), the overall steer was that they understood the approach taken so far in the wider context of business change within NRW (within the delivery of their recommendations). A draft summary to aid our focus has been provided and we expect a finalised workshop report shortly.
9. The work programme therefore seeks to prioritise the activities to respond to their guidance with a focus on staff training, reviewing the effectiveness of regulatory activities and business website improvements over the next 6 – 12 months. There are also medium term outputs.
10. In addition (as requested by the Minister for Natural Resources), the work programme has also been provided to WG officials as part of our regular updates to demonstrate how we are meeting the BRDO recommendations.

Recommendation(s)

11. That the Board notes the progress to date and next steps to deliver the work programme.

Key Risks

12. Failure to implement the BRDO recommendations would be contrary to the Regulators' Code and may lead to withdrawal of our access to Civil Sanctions. This would represent a significant reputational risk with NRW's customers and partners and would limit our ability in the future to respond to waste compliance issues, waste crime and fisheries enforcement. This would also be unhelpful with regards supporting our new purpose.

Financial Implication

13. Implementing the recommendations required investment of resource as indicated in the Annex 1 table. However this is offset by aligning the work plan with existing work programmes including the ongoing Business Area Reviews and the Delivering Customer Focus work. Where actions can be aligned with little modification, multiple benefits are achievable with modest investment. The BRDO's recommendation to "Review and Rationalise Guidance" has the potential to impact significantly on resources due to the large amount of legacy guidance. Estimating the scale of this task is recognised as an immediate priority following the clarity provided by the Business Area Reviews, the figures are therefore conservative at this stage.

Equality impact assessment (EqIA)

14. No equality impact assessment has been carried out for this work. The regulatory information we provide will be accessible, as required by the Regulators Code. We will need to consider providing our advice and guidance in other formats, for example “easy read”.

Annex:

1. Prioritised work programme