

Inspection Reform

Programme

More effect, less burden



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The programme in a political context

The cross-government Inspection Reform Programme has presented central government inspectorates, united in the Inspection Council, with a two-pronged assignment. On the one hand, burden of inspection must be reduced by 25% through such measures as fewer inspection visits. On the other hand, the overall approach must become more effective and efficient, in accordance with the guidelines set out in the 2005 Framework Vision on Inspection and Supervision. The Inspection Reform Programme will run until 2011.

The Inspection Reform Programme, a continuation of the Inspection Simplification Programme launched in 2006, is part of the Central Government Reform Programme. The Inspection Reform Programme carries the slogan 'More effect, less burden!'. The kickoff letter summarises the ultimate goal for the inspectorates as follows:

'An inspection instrument which is effective, professional, enforces where required but does not cause unnecessary inconvenience. At the same time, the inspection organisation is smaller but it performs its tasks professionally and with the application of advanced methods.'

(TK 2007-2008, 31 201 no. 25).

Progress evaluation by the Dutch Lower House of Parliament takes place once or twice a year.

Programme approach

The Inspection Reform Programme embraces a multidimensional assignment. Implementation of the programme is carried out by the Inspection Council, a collaboration of fourteen central government inspectorates together with Customs and Excise. These parties are involved in a large-scale modernisation of approaches which must not only be developed, tested and integrated but also embedded in a collaborative context. This collaboration concerns in the first instance central government inspectorates but will also require the participation of other central government regulators along with municipalities, provinces and water authorities. There is, in addition, an international dimension given the increased globalisation of business and industry and trade flows.

The Inspection Reform Programme operates along two paths: a domain-oriented approach and the development and implementation of common themes. Responsibility for these activities is carried by various parties.

The *domain-oriented approach* focuses on quality improvement and burden reduction in the relevant domains (sectors, chains and locations). Ultimate responsibility for each domain lies with a specially-appointed inspector-general who, in co-operation with the relevant regulators and sector, ensures the realisation of the targeted situation.

There are two types of *common theme*. The first type concerns methods and activities which various (or all) inspectorates require in order to be able to modernise their method of inspection. The development and testing of instruments is generally the responsibility of the Inspection Council. Testing may take place within or outside a particular domain. Themes are generally developed in joint co-operation followed by individual integration within the relevant inspectorate. Examples include e-Inspections (ICT) and effect measurement. The second type of theme concerns joint activities on behalf of the central government inspectorates, such as professionalisation and communication. The Inspection Council bears the costs of and is responsible for these activities.

Domains

The inspectorates operate jointly in domains characterised by a disproportionate inspection burden. A 'domain' may be a sector, a chain or a location. There were originally 24 domains. The water transport domain has been divided into inland navigation and seaports. The construction industry, wood-based industry, metal industry and other industries have been brought together in a single domain. Hospitals and care institutions now fall under the health care domain. The targeted reform has now been achieved in three domains: the extractive industry, rail transport and crisis and disaster management. Efforts are now underway to implement innovation in 4 clusters totalling 18 domains.

Given the individuality of the various domains, the inspectorates are redefining processes by guiding each domain toward the required combination of:

- More selective inspection of risks and firmer action in response to deliberate violations.
- Placing trust in companies which adhere to the rules through, for example, system checks.
- Raising the professionalism and expertise of the visiting inspector, as well as his/her understanding of the operational processes of the organisation.
- A single point of contact for a business within the government inspectorates; co-ordinated inspection visits (information to be shared where possible), and generation of a single report.
- Data to be retrieved once only; effective communication and explanation of rules.
- SME's to receive a maximum of two standard inspections per year from central government.
- Encouraging other layers of government to participate in the domain approach;
- Sound alignment with legislation, policy, international issues and criminal law.

The last two points are embedded somewhat deeper in the programme but are nevertheless of great importance. They can be achieved only through co-operation with other layers of government and the ministries.



Food and Consumer

- hotel and catering
- agriculture
- meat chain
- leisure
- food trade

Industry

- chemicals
- waste
- construction, wood, metal
- nuclear
- pipe lines

Transport

- Schiphol airport
- road transport
- inland navigation
- sea ports

Public domains

- integrated supervision of child services
- health care
- penal institutions
- child care

Inspection burden

Inspection burden encompasses the time it takes a company or institution to prepare for and undergo inspection visits, times the hourly wage of the staff involved. If the result is multiplied by the number of companies, we arrive at the total inspection burden for a particular domain. An external consultancy firm measured the inspection burden using a method based on the standard method deployed by the Ministry of Finance. The Inspection Council drew the following conclusions:

- Notable quantitative inspection burdens caused by national inspectorates are evident in only a few domains. In addition, inspection burden (irritation) is experienced as a result of an accumulation of uncoordinated inspections and the behaviour of the inspector.
- Companies and institutions in almost all domains want to see an improvement in the quality of the inspection process.
- In eleven domains, more than 70% of inspections is carried out by municipalities, provinces, water authorities and/or Customs and Excise.
- Companies in various domains are often irritated more by licensing procedures than the associated inspections.

The total annual inspection burden in the domains totals € 180 million:

Inspection burden	Inspectorates involved	Central government inspectorate target
€ 47 mln	Central gov't inspectorates	25% reduction (these burdens can be directly influenced)
€ 53 mln	Central gov't inspectorates in accordance with EU guidelines; Tax and Customs	25% reduction (these burdens can be indirectly influenced)
Total € 100 mln	Target: reduction by € 25 mln	
€ 80 mln	Other layers of government	Best efforts obligation to encourage reduction

Central government bodies such as their inspectorates and the Tax Administration office are thus responsible for around € 100 million of inspection burden throughout the domains. Particularly notable are the burdens in the meat chain domain (€ 59 mln), resulting generally from EU regulations on methods of inspection and supervision. Other relevant domains are road transport (€ 15 mln), agriculture and horticulture (€ 3.6 mln), hotel and catering (€ 2.4 mln) and leisure (€ 1.4 mln). The 2009 Inspection Reform Programme Spring Report shows by way of a so-called 'dashboard', the most recently achieved burden reductions in these five domains, as well as burden reductions and experienced inspection quality forecasts for 2011. For the other 13 domains a more general projection is given for 2011. These 'best guesses' are contained in the 2009 autumn report.

Selectiveness is an important source of burden reduction. Businesses which comply with the rules notice the favourable effects. At the same time, businesses which are negligent in complying with the rules, and higher-risk companies, are subject to a greater level of inspection: an appropriate framework resulting in effective inspection. This kind of selective inspection is hindered in some domains (particularly the meat chain) as a result of restrictions rooted in EU rules. Burden reduction in these cases will thus be possible only if enough member states agree to alternative methods of inspection.

Approach within the domains

The framework for reform is based on a targeted situation for each domain. Most of these goals have been developed in co-operation with trade organisations and reflect the improvements to be embedded in the inspection process. The Inspection Council's 2009 Work Programme contains a summary of each domain's targeted goal.

Within each domain, the central government inspectorates work together on the reform process, with the inspectorate which is most directly involved taking the pivotal role. Where necessary, co-operation is entered into with other layers of government or parties in central government, such as Customs and Excise or the Public Prosecution Service.

Activity within the domains is geared toward the development of a new approach designed to lead to greater quality and simplification, improved compliance and/or reduced inspection burden. Such a new approach may be the sum of innovative methods, a different work structure, improved service and co-operation with other parties.

From pilot to implementation

New approaches which have been tested successfully on a small scale have often yet to be implemented into the relevant inspectorates. Only then can the entire sector benefit from the favourable effects. Inspectorates themselves must thus take responsibility for such issues as:

- Co-ordination with other government regulators in regard to inspection visits and ensuing reports.
- Removal of legal hindrances in regard to information exchange and co-operation.
- Better communication (e.g. straightforward forms and reports) and compliance support.
- Alerting the ministry to unnecessarily complex rules.

The inspectorates present their findings on the above issues in their annual reports, as well as the progress in their own domains.

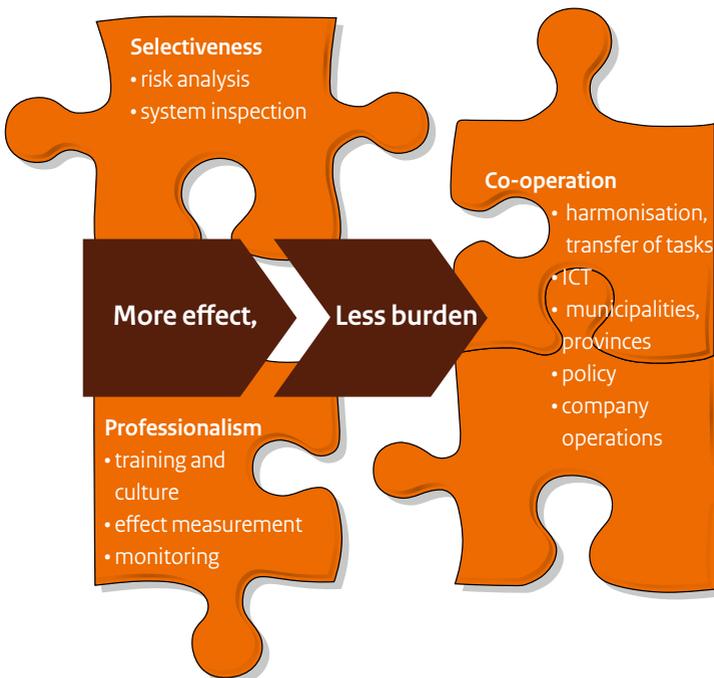
The philosophy behind the Inspection Reform Programme is spreading beyond the 18 domains. As a result, quality is improving and burdens are being reduced throughout the entire compass of central government inspectorates. One such example is the new approach developed by the Education Inspectorate in regard to school inspections. The bureaucratic burden for primary schools in particular has been more than halved.

Common themes

The goals of the Inspection Reform Programme are being achieved primarily within the domains. There are, however, various themes which require a common approach before an inspectorate implements them.

Themes related to selectiveness and professionalism not only boost the effect of the inspection process but also reduce burden. Themes focusing on co-operation reduce burden and step up efficiency.

Goals and theme's



Theme 1. The e-Inspection Programme

The Inspection Reform Programme contains a prominent ICT component, namely e-Inspectorates. The so-called e-Inspection Programme is no longer geared solely toward generic ICT applications for all inspectorates but more toward implementation and effective use among the individual inspectorates. With a view to strengthening collaboration and focus in the development and use of ICT facilities, a reference model for inspectorates has been developed which corresponds to other reference models within government. Further, the e-Inspection Programme will as far as possible keep in touch with developments in regard to e-Government. The e-Inspection Programme Steering Group is made up of the inspector-generals from the Transport and Water Management Inspectorate, the Labour Inspectorate, the Inspectorate of Education, the Food and Consumer Product Safety Authority and the Radio Communications Agency Netherlands.

The principal objective is to facilitate information exchange between inspectorates themselves and with other regulators. The Inspection Reform Programme also serves as a platform for co-operation between clusters of inspectorates: joint regulatory action and sharing of expertise, experiences and facilities. Three facilities are currently being developed and are partly operational:

- *A digital dossier* which can be consulted by all participating regulators who require information about a particular location or business. Digital dossiers are available to the road transport domain and the firework chain domain. In addition, a generic digital dossier is being developed which all inspectorates will be able to consult.
- *A Common Inspectorate Area* where inspection visits can be planned in liaison with other inspectorates, and conclusions can be laid down in a single inspection report. There are currently three versions which are operational: child care, chemicals, and Major Accidents (Risks) Decree (BRZO). The development of other common inspectorate areas is under study.
- *Self-assessment*. Chemicals and waste companies are able to test their own compliance.

The Ministry of Economic Affairs is just one of the parties involved in the exploration of interactive facilities for information exchange between the central government (including inspectorates) and businesses and institutions. The e-Inspection Programme is also paying attention to the structure and organisation of facility management.

Theme 2. Professionalisation

Inspection is a profession. Inspectors need to be knowledgeable in their particular field in order to perform their tasks in an professional manner. Equally important are the skills and knowledge an inspector needs when encouraging civilians, businesses and institutions to improve compliance. In addition, society expects inspectors to act constructively and communicate clearly about their findings. The Professionalisation Programme runs activities and courses designed to enhance and improve the all-round professionalism of inspectors. The programme is intended for staff belonging to central government inspectorates as a supplement to professionalisation courses and programmes offered by their own inspectorates. Municipalities and provinces can also participate given that municipal and provincial inspectors often contribute to the inspection burden. The Youth Care Inspectorate is portfolio holder.

Theme 3. Communication

A special website has been developed for the purpose of simplifying inspection information and improving its accessibility (www.inspectieloket.nl). Businesses, individuals and institutions can thus easily find the information they need. In addition, inspectorates make agreements among themselves as to the uniform presentation of information and sharing of communication instruments. The Public Order and Safety Inspectorate is portfolio holder.

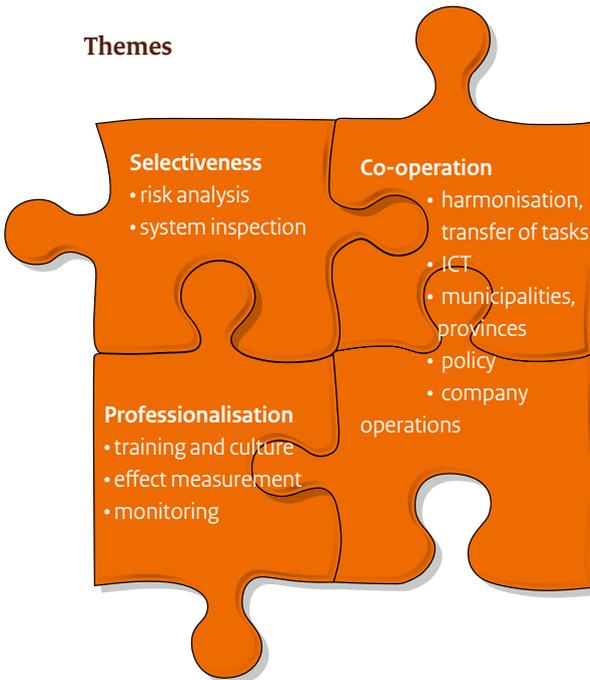
Theme 4. Europe

The modernisation of the inspection process in the Netherlands sometimes runs up against European rules. For example, risk-based inspection and simplification of regulations. There is also a trend toward more stringent European inspection. The EU is, however, paying more attention to the concrete impact of its policy. This theme is in need of foreign support for the Netherlands' enforcement and inspection philosophy and tools are being developed for inspectorates to ensure timely compatibility with the EU legislation process. The Transport and Water Management Inspectorate is portfolio holder.

Theme 5. Monitoring

This theme embraces the research method into customer satisfaction which will be applied by all inspectorates. In addition, a new burden measurement will probably take place in 2010. This one will be less extensive than the zero measurement but will still assess progress. The State Supervision of Mines is portfolio holder.

Themes



Step 1. **Development** of new methods, combining of existing ones.



Step 2. **Testing** in domains, in combinations of national inspectorates and other regulators.



Step 3. **Implementation** in the primary processes of the inspectorates (at central, regional and local level of government).

Theme 6. Collaboration with municipalities and other regulators

In many domains, most inspections are carried out by municipalities. For example, in the domains of child care, hotel and catering, leisure, agriculture and horticulture, and in the construction and (small-scale) industry. A pro-active contribution on the part of municipalities is therefore required in order to reduce the total inspection burden in these domains. To date, various separate pilots have taken place designed to test collaboration with municipalities. This theme collates and accelerates these initiatives. By 2011 collaboration should be in place among a considerable number of large municipalities all working toward a maximum of two standard inspection visits per year (from central government and municipal inspectors) as well as selective inspection through joint risk analysis and inspection planning. Collaboration structures: ear and eye function, joint inspection visits and transfer of tasks. A municipality can choose either to work with one or more central government inspectorates on a single issue, or with a number of central government inspectorates on a variety of issues. Co-operation with other regulators, such as provinces, water authorities, the National Police Services Agency and the Royal Dutch Constabulary, takes place at present within separate domains. The portfolio holder is the Labour Inspectorate.

Theme 7. Strategy and instrumental frameworks

The Inspection Council develops strategic principles and frameworks designed to help inspectorates incorporate the Inspection Reform Programme as well as other types of co-operation and interaction. The development of frameworks for new instruments takes place as much as possible on a collaborative basis, as an augmentation to activities carried out by one or more inspectorates. Such examples are system inspection and knowledge management. Portfolio holders are the chairperson of Inspection Council, the Labour Inspectorate, Youth Care Inspectorate and (for knowledge management) the State Supervision of Mines.

Theme 8. Company operations

In 2008 an initial exploratory study was carried out into the possibility of greater collaboration in the area of company operations with a view to boosting efficiency. Three topics have since been prioritised: business premises, training, job description matrix/mobility. The Inspection Council will make decisions on the basis of drafted proposals, in line with cross-government developments. The portfolio holder is the Labour Inspectorate.

Theme 9. Effect measurement

What can inspection and supervision contribute toward the realisation of policy objectives? In other words, are businesses and institutions demonstrating greater compliance and are public facilities and services improving? Once the effects of inspection are better known, inspectorates will be able to operate with greater impact. Little is known in the Netherlands or indeed abroad about the effects of inspection. Most central government inspectorates intend to carry out effect measurement but execution is still limited and fragmented, however. The Effects of Inspection Programme is working to achieve a sustainable system of effect measurement among central government inspectorates within four years. The Netherlands will thus be at the international forefront in regard to the structural deployment of effect measurement. The portfolio holder is the Health Care Inspectorate.

Theme 10. Interaction with policy

Innovation in regard to inspection practices often challenges underlying policy. Moreover, new rules may also inadvertently cause unnecessary inspection burden. These are two reasons for improving the relation between policy and inspection. The targeted situation is for inspectorates to be involved in policy development at an earlier stage while, at the same time, efficiently communicating their findings in regard to enforceability and the effects of policy and regulations. Each individual inspectorate will ultimately need to operate along these lines, but the Inspection Council will be able to focus on issues common to all the inspectorates. The portfolio holder is the Transport and Water Management Inspectorate.

Collaboration with other burden reduction programmes

Most collaboration takes place with the *Regulatory Burden on Businesses Programme* (Ministries of Economic Affairs and Finance).

- An important aspect of the co-operation is encouraging municipalities to reduce regulatory burden (including inspection burden) and to improve their services.
- Gasunie licensing office
- Joint research into regulatory burdens surrounding large-scale events (together with Utrecht, Eindhoven, Zoetermeer and Leiden).
Improvements come about through changes in regulations, simplification in the granting of permits and licences, effective co-operation between regulators and nationwide streamlining.
- The Inspection Council and the Regulatory Reform Group also collaborate on the Compliance Assistance project.
- A further common theme is certification as a method of placing trust and reducing burden. The Inspection Council is also checking whether the sectors are responding appropriately.
- A standard framework for the provision of services for organisations with which businesses are most involved (the Labour Inspectorate and the Food and Consumer Product Safety Authority are in the top 10).
- The Regulatory Reform Group carries out measurements into the experienced regulatory burden, including inspection visits, among businesses.

The chairperson of the Inspection Council is a member of the Business Regulatory Burden Commission which is led by the chairperson of the Federation of Netherlands Industry and Employers.

The *Regulatory and Administrative Burden Reduction Programme* (Ministry of the Interior and Kingdom Relations) focuses on the reduction of administrative burden for civilians, professionals in the public sector and other layers of government, as well as improving the level of service. Common ground with the Inspection Reform Programme:

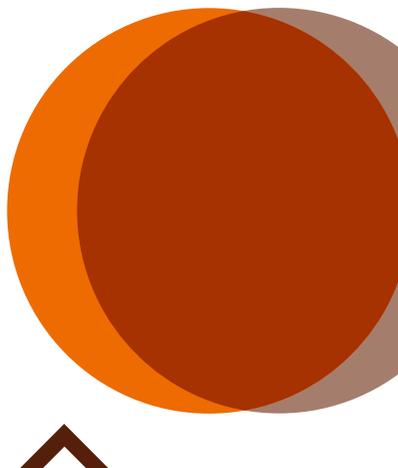
- Bottlenecks experienced by professionals in health care and education.
The approach is complementary to initiatives on the part of the Inspection Reform Programme at institution level (e.g. health care domain).
- Instruments to increase the clarity of forms. These are now in use by

various inspectorates.

The Smartly Connected, Smoothly Organised Programme (Ministry of Economic Affairs) provides a platform for businesses and layers of government to find ways of improving the level and cost-effectiveness of their mutual co-operation. Part of this reform is an innovative ICT solution. Common ground shared with the Inspection Reform Programme includes initiatives in the leisure, rubber/plastics and seaports domains.

More information

If you have any questions or would like more information please send an email to info@inspectieraad.nl or surf to: www.inspectieloket.nl



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