

Better Regulation in the UK: An Overview

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UK's better regulation programme

- Priorities : less regulation, better regulation, and regulation as a last resort

“I want us to be the first government in modern history to leave office having reduced the overall burden of regulation, rather than increasing it.”

Prime Minister David Cameron's letter to all Cabinet Ministers, 6 April 2011



Principles of better regulation

- The government will regulate to achieve its policy objectives only:
 - when it has demonstrated that satisfactory outcomes cannot be achieved by non-regulatory approaches
 - where analysis of the costs and benefits demonstrates that the regulatory approach is superior by a clear margin to alternative, self-regulatory or non-regulatory approaches
 - where the regulation and the enforcement framework can be implemented in a fashion which is demonstrably **proportionate**; **accountable**; **consistent**; **transparent** and **targeted**
- There will be a general presumption that regulation should not impose costs and obligations on business, social enterprises, individuals and community groups unless a robust and compelling case has been made

Who's responsible?

- **Ministers:** making tough decisions on where costly regulation is justified and where it isn't
- **Departments:** each Department's Single Departmental Plan includes that Departments' deregulatory budget
- **Individual policy makers:** substantial new regulation requires an impact assessment to ensure a range of options have been considered and that impacts are properly understood
- **Better Regulation Executive:** joint BIS/CO team, which keeps an overview of Departmental progress for Ministers, and provides support and expertise

Reducing Regulation Cabinet sub-Committee (RRC)

Makes final decisions on agreeing new regulations that affect business
(Chaired by Vince Cable)



Regulatory Policy Committee (RPC)

Provides an independent assessment of the cost of new regulation on business

Scrutinises departmental impact assessments to ensure fit for purpose



Departments

Must follow better reg rules, inc. meeting OITO

Must prepare impact assessments setting out cost of new regulation on business and get validated by RPC

Must clear all new regulation with RRC



BRE

Sets the regulatory Framework rules

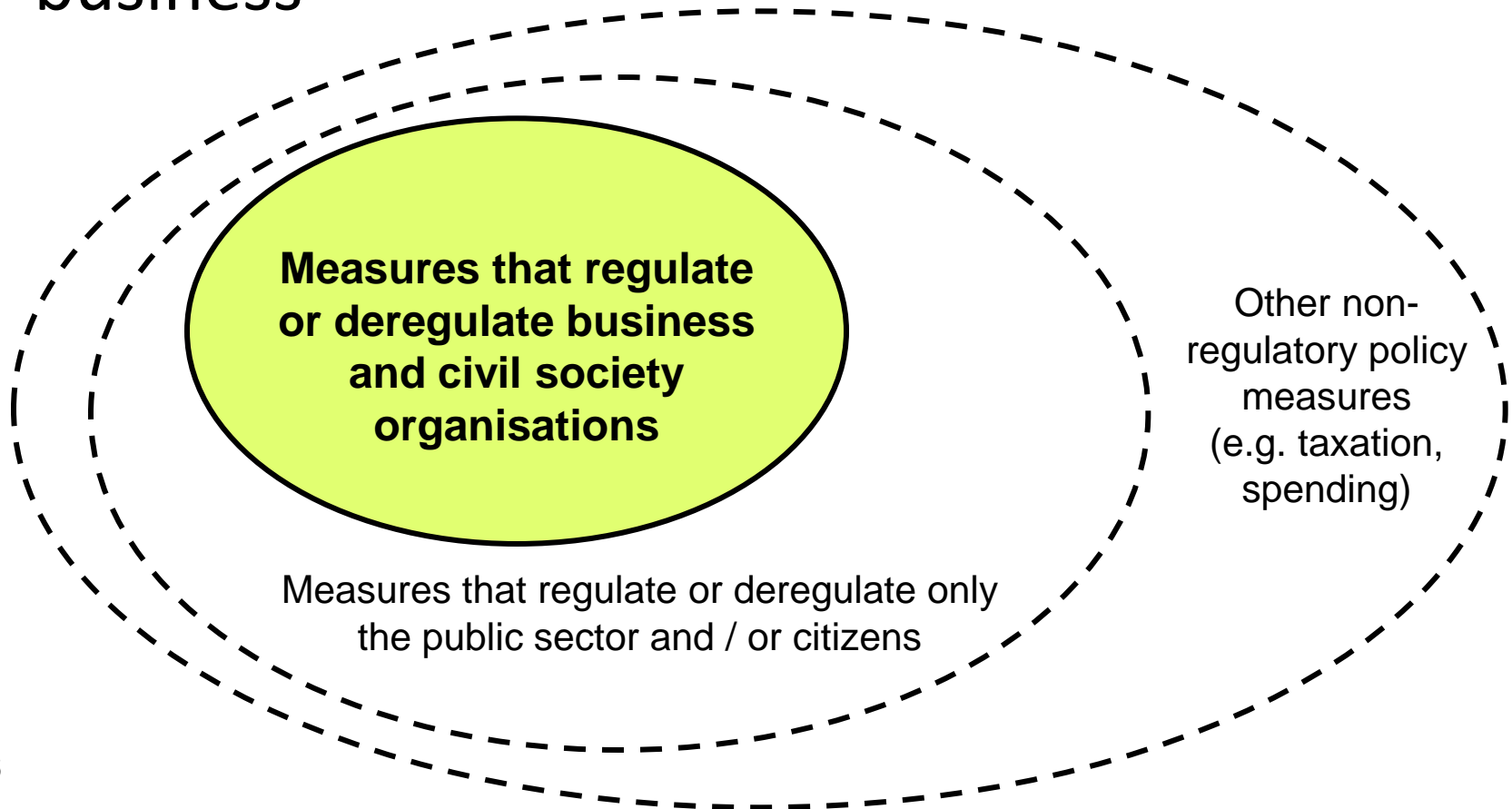
Works with departments to implement Better Reg principles

Advises Better Reg Minister (Matthew Hancock) on business-facing regulatory proposals across Govt



Programme scope and focus

- Priority is measures that regulate or deregulate business



Programme of Activity

Reducing Flow of New Regulation	Dealing with the stock of Regulation	Regulation coming from the EU	Focus on Enforcement	Local Enforcement
OITO Analysis/RPC SNR SaMBA CCD Sunsetting	Red Tape Challenge	Upstream Engagement Building Coalitions Guiding Principles of Transposition	Thematic reviews into enforcement of regulation, not the regulation itself	Increasing the efficiency and effectiveness of compliance at the local level

Business Impact Target

- Small Business, Enterprise and Employment Act 2015 requires Government to set a target for the impact of regulation/deregulation introduced this Parliament
- It has been agreed that this will be set at the £10bn of savings agreed in the manifesto. These £10bn of savings are calculated over 5 years as they were last Parliament, i.e. £2bn of ongoing savings.
- Under the Act, every cost/saving must be signed off by the Independent Verification Body – Sajid Javid has appointed the Regulatory Policy Committee to take this role.
- All Single Departmental Plans include a reference to that Department's 'deregulatory budget' which sets out what they will contribute to the savings

Cutting Red Tape Reviews

- To address businesses' main concerns and to help Departments identify deregulation, BRE is coordinating a series of reviews into specific areas of regulation
- Reviews will be able to consider the whole range of issues that might affect a Department – including both legislation and the enforcement of this in practice.
- The first six Cutting Red Tape Reviews have already been launched, and will cover mineral extraction; waste; data reporting for farmers; care homes; energy sector; and anti-money laundering
- The Cutting Red Tape team can also help Departments launch their own reviews.

Bringing regulators into scope

- Ministers have decided that reducing burdens on business needs the involvement of regulators as well as Government Departments. The Enterprise Bill currently in Parliament includes provisions to bring independent regulators into scope of the BIT.
- Regulators will have to assess the impacts of their enforcement actions and get these independently verified by the RPC. The cost and savings are included in the budgets of their sponsoring Departments.

Importance of action at EU level



- Around 50% of all regulation comes from the EU
- If we are serious about reducing EU regulatory costs and encouraging a business-led recovery then we need to tackle the overall regulatory burden at EU level



Downstream : Guiding Principles for transposing EU legislation

When transposing EU law, the Government will:

- a) ensure that (save in exceptional circumstances) the UK does not go beyond the minimum requirements of the measure which is being transposed;
- b) wherever possible, seek to implement EU policy and legal obligations through the use of alternatives to regulation;
- c) endeavour to ensure that UK businesses are not put at a competitive disadvantage compared with their European counterparts;
- d) always use copy-out for transposition where it is available, except where doing so would adversely affect UK interests e.g. by putting UK businesses at a competitive disadvantage compared with their European counterparts. If Departments do not use copy-out, they will need to explain to the RRC the reasons for their choice;
- e) ensure the necessary implementing measures come into force on (rather than before) the transposition deadline specified in a directive, unless there are compelling reasons for earlier implementation; and
- f) include a statutory duty for Ministerial review every five years.



Downstream: figures for 2013

- **64** Directives adopted by the EU
- **34** transposed into UK law
- **30** were not transposed because:-
 - The UK was already compliant with the Directive (1)
 - The Directive was covered by ambulatory reference (13)
 - The UK exercised a right to opt out (3)
 - They did not affect the UK (13)
- **21** transition plans were notified to RRC
- **13** cases were not notified because:-
 - the Directives were deemed to be minor or technical; or
 - they were out of RRC's scope (i.e. they referred to taxation/VAT)



Local Enforcement

- Some 486 local authorities in England
- All have enforcement responsibilities for local and national law
- Ranging from consumer, health and safety and environmental law
- Inconsistencies of between authorities in implementing the same law is difficult for those businesses that operate nationally

FEATURES OF PRIMARY AUTHORITY

- Nomination and recognition
- Advice and confidence
- Statutory assurance mechanism
- Information and intelligence flows
- Inspection plans
- Notification – consistency and proportionality
- Dispute resolution