

**dti**

**BETTER REGULATION**

Simplification Plan

DECEMBER 2006

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## Foreword



Last year the Hampton and Arculus reports laid the foundations for fundamental reform of regulatory inspection, enforcement, simplification planning and the reduction of administrative burdens. As both the department for business and a major regulator DTI has a special responsibility in this context, and we strive to be a leader on better regulation.

My department's productivity agenda demands efficient market frameworks. This includes rules to maintain competition, keep markets fair and protect employees and consumers. For this to work and for the economy to thrive, regulation must be as simple as possible to follow, and avoid placing unnecessary burdens on business.

This Plan builds on an earlier draft – published a year ago – and is the product of many suggestions from business and extensive consultations with those affected by DTI regulation. I believe the measures set out here will make a substantial difference.

We now have the means to measure our progress, against some very demanding targets. I am also very conscious that business will be the judge of the practical impact of this Plan – of DTI's ability to deliver, and its willingness to be ambitious about simplification in new areas. Naturally I welcome all ideas and views.

Implementing the principles of good regulation will require continuing commitment. DTI is changing its policy making culture to meet this challenge. I want this to include closer co-operation with business, trade unions, other interest groups and regulatory bodies. Partnership will be the key to making simplification a reality.

A handwritten signature in black ink, appearing to read 'Alistair Darling', with a long, wavy flourish extending to the right.

Rt Hon Alistair Darling MP

Contents	Page
Foreword	3
Executive Summary	5
Summary of major simplification measures	9
1. Introduction	11
2. DTI's agencies, independent regulators and enforcement authorities	12
3. Background to this Simplification Plan	13
4. Administrative burdens	14
5. Creating the Simplification Plan through consultation with business, employee and consumer organisations	17
6. Better regulation issues facing DTI	19
7. Major simplification measures	20
8. Implementing the Hampton Report in DTI	26
9. Davidson Review and European regulation	28
10. Forward look: identifying potential simplification measures for the 2007 Plan	29
11. Can DTI deliver?	30
12. What next?	32
(i) Detailed simplification proposals: administrative burdens reductions	33
(ii) Detailed simplification proposals: policy cost reductions	50
(iii) Measures implemented January 2005 - May 2006	55
(iv) Consolidation and deregulatory measures	61
(v) Regulations introduced after May 2005 imposing significant administrative burdens	65
(vi) Forthcoming regulations imposing significant administrative burdens	67
(vii) Administrative burdens: top 10 obligations	70

## Executive Summary

DTI works hard to understand business issues and to promote the success of Britain and its businesses. We are also the major non-tax regulatory department, accounting for a substantial proportion of the government non-tax administrative burdens estimated by PricewaterhouseCoopers (PwC)<sup>1</sup>. It is vital therefore that our regulatory culture is effective and balances the needs of business, consumers, shareholders, employees and the environment.

Three areas account for the majority – 87% – of DTI's administrative burdens total as measured by PwC: employment law, consumer law and company law. This is because these areas affect every business, so the population is large, not because the costs are necessarily disproportionate. But this means that any reductions in administrative burdens we can achieve are potentially significant for the economy.

This plan covers a wide range of measures aimed at simplifying DTI regulation – for example through deregulation, consolidation of different rules, and reductions in red tape through more user-friendly guidance on how to comply and improvements to forms and information systems. We are committed to achieving a 25% reduction of administrative burdens by 2010. The initiatives identified here will reduce DTI's £5.3bn baseline by about £700m or 14%.

### Employment law

Since 1997 the government has introduced new employment entitlements – giving minimum protections to workers and trade unions. We make no apology for these policies, which command widespread support – including from many businesses. But we recognise that many small businesses say they simply do not understand what is required of them and other businesses, large and small, fear that employment tribunals will find them to be under-complying.

We have endeavoured to ensure that each component of the government's employment law programme has been light touch and reflects better regulation principles. But in response to the concerns that business has expressed we launched last spring the Employment Law Simplification Review, with the aim of reducing compliance costs and complexity, and to address the irritants for business and others affected by employment law, without diluting employee or union rights.

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<sup>1</sup> Following the Arculus Report, PwC was contracted to measure the administrative costs imposed on business by government regulation. See Part 4 of this document for details.

The review looks across the full range of PwC findings. We are working closely with business and unions to identify any other suggestions for simplification within the constraints of EU law and the need to protect rights. The Employment Law Simplification Review Practitioners' Panel will have an important role in ensuring that the work done is rigorous, will make a real difference on the ground and that we leave no stone unturned in looking for areas where we can simplify.

We have already delivered some improvements – notably simplified guidance on maternity leave and pay, which has been widely welcomed. Other initiatives are set out in this plan. For example, we are examining closely the issue of dispute resolution. We know this is an area of key concern for employers and employees. We are also working to improve the content, accessibility and awareness of guidance and tools. When talking about employment law, small business talks most often of “fear”: the risk of inadvertent error in process, rather than the principles behind the law. We believe that enhanced guidance – providing clarity and assurance – will play an important part in enabling business to devote less time to these matters.

We are well advanced in developing this programme. We are confident that we can make a real difference in this area, but our 25% target will remain challenging. Therefore we are keen to engage with any practical ideas business and employee representatives have on how we can foster compliance and reduce compliance costs and complexity.

### **Company law**

The Companies Act 2006 received Royal Assent on 8 November 2006. It is the culmination of almost a decade's work of review and consolidation. It has been the subject of extensive consultation and its main principles have received strong support from business. Of course, like all good legislation that will last, it represents a compromise between the many groups with an interest in company law. We are confident the right balance has been struck and that significant savings for business will be realised – in the region of 17% against the PwC costings.

In our consultation with business, the key message is that we must provide a period of stability following this major measure of reform and consolidation. We have a significant programme of work to bring the Act into force, and will be consulting fully with business to ensure that the necessary programme of secondary legislation takes full account of better regulation principles. Following requests from business we will be implementing the electronic communications provisions in January 2007.

### **Consumer law**

DTI oversees a wide range of consumer law. We are confident that we are building a wide-ranging better regulation plan that will make a real

difference. We have already undertaken major systematic reform in recent years, for example of competition and fair trading law in the Enterprise Act 2002, and of the consumer credit market in the Consumer Credit Act 2006.

In this plan we set out several major initiatives that are currently underway. The transposition of the EU Unfair Commercial Practices Directive will radically simplify business-to-consumer law. We have chosen a bold approach to implement this directive to secure the maximum simplification possible without losing essential consumer protections. Meanwhile the Retail Enforcement Initiative is demonstrating that we can cut the number of inspection visits by trading standards and environmental health (food safety, health and safety and business licensing where appropriate) and fire authorities by up to a third whilst increasing consumer and worker protection. If rolled out nationally these measures would offer tangible benefits for every retail business in the UK. Building on this, the Local Better Regulation Office will provide the essential machinery to enable it to support the development of innovative approaches and to embed Hampton-like behaviours in local authority enforcement – practices that are light touch, joined-up and carefully prioritised.

Looking forward, we are reviewing a range of potential measures for next year's Simplification Plan. For example, the EU review of the main consumer protection directives that make up the *acquis* will offer further opportunities for simplification. Proposals arising from the Energy White Paper offer some scope for simplification that will be explored further. With these and other measures we will develop in the coming year we are confident that we will deliver our 25% reduction in administrative burdens on business.

### **Energy regulation**

The UK is a global leader in energy liberalisation. However, the need to ensure secure, safe and affordable energy means the sector will inevitably remain subject to regulation. In terms of individual regulatory requirements, 40% of all DTI regulation bears only on the energy sector. However the costs, as identified by PwC, are tiny: only 1.5% of our total (2.5% including OFGEM's separate body of rules – see paragraphs 2.3 - 2.5 below). This is in part because the energy market is dominated by a small number of large companies.

Over the last year we have conducted an Energy Better Regulation Project, consulting widely across the sector to assess the potential for energy administrative burdens reduction. A detailed report is published along with this document. But in summary the energy industry has told us strongly that they see the level of DTI regulatory burden as broadly appropriate and that there are no specific areas where simplification would yield significant benefits. However, we would welcome more debate on this.

## **Delivering the plan**

This is a challenging agenda. Our success in achieving what are demanding objectives will be judged by business and other groups affected by DTI regulation. To equip it to deliver, the Department is reinforcing its better policy-making culture; and DTI ministers are committed to a culture change strategy, which includes external scrutiny through a Ministerial Challenge Panel, designed to integrate better regulation principles into everything we do.

We welcome the help we have received from the CBI, the Engineering Employers Federation, the Federation of Small Businesses, the British Chambers of Commerce, the Forum for Private Business, the Small Business Council, the Institute of Directors, the National Consumer Council, the Trades Union Congress, the Better Regulation Commission and others in getting to this point. We remain extremely keen to receive suggestions for simplification on all areas of the Department's work.

## Summary of major simplification measures

These are some of the main simplification measures in the Plan – see Section 7 (page 20) for more details.

### Employment Law

- **Dispute resolution:** on 7 December 2006 the Secretary of State appointed Michael Gibbons to undertake a root and branch review of the framework for settling disputes between employers and employees.
- **Drawing up statements of terms of employment:** we will improve our web-based tool and associated guidance, and work to increase awareness of it. We estimate this could save firms up to £145m a year.
- **Agency workers:** we will consult later this year on the possibility of reducing requirements for short assignments; and improve the quality and awareness of our advice to employment agencies on their obligations. We estimate this could save firms £78m a year.
- **Redundancy:** we will extend the web-based approach to help employers produce statements of redundancy pay, to complement the existing calculation tool, and clarify some areas of confusion raised by employers.
- **National minimum wage:** abolition of the Older Worker Development Rate (implemented 1 October 2006) removed the requirement for employers to provide a written agreement on the rate, saving business over £5m a year.
- **General guidance:** improving the content, delivery and awareness of guidance and tools on employment rights and responsibilities. This should increase confidence, encourage compliance and reduce costs generally; and on the basis of the PwC figures we estimate it could lead to savings of nearly £50m in the context of flexible working; over £60m on working time; £7m on the national minimum wage; and nearly £5m in the context of parental leave.
- **Maternity leave and pay:** rationalisation of all government website advice, and production of summary leaflets of rights and responsibilities (implemented 1 October 2006).
- **Trade unions:** options include allowing non-postal balloting.

### Consumer Law

- **Implementation of the Unfair Commercial Practices Directive:** repeal provisions in 22 pieces of consumer law, creating leaner, more flexible and future-proofed regulation.

- **Retail Enforcement Initiative:** extending the pilot to a further 70 local authorities, bringing closer working between trading standards, environmental health, health and safety and fire authorities – and reducing inspection visits by a third for good companies, while enhancing consumer and worker protection.
- **Establishment of a Local Better Regulation Office:** to promote and embed the Hampton approach to inspection and enforcement including rigorous risk assessment.
- **Consumer credit:** review of certain provisions in the Consumer Credit Act 1974 and the Conduct of Business (Credit Reference Agencies) Regulations 1977; savings are estimated at £14m a year.
- **Consumer Voice:** a simpler and more effective system of consumer representation, saving business an estimated £9m a year.

### **Company Law and Companies House**

- **Implementation of the Companies Act 2006:** fundamental reforms, saving companies nearly £150m a year.
- **Companies House:** automated services through My Companies House, with individual company portals.
- **Companies House project with Her Majesty's Revenue and Customs:** data sharing, joint filing and a single business identifier.

### **Small Business Service**

- **International Trade Single Window:** improved access to information on import rules, less paperwork and faster clearance of goods.
- **e-mail alerts and tailored guidance:** early warning of regulatory changes, plus information on requirements in some 400 business sectors – saving firms £25m a year.

## 1. Introduction

1.1. DTI is committed to reducing red tape and burdens on business.

1.2. We are committed to ensuring that regulation is as light-touch as possible, meeting business concerns that the costs imposed by regulation – both administrative burdens<sup>2</sup> and policy costs<sup>3</sup> need to be proportionate.

1.3. We welcome the opportunity this Plan presents to examine how to reduce the cost of regulation, without undermining the benefits it provides. In some cases this means removing or changing provisions that no longer meet our policy objectives. In others, we aim to show how we can make regulation more straightforward, for example by streamlining procedures, introducing new tools and guidance, and promoting risk-based inspection and enforcement.

1.4. This Plan builds on the draft Simplification Plan we published for consultation in November 2005. It shows how and where we will deliver specific savings in administrative burdens (red tape costs imposed on business by regulation, such as form-filling, record-keeping, official returns and complying with inspections). These burdens – estimated by PricewaterhouseCoopers (PwC) earlier this year through the cross-Government Administrative Burdens Measurement Exercise – are very broadly estimated to cost business just under £5.3bn per year.

1.5. Like other Departments, we aim to reduce these burdens by 25%. Drawing extensively on advice and input from key business, employee and consumer bodies and our delivery partners, we have worked up proposals we estimate will deliver savings of around £700m – a first instalment towards our overall target of £1.3bn. We will publish plans laying out how we aim to deliver the remainder by the end of 2007.

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<sup>2</sup> For example responding to requests for information from Government.

<sup>3</sup> For example compliance costs such as the cost of new equipment to meet safety standards.

## **2. DTI's agencies, independent regulators and enforcement authorities**

2.1. The Department has an extensive regulatory remit, including company law, the competition framework, energy market regulation, employment law, consumer legislation and intellectual property. Efficient regulatory frameworks, imposing as few burdens as possible, are vital to economic success.

2.2. DTI discharges its responsibilities in partnership with a range of executive agencies, independent regulators, enforcement authorities and advocacy bodies. DTI's agencies include the Small Business Service (SBS), Companies House, the Patent Office, the National Weights and Measures Laboratory and the Insolvency Service.

2.3. The regulators include the Financial Reporting Council, the Office of Gas and Electricity Markets (OFGEM), the Office of Communications (OFCOM) and the Office of Fair Trading (OFT). OFGEM, OFCOM and the OFT have developed their own Simplification Plans. At local level, much of our consumer legislation is enforced by trading standards authorities. We sponsor the National Consumer Council, whose remit we are proposing to extend to include energywatch, Postwatch and the Financial Services Consumer Panel.

2.4. OFCOM has published a first simplification programme with its annual report<sup>4</sup>.

2.5. OFGEM has produced simplification proposals as part of its corporate strategy plan 2006-2011, published in March 2006<sup>5</sup>.

2.6. The OFT simplification plan is due to be published this year.

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<sup>4</sup> [http://www.ofcom.org.uk/about/accoun/reports\\_plans/annual\\_plan0607/statement/statement.pdf](http://www.ofcom.org.uk/about/accoun/reports_plans/annual_plan0607/statement/statement.pdf).

<sup>5</sup> [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/14563\\_5606.pdf?wtfrom=/ofgem/work/index.jsp&section=/areasofwork/corporateplanning](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/14563_5606.pdf?wtfrom=/ofgem/work/index.jsp&section=/areasofwork/corporateplanning).

### 3. Background to this Simplification Plan

3.1. The Government is pursuing an extensive better regulation agenda, including the following important reviews and reports:

- the Better Regulation Task Force (Arculus) Report “Less is More”<sup>6</sup>, which recommended that departments should prepare rolling simplification plans, measure their administrative burdens (as noted above) and set targets for reducing them. The Administrative Burdens Measurement Exercise has been led by the Cabinet Office Better Regulation Executive;
- the Hampton Report “Reducing Administrative Burdens: Effective Inspection and Enforcement”<sup>7</sup>, which recommended departments should follow principles of risk-based inspection and enforcement, based on fewer agencies and greater co-operation between them;
- the Davidson Review of implementation of European legislation, which in July 2006 produced interim findings on departments’ transposition performance<sup>8</sup> and whose final report was published 28 November 2006.

3.2. DTI’s contribution to these initiatives is described in this Plan. We have been reviewing many areas of regulation and enforcement since 2004 when we committed to reducing DTI’s regulatory costs by a total of £1bn. This target covers both administrative burdens and policy costs.

3.3. Since we published our draft Simplification Plan a year ago, we have launched major reviews of employment law (the Employment Law Simplification Review – see paragraphs 7.3 – 7.14) and the energy market (paragraphs 7.25 – 7.28). We have also worked closely with the Better Regulation Executive and the Treasury on the methodology and management of projects like the Administrative Burdens Measurement Exercise and techniques such as regulatory impact assessment.

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<sup>6</sup> <http://www.brc.gov.uk/publications/lessismoreentry.asp>

<sup>7</sup> <http://www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf>

<sup>8</sup> [http://www.cabinetoffice.gov.uk/regulation/reviewing\\_regulation/davidson\\_review/](http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/davidson_review/)

## 4. Administrative burdens

4.1. The Administrative Burdens Measurement Exercise, completed by PwC in September 2006, mapped and estimated the administrative cost of regulations in force in May 2005, using the Standard Cost Model developed and applied in similar projects in the Netherlands and Denmark<sup>9</sup>.

4.2. The Standard Cost Model does not – and is not meant to – produce statistically representative measures of costs; it is a pragmatic approach, providing indicative estimates. It provides us with a starting point – a baseline – which will allow us to set reduction targets and measure progress towards delivering them.

4.3. The Administrative Burdens Measurement Exercise put the cost of DTI regulations at £5.3bn a year. This excludes costs that are linked to regulatory requirements, but which businesses would still incur if the regulation were to be removed<sup>10</sup>. These “business as usual” (BAU) costs are excluded from departments’ baselines, to enable simplification to focus on areas where business will feel the benefits. The process of removal of BAU costs was carried out by a panel of independent business representatives organised by the Cabinet Office.

4.4. The bulk of the DTI’s costs stem from employment law, consumer law and company law, and particularly from rules requiring firms to give information to third parties such as consumers, employees and shareholders. Requirements of this kind account for 87% of DTI’s baseline and are often the way people’s rights are protected.

4.5. We have considered how to address DTI’s most costly regulations. We have also sought to tackle lower cost requirements that could have a disproportionate effect on specific sectors or smaller firms, or which business have told us are particular irritants.

4.6. We estimate that the measures in this Plan should reduce DTI’s baseline by about £700m, or 14%. This is net of the additional cost of new regulation in the pipeline, which we currently estimate could amount to £115m a year in new administrative burdens.

4.7. The following table shows PwC’s estimates of DTI administrative burdens by policy area, and the savings we forecast will come from simplification measures in this Plan. A summary technical document containing the main figures for DTI can be found on our website.

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<sup>9</sup> Administrative burdens are red tape costs imposed on business by regulation, such as form-filling, record-keeping, official returns and complying with inspections.

<sup>10</sup> For example, companies are required to file annual accounts with Companies House, but also need these accounts for their own business purposes.

## DTI administrative burden baseline and reductions

DTI policy area	Total after business as usual cost removal £m	Current estimated saving £m
Employment law	1,914	427
Consumer & Competition Policy	1,342	170
Company Law & Companies House	962	167
Intellectual Property	265	14
Insolvency Service	220	12
Energy (excluding OFGEM)	78	0
Other	51	29
<b>Total admin burdens</b>	<b>4,832</b>	<b>819</b>
Less new burdens since May 2005		(115)
Net admin burdens savings		<b>704</b>
Safety regulations under review <sup>11</sup>	443	
<b>DTI Baseline</b>	<b>5,275</b>	
<b>Approximate % Reduction</b>		<b>14%<sup>12</sup></b>

4.8. These estimated figures are subject to revision as measures are developed. Total savings here do not correspond precisely to totals from our detailed proposals in the table at the end of the Plan (which are sometimes higher), for example because some savings accrue to a number of Government departments.

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<sup>11</sup> This is the estimated cost of regulations made under the Consumer Protection Act (CPA) which are being reviewed with the sectors concerned. Some of the costs are likely to have been reflected elsewhere in the baseline, while others (relating to electrical and gas safety) may not have been captured. The results of this work will be published in 2007

<sup>12</sup> DTI's projected savings range from 13-15%, depending on how much of the CPA £443m remains in the baseline in the light of the above work.

4.9. We aim to meet our 25% administrative burdens reduction target in full, and are working across DTI to identify new measures so that next year we can show how we will achieve the required total savings. We recognise this will be a major challenge. We have already made progress in some areas, but we have a great deal more to do.

## **5. Creating the Simplification Plan through consultation with business, employee and consumer organisations**

5.1. In order to identify possible simplification proposals, we have been strongly encouraging those affected by our regulations to tell us what they want us to look at.

5.2. This Plan has been developed in consultation with a number of key interest groups: The CBI, the Engineering Employers Federation, the Federation of Small Businesses, the British Chambers of Commerce, the Forum for Private Business, the Small Business Council, the Institute of Directors, the National Consumer Council and the Trades Union Congress.

5.3. We have explored DTI's administrative burdens results with the monitoring group we set up to oversee the project in the Department, and in workshops with industry representatives on specific pieces of legislation such as the Consumer Credit Act and the EC directives on flexible working and working time.

5.4. These arrangements have complemented the sectoral groups (vehicles, chemicals, biotechnology, retail and construction) in which we bring together business and officials from DTI and other government departments, to examine the range of regulatory issues affecting firms in each sector.

5.5. We also invited comments through our dedicated e-mail address, [simplify@dti](mailto:simplify@dti) and through BRE's central website. We have received over 60 comments or suggestions for simplification and reduction of burdens. The greatest numbers of comments were about employment legislation. The next largest group called for closer harmonisation of different government departments' information demands, an issue on which this Plan focuses. See, for example, paragraph 7.24 (page 24) on the data sharing and joint filing project Companies House is implementing with Her Majesty's Revenue and Customs.

5.6. In many cases, our development of simplification measures has been an iterative process working closely with interested parties. In others we have sought to develop proposals in response to general concerns that have been put to us (which are summarised in the next Section). In some cases we have received specific proposals on which we have been able to act. For example, in response to a suggestion from the Association of the British Pharmaceutical Industry, the Companies Act 2006 provisions on the registration of a company director's home address (on the secure register) and correspondence address now involve one rather than two applications.

5.7. Finally, we have taken account of recent reports on regulatory matters, including PwC's account of DTI Administrative Burdens (as part of the overall measurement exercise), the NCC study "Consumers and Regulation"

(October 2005) and the Institute of Directors latest Case Studies. We have examined the CBI report on the need for employment law simplification, "Lightening the Load" (October 2006), and will be working closely with the CBI to address issues it raises.

## 6. Better regulation issues facing DTI

6.1. Meeting our net administrative burdens target requires a sustained programme of work up to 2010. We are also looking hard at other aspects of the regulatory framework – particularly industry’s concerns about substantive policy costs – while recognising the role efficient regulation can play in correcting market failures, promoting fairness and increasing competition.

6.2. Our priorities will be informed by the views and evidence we receive from citizens, firms, business organisations, trade unions and consumer groups and other bodies, with whom we want to work in partnership. These priorities include policy areas such as employment law (including, for example, dispute resolution) and energy policy, and some clear cross-cutting issues:

- the time, cost and irritation involved in getting to grips with complex or inconsistent rules – and the need for more user-friendly guidance;
- the way we have transposed some European legislation, including our use of derogations;
- difficulties posed by frequently changing rules – notwithstanding our adoption of common commencement dates for domestic regulation;
- demand for requirements to be tailored to those they affect, for instance by harmonising more closely different government departments’ information needs.

6.3. We will be exploring the detail of existing regulations to see where we can make them more straightforward, and to cut unnecessary procedures, streamline services and further embed risk-based enforcement and inspection. And we shall be looking for new sources of simplification ideas, including the Small Business Service’s business experience projects which place the firm’s personal experience of regulation in the spotlight.

## 7. Major simplification measures

7.1. This section sets out some of the main simplification measures in the Plan, including those aimed at reducing administrative burdens and aimed at cutting policy costs.

7.2. The tables at the end of the Plan set out DTI's simplification measures. Table (iii) lists separately measures falling within the scope of the Plan (January 2005 – May 2010) that have already been implemented. These account for approximately £120m of our total forecast administrative burden net savings of around £700m.

### Employment Law

7.3. In its Success at Work policy paper (March 2006), DTI recognised the need to simplify the law and improve advice and guidance for employers. Business has made it clear – for example in the CBI report Lightening the Load (October 2006) – that the increased complexity of employment law is a source of real concern and a key item on the better regulation agenda.

7.4. Success at Work outlined the terms of DTI's Employment Law Simplification Review. This is work in progress; here we set out the following measures.

### Dispute resolution

7.5. On 7 December 2006 the Secretary of State announced the appointment of Michael Gibbons to undertake a root and branch review of the framework for settling disputes between employers and employees. We want it to be easier to settle disputes without the parties needing to resort to employment tribunal hearings. PwC estimated that the disputes regulations cost firms nearly £290m a year, £172m of which stems from responding to claims. We are considering options including suggestions from business and changes to guidance. Halving procedural obligations would save £57m a year; and fewer tribunals could reduce both costs and stress (Table (i) Item 1).

### Employment particulars

7.6. PwC estimated that producing employment particulars (i.e. the statement of key terms of employment, to which all employees are entitled) cost firms £586m (or £158 for each statement). We have already developed a web-based tool<sup>13</sup> which allows firms to produce these statements at a fraction of this cost and are looking to improve this tool further and increase awareness of it. We believe the time involved could be cut to around 30

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<sup>13</sup> [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

minutes – reducing the cost to about £40 per statement, a saving of £118 per statement. On the basis of these figures and assuming a third of businesses use this tool or equivalent, the administrative saving could be as much as £145m per year (Table (i) Item 2).

### Agency workers

7.7. Administrative burdens measurements suggest that some employment agencies are spending significantly more money than necessary complying with provisions on e.g. securing a worker's agreement to vary their terms and sending a copy of agreed terms to the hirer. On the basis of the PwC figures, we estimate that improving guidance and increasing awareness of it has the potential to save £78m a year (Table (i) Item 3). We are also examining the possibility of reducing some of the requirements where the duration of work assignments is short.

### Employment status

7.8. We are developing an interactive tool (to be available on [www.direct.gov.uk](http://www.direct.gov.uk) and linked to <http://www.businesslink.gov.uk/>), to help people understand the current framework of rights and responsibilities (Table (i) Item 4).

### Redundancy

7.9. We will extend the web-based approach to help employers produce statements of redundancy pay, to complement the existing calculation tool. From the PwC figures, we estimated that this could save a further £5m a year. In response to the CBI's recommendation, we will seek to improve guidance on contract variation, dismissal and re-engagement (Table (i) Item 5).

### National minimum wage

7.10. We abolished the Older Worker Development Rate on 1 October 2006, saving business an estimated £5m a year (the cost of providing written agreements) (Table (i) Item 6).

### Guidance

7.11. We continue to work with the transformational government agenda to ensure all business-facing web-based guidance is placed on the Businesslink website and all employee-based guidance is placed on the directgov website. We are considering ways to improve provision of government help-lines and to raise awareness of the guidance and help available. We estimate savings of nearly £50m in the context of flexible working; over £60m on working time; £7m on the national minimum wage; and nearly £5m in the context of parental leave (Table (i) Item 7).

7.12. These estimates are based on an expectation that clearer, more widely used guidance and tools have the potential to deliver substantial savings, for example in the time firms spend on compliance and in payments to external advisers. This is a message that we have heard clearly from a wide variety of businesses, both in respect of guidance generally and on specific issues. The PwC work also suggests that in many cases businesses were incurring greater costs than would seem necessary to meet their obligations. With input from business, we have estimated how much it would cost a business to fulfil particular obligations if they followed the approach set out in our current or intended guidance/tools. We have used the working hypothesis of one third of businesses doing so. We would expect awareness to increase over time in response to our efforts to promote it and in line with standard product life cycles, and we will test awareness to ensure we are delivering the savings we have identified.

#### Maternity leave and pay

7.13. On 1 October 2006 we revamped all government website advice on maternity leave and pay, to remove duplication and to ensure it is streamlined, clear, consistent and clearly targeted at employers, employees and intermediaries as necessary. We have also produced a summary statement of rights and responsibilities which has been well received by business. (Table (i) Item 8).

#### Trade unions

7.14. PwC estimated that complying with trade union law costs unions just under £66m. We are examining the case for reducing these costs by allowing some non-postal balloting. More generally, we have asked trade unions to submit ideas to simplify trade union law; ideas that do not undermine essential rights will be subject to wider consultation. Our guidance is also under review.

### **Consumer Law**

#### Unfair Commercial Practices Directive

7.15. The implementation into UK law of the EC Directive on Unfair Commercial Practices by DTI provides us with an opportunity to repeal provisions in 22 pieces of consumer law. Business has been closely consulted and taken an active part in the development of implementation proposals. We responded to the consultation on 11 December 2006. In the Plan period, the administrative burdens net savings could be up to £35m a year. The new legislation will create a leaner regulatory landscape, offering long-term gains. The flexibility of the general duty should minimise the need for additional regulation in this field (Table (i) Item 10).

### Retail Enforcement Initiative

7.16. In June 2005 DTI launched the Retail Enforcement Initiative pilots in Bexley and Warwickshire aiming to establish closer working between trading standards, environmental health, health and safety and fire authorities and, where appropriate, licensing – with the potential to reduce inspection visits for good companies by up to a third. The Government will now extend the initiative to 70 further local authorities. SSWark and City of London will begin testing the method from January 2007 with more authorities from Wales, West Yorkshire, the Midlands, London and the South West to join from April 2007. National adoption would produce savings of around £7m a year for information obligations related to trading standards, with similar amounts anticipated for environmental health, health and safety and fire. Further cost reductions from productivity gains at local authority level will be fully evaluated as part of the wider pilot testing. The interim report on the Retail Enforcement Pilots will be published shortly (Table (i) Item 11).

### Local Better Regulation Office

7.17. To promote and embed the Hampton approach to inspection and enforcement, DTI, HM Treasury and the Better Regulation Executive have been working to develop the Local Better Regulation Office (LBRO), a strategic body that will deliver a significant reduction in burdens on business in the areas of trading standards and environmental health without compromising regulatory outcomes.

### Consumer credit

7.18. Requirements to provide annual statements under running credit account agreements (such as credit cards) and other requirements on licensed credit providers to supply information are under review as part of the implementation of the Consumer Credit Act 2006. Total burdens reduction is currently estimated at £14m a year, but more may be possible (Table (i) Item 14).

### Consumer Voice

7.19. We are developing a simpler and more effective system of consumer representation, providing greater certainty of redress for utility consumers and better value for money for industry and consumers – through a more coherent organisation, Consumer Voice. Policy cost savings to business are estimated to be about £9m a year (Table (ii) Item 40).

## Company Law and Companies House

### Companies Act 2006

7.20. The Companies Act 2006, which received Royal Assent on 8 November, brings about fundamental reforms, modernising company decision-making processes and simplifying complex rules. We estimate this could save companies £150m a year in reduced administrative burdens.

7.21. The requirement on private companies to hold AGMs, which PwC estimated imposed administrative burdens of up to £48m a year, will be abolished. The removal of the obligation on businesses to send all communications in hard copy has potential to deliver significant savings to companies – particularly large companies who currently can incur costs of £100,000-400,000 per mailing. (Table (i) Items 18 and 19).

7.22. Estimates of the total savings from the Act, including policy cost savings (based on the Regulatory Impact Assessment), are £165m – £340m.

### Companies House projects

7.23. Companies House is at the forefront of automation in its registration and database services. The development of My Companies House, with individual company portals (see paragraph 8.7), will reduce form filling and provide access to a wider range of services; and could save business up to £13m (Table (i) Item 23).

7.24. Companies House is working with Her Majesty's Revenue and Customs (HMRC) on a major project introducing data sharing, joint filing and a single business identifier – addressing firms' demands for closer harmonisation of government information requirements. Total savings could amount to £60m a year (shared with HMRC). This work shows the potential to deliver a number of Government services more efficiently to business (Table (i) Item 24).

## Energy policy

7.25. In its report on the Energy Review, "*The Energy Challenge*" (July 2006), DTI said it would ensure proposals were taken forward in accordance with better regulation principles. Major proposals in the report (many of which were for further consultation) included fundamental change to and streamlining of the planning system for all types of energy projects, and removing regulatory barriers to carbon capture and storage.

7.26. A White Paper will be published next year. Measures that will contribute to reductions in policy costs or administrative burdens will be detailed in future editions of this Plan, for example work to simplify the Renewables Obligation which has potential to offer significant savings for business.

7.27. Alongside the Energy Review, the Energy Better Regulation Project consulted industry stakeholders informally during 2006, with the aim of identifying possible simplification measures. They have told us that administrative burdens imposed on them by DTI are generally not seen as a high priority, and few DTI-specific measures were proposed. Following cost/benefit analysis of repealing or consolidating legislation, the project concluded that the statute book should be tidied up over time as part of ongoing legislative renewal. Several other proposals arising from this review now fall within the remit of other projects including the Energy White Paper. An example is the review of electricity licence exemptions which will be covered under the distributed generation workstream.

7.28. Industry stressed the need for DTI to continue to apply better regulation principles and to minimise new burdens when developing new regulation, as well as the need for the Department to work more effectively to influence other government departments' policies affecting the sector. A detailed report of the regulatory review project is published along with this document.

### **Small Business Service**

7.29. The Small Business Service is developing an International Trade Single Window, designed to save importers and exporters over £69m a year through significantly improved access to information on import rules and regulations, speedier transactions, reduced paperwork (e.g. through pre-population from user accounts) and faster clearance of goods (Table (i) Items 35-37).

7.30. The Small Business Service is also introducing a system of e-mail alerts about regulatory changes, plus advice tailored to the needs of over 400 business sectors which we estimate will save firms £25m a year (Table (i) Item 34).

7.31. The measures in this Plan complement the Business Support Simplification Programme, a government-wide initiative co-hosted by DTI. The programme, announced in the 2006 Budget, will streamline business support at a local, regional and national level to reduce the number of schemes from around 3,000 to just 100 by 2010. This work will be done in partnership with RDAs, other government departments and local bodies. It will make business support easier to access and to use, reducing red tape and improving the productivity of small business.

## **8. Implementing the Hampton Report in DTI**

8.1. DTI has a major role in implementing the Hampton principles. We estimate that Hampton-related measures in this Plan could reduce administrative burdens by about £45m a year. Our work impacts on a number of areas.

### **Mergers**

8.2. In the light of the Hampton Report recommendations, DTI has carried out the following organisational changes:

- Companies Investigation Branch merged with the Insolvency Service Agency on 1 April 2006;
- the electrical safety inspection functions of DTI's Engineering Inspectorate (along with a number of inspection staff) transferred to the Health and Safety Executive (HSE) on 2 October 2006;
- DTI's Coal Authority has operated a policy of joint inspections with the HSE since June 2006.

### **Easing the burden in local authority areas**

8.3. As we note in paragraph 7.17 above, DTI has been a partner in developing the Local Better Regulation Office (LBRO), a strategic body that will be delivering a risk-based Hampton approach to local authority trading standards and environmental health regulatory services. Its primary objective will be to deliver a significant reduction in the burdens on business while ensuring that regulatory outcomes are not compromised.

8.4. DTI's Retail Enforcement Initiative, launched in June 2005 in Bexley and Warwickshire, is contributing further to the implementation of Hampton principles by promoting risk-based approaches to inspection and enforcement; and by developing co-ordination between the trading standards, environmental health, health and safety and fire authorities to join up delivery mechanisms and processes which would otherwise be duplicated in different disciplines.

### **Data sharing and harmonisation of government departments' information requirements**

8.5. The Retail Enforcement Initiative has done a considerable amount of work to ensure that information collection processes are streamlined. An IT-based solution enables inspectors to share information and collect data in the field, and to use that data to identify risks and to target inspections.

8.6. As we note in paragraph 7.24 above, Companies House is working with HMRC on a major project to introduce joint filing, data sharing and a

single business identifier. This has the potential to be extended to other departments.

## **Forms**

8.7. As noted in paragraph 7.23 above, Companies House pre-populates information for companies' annual returns, saving companies the job of filing the same information twice. It is currently developing a fully electronic data exchange to allow companies to own their data on the register, through a personalised web portal allowing them to update their data.

8.8. The International Trade Single Window also involves pre-population of data from business users' accounts, as part of the objective of speeding up transactions and reducing paperwork.

8.9. The Patent Office began a review of its forms in August 2005, aimed at reducing time to complete, simplifying information requirements and cutting costs. All forms have been developed in consultation with interested parties through consultation groups.

## 9. Davidson Review and European regulation

9.1. Neil Davidson QC, former Solicitor General for Scotland, was appointed by the Chancellor in 2005 to review the implementation of EC legislation in the UK. There were around 160 written responses to the call for evidence, a summary of which was published in July 2006<sup>14</sup>. The final report, which we are now considering, was published on 28 November 2006.

9.2. More generally, DTI has been pursuing better regulation in Brussels, in partnership with the Better Regulation Executive and the Treasury. The European Commission has published a rolling simplification programme with over 100 specific proposals (affecting 1,400 pieces of legislation), and this year political agreement was reached on the Services Directive, which will open markets to UK business, bringing benefits to the UK economy in the region of £6bn a year<sup>15</sup>.

9.3. In co-operation with the Department for the Environment, Food and Rural Affairs, and our stakeholders, DTI has helped reduce by £6bn the projected costs across the EU of a Regulation on the Registration, Evaluation and Authorisation of Chemicals (REACH). Looking ahead, the review of the eight consumer protection directives which make up the *acquis* is a further opportunity for simplification.

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<sup>14</sup> [http://www.cabinetoffice.gov.uk/regulation/reviewing\\_regulation/davidson\\_review/](http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/davidson_review/)

<sup>15</sup> *The Economic Importance of the Country of Origin Principle in the Proposed Services Directive*, Copenhagen Economics, October 2005

## 10. Forward look: identifying potential simplification measures for the 2007 Plan

10.1. As we note above, DTI is determined to achieve a 25% reduction in its administrative burdens by 2010. This Plan includes estimated savings of about £700m, or 14% of our baseline. Next year we aim to set out the measures projected to deliver the remaining 11%, or £560m, of savings.

10.2. Identifying and developing these measures will require substantial effort, and the Secretary of State makes clear in his foreword that he welcomes all ideas and views. DTI will continue to work closely with all interest groups on new simplification proposals. This includes the employment law field where we are keen to engage with any practical ideas business and employee representatives have on how we can foster compliance and reduce compliance costs and complexity.

10.3. This work is likely to be informed amongst other things by the Better Regulation Commission report "Risk, Responsibility, Regulation: Whose Risk Is It Anyway?"<sup>16</sup> which DTI is currently considering along with other government departments. In the meantime we are reviewing a range of other potential measures for next year's Simplification Plan:

- we will take advantage of the European Commission's review of all the main consumer directives to seek to achieve further radical simplification and streamlining of UK consumer law without reducing consumer protection;
- in the energy policy area, as we note above, several proposals arising from the regulatory review now fall within the remit of other projects, including the Energy White Paper;
- following a review of insolvency secondary legislation, which promises to save £11.6m in administrative burdens, we are considering the possibility of a review of the primary legislation.

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<sup>16</sup> [http://www.brc.gov.uk/publications/risk\\_report.asp](http://www.brc.gov.uk/publications/risk_report.asp)

## 11. Can DTI deliver?

11.1. As a Department we will be judged on our ability to deliver – a task we have already begun.

11.2. We are committed to a demanding target and our success will be judged by business. To achieve this we have set out the first part of what is necessarily an ambitious plan.

11.3. It follows that such an extensive programme of simplification measures carries risks. This is especially the case in Europe, where the momentum for better regulation must be sustained (and reconciled with concerns about necessary protection), and at home where one of the principle issues will be our ability to resource projects in the face of pressures on our budgets in the foreseeable future.

11.4. We will manage these risks through our governance arrangements (including DTI's Better Regulation Programme Board and Delivery Sub-board) and monitoring processes overseen by our Better Regulation Team, which co-ordinates and supports policy units' activities to ensure benefits are delivered to business.

11.5. Successful delivery also means integrating the principles of good regulation – proportionality, accountability, consistency, transparency and targeting – into everything we do, rather than treating simplification as an add on or afterthought. Already, DTI has been highlighted by the National Audit Office<sup>17</sup> as an exemplar, including for example in the way we have integrated Regulatory Impact Assessments into our policy-making processes.

11.6. To sustain progress we are strengthening our policy-making culture so that better regulation principles are factored into decisions from the start. Our challenge is to ensure best practice spreads throughout DTI. For its part, the DTI Board has adopted better regulation as a high priority, and is committed to making it an acid test of DTI's success.

11.7. To achieve our aim of an improved regulatory environment for business, we have developed a culture change strategy under which we have introduced:

- a better regulation checklist for DTI ministers and officials to use when taking policy decisions;
- a Ministerial Challenge Panel, chaired by the Minister for Better Regulation, opening DTI's agenda to external scrutiny;

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<sup>17</sup> NAO Evaluation of Regulatory Impact Assessments 2005-6  
[http://www.nao.org.uk/publications/nao\\_reports/05-06/05061305es.pdf](http://www.nao.org.uk/publications/nao_reports/05-06/05061305es.pdf)

- better policy-making objectives for DTI's top civil servants – including chief legal, scientific and economic advisors – linked to personal bonuses.

## 12. What next?

12.1. The Simplification Plan is a rolling work programme. We will continue to update it with further proposals to remove administrative burdens and to simplify both existing and new regulations.

12.2. We want you to keep sending us your ideas. Please visit the DTI Better Regulation webpage<sup>18</sup> to find out how to do this.

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<sup>18</sup> <http://www.dti.gov.uk/bbf/better-regulation/challenge-red-tape/views/page25447.html>

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>Employment Law: Revisions to employment law and guidance.</b>					
<p><b>1. Dispute resolution.</b></p>	<p>Discussions with business and unions have confirmed a number of problems with the current arrangements, e.g. too much focus on procedural issues, lack of alternatives to provide earlier dispute resolution.</p> <p>PwC estimated admin costs of responding to such claims as over £172m/ year and admin costs of procedural regulations relating to dispute resolution regulations as £115m.</p>	<p>DTI considering a range of options for improving the current arrangements.</p>	<p>A key aim will be to reduce the number of cases going to Employment Tribunals, benefiting employers across all sectors as well as leading to a reduction in costs and stress for employees.</p>	<p>Savings will depend on the options chosen. Halving the procedural obligations relating to dispute resolution regulations will save business over <b>£57m</b> on the basis of the PwC figures.</p>	<p>7 December 2006 – Michael Gibbons appointed to lead a root and branch review of the dispute resolution process. Reporting Spring 2007.</p> <p>Formal public consultation on options for change in 2007</p>

## (i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>2. Employment particulars.</b></p>	<p>All employees are entitled within 2 months to a statement of the key terms of their employment – e.g. pay, hours, place of work. PwC estimated that it costs business £586m – i.e. £158 per statement – to produce these summaries and £58m (£48 per procedure) to deal with changes. This suggests that businesses are using outside experts to generate statements.</p>	<p>A tool is already available on <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a>, which allows business to produce such statements in around 30 minutes. Efforts are being made to further improve this tool and increase awareness of it.</p> <p>We also intend to improve the guidance to make it clearer that statements are not needed if written contracts have already set out the terms.</p>	<p>Use of the <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a> tool would allow statements to be produced for around £40 each.</p> <p>Further benefits could result if businesses make changes to particulars in the simplest way.</p>	<p>We anticipate that one third of statements issued are likely to use this tool; in this case, business would save around <b>£145m</b> on the basis of PwC figures.</p> <p>A further <b>£15m</b> of savings could result from businesses making changes to particulars in the simplest way.</p>	
<p><b>3. Agency workers.</b></p>	<p>PwC estimate that regulation of employment agencies imposes £295m of admin burdens. For example, this data estimates:</p> <ul style="list-style-type: none"> <li>• £1688 to secure a worker's agreement to vary their terms</li> <li>• £1117 to send a copy of agreed terms to a hirer.</li> </ul>	<p>Guidance available to employment agencies on a range of these obligations will be improved.</p> <p>Work is underway to examine scope to reduce some of the administrative requirements relating to provision of information about and to hirers where the duration of assignments is short.</p>	<p>Employment agencies will benefit from reduced costs of complying with these information requirements.</p>	<p>We estimate that one third of employment agencies are likely to take a more cost-effective approach to meeting their obligations, on the basis of PwC's figures this will save over <b>£78m</b>.</p>	<p>Consultation by end of 2006</p>

### (i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>4. Employment status.</b></p>	<p>Discussions with employers revealed the need for better guidance on the issue of employment status.</p>	<p>An interactive tool is being developed which will be linked to <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a> website.</p>	<p>Employers should benefit from a clearer understanding of their legal position.</p>	<p>Work underway to establish the savings this enhanced understanding would lead to.</p>	<p>We aim to produce the tool by early 2007.</p>
<p><b>5. Redundancy.</b></p>	<p>Discussions with business have revealed confusion on the interplay of the statutory redundancy scheme with other areas of employment legislation.</p> <p>PwC have also estimated that the cost of proving a written breakdown to employees of how their redundancy payment has been calculated is over £29m. This is an important right for employees, but there is scope to reduce the associated administrative burdens to business.</p>	<p>Guidance will be improved to ensure that it addresses issues raised by employer organisations.</p> <p>A tool will be produced on <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a> that will enable employers to produce a written statement showing how an employee's redundancy has been calculated (to complement the existing tool for calculating the payment.)</p> <p>In response to the CBI recommendation guidance on the consultation process that applies when a business is proposing to make collective contract variation that will require a dismissal and re-engagement of employees will be improved.</p>	<p>Clearer guidance will reduce some of the costs, complexity and uncertainty for business of the statutory redundancy scheme. The new tool will allow a written statement to be produced at a significantly reduced cost – from about £300 per statement to about £200.</p>	<p>Assuming a third of businesses use the tool or equivalent, then on the basis of PwC figures, this will save business approximately <b>£5m.</b></p>	<p>Development of tool to begin early 2007.</p>

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>6. National Minimum Wage regulations.</b></p>	<p>The cost of providing a written agreement for the hourly rates of the minimum wage to apply where the worker is taking part in accredited training in certain circumstances.</p>	<p>This particular aspect of the regulation was abolished on 1 October 2006.</p>	<p>Businesses that have employees qualifying for the minimum wage will benefit from the removal of this requirement.</p>	<p>On the basis of PwC estimates, employers will benefit by <b>£5.1m.</b></p>	<p>Regulation abolished on 1 October 2006</p>
<p><b>7. Guidance.</b></p>	<p>There is business demand for better, clearer, streamlined advice and guidance on employment law generally. For example, CBI recommended that Government should review and simplify guidance material on employment matters.</p> <p>PwC's estimates of the costs of a number of employment law information obligations also suggest business is spending more money than is necessary to comply with the law.</p>	<p>Ensuring content and delivery of guidance meets business needs.</p> <p>Considering ways of improving Government help-line provision</p> <p>Raising business awareness of the guidance and helping them to meet their obligations including through a possible employment standard summarising key employment law obligations.</p>	<p>Improved content, availability and awareness of guidance will reduce the costs for business of understanding and meeting their obligations.</p>	<p>Assuming a third of businesses take a more cost-effective approach to meeting their obligations, the following savings could be made:            Flexible working - £50m            Working time - £60m            National Minimum Wage - £7m            Parental leave - £5m</p> <p><b>Total: £122m.</b></p>	

**(i) Detailed simplification proposals: administrative burdens reductions**

<b>POLICY AREA / MEASURE / INITIATIVE</b>	<b>TYPE OF BURDEN</b>	<b>ACTIONS</b>	<b>OUTCOMES (INCLUDING SECTORS TO BENEFIT)</b>	<b>ANNUAL ADMIN BURDENS SAVINGS</b>	<b>MILESTONES/ DEADLINES FOR DELIVERY</b>
<p><b>8. Maternity leave and pay.</b></p>	<p>Businesses and individuals say that the variety and duplication of advice on maternity leave and pay on different Government websites caused confusion, whilst there is survey evidence of a lack of awareness of employer and employee rights, leaving some vulnerable to unwitting unlawful treatment of employees or conversely, overcautious compliance.</p>	<p>Government website advice has been revamped to remove duplication and ensure guidance that is streamlined, consistent and clearly targeted.</p> <p>Summary leaflets have been produced for both employers and employees setting out rights and responsibilities in a clear way.</p>	<p>All employers should find it easier to understand their rights and responsibilities and hence fulfil them more effectively.</p>	<p>Although PwC data did not estimate significant admin burdens in this area, employers have identified these issues as key irritants.</p>	<p>Improved guidance introduced 1 October 2006.</p>

**(i) Detailed simplification proposals: administrative burdens reductions**

<b>POLICY AREA / MEASURE / INITIATIVE</b>	<b>TYPE OF BURDEN</b>	<b>ACTIONS</b>	<b>OUTCOMES (INCLUDING SECTORS TO BENEFIT)</b>	<b>ANNUAL ADMIN BURDENS SAVINGS</b>	<b>MILESTONES/ DEADLINES FOR DELIVERY</b>
<p><b>9. Trade Unions</b></p>	<p>PwC estimated that the total administrative burdens for unions of complying with trade union law is just under £66m. It is estimated to cost unions £1m / yr to ensure that everyone who is entitled to vote in a ballot on industrial action is sent a voting paper.</p>	<p>We are examining the case for allowing non-postal balloting (e.g. industrial action ballots, elections to senior union positions) where unions are currently required to ballot their members.</p> <p>In addition, we have asked trade unions to submit ideas to simplify the complex structure of trade union law, provided those ideas do not undermine the essential rights of union members or others. Any ideas that meet these criteria will be subject to wider consultation.</p>	<p>Use of alternative balloting methods should make it easier for individual trade unionists to participate in these ballots and reinforce union democracy, whilst giving unions more options to meet the requirements of the law.</p> <p>By simplifying other aspects of trade union law, individual union members would find it easier to understand and enforce their rights, whilst ensuring that trade unions can more readily understand and meet their legal obligations. As regards industrial action law, any simplification should make the regulatory requirements clearer for both trade unions and employers, reducing the need for costly litigation.</p>		

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>Competition Policy and Consumer Law Benefits to businesses and consumers</b>					
<p><b>10. Business to consumer advertising and marketing rules:</b></p> <p><b>Transposition of the Unfair Commercial Practices Directive.</b></p>	<p>Overlapping regulatory requirements, especially with regard to information provided by business to consumers and enforcers.</p>	<p>Transposition of the Unfair Commercial Practices Directive: possible repeal and replacement of provisions in 22 pieces of consumer legislation with general duty not to trade unfairly.</p>	<p>Simpler legal framework; reduction in consumer detriment, and more level playing field for business. Internal market benefits from harmonised legislation. Potential net reduction in admin burdens due to easier familiarisation and innovation in business processes post-2009.</p>	<p>UCPD likely to impose £11-22m of admin burdens, but removal of existing information obligations will save £11.6m.</p> <p>In addition, repealing a number of consumer regulations (or parts of regulations) to replace with the general duty will allow businesses more scope to innovate in how they comply. Estimated savings, 5-10% of admin burdens associated with affected legislation. Further minor savings due to easier familiarisation (assumed to take 10-20% less time than currently).</p> <p>Indicative net saving by 2010:</p> <p><b>Up to £35m.</b></p>	<p>Government response to consultation published 11 December 2006.</p> <p>Consultation on proposed implementing legislation first quarter 2007.</p> <p>Entry into force December 2007.</p>

## (i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>11. Retail Enforcement Initiative.</b>	Multiple inspections of retailers by different enforcers.	Retail Enforcement Initiative launched June 2005 in Bexley and Warwickshire - pioneering new approaches by joining up work of trading standards, environmental health, health and safety and fire authorities. implementing risk-based, targeted and proportionate interventions; fewer and simpler forms; and provision of timely advice to aid compliance.	National adoption would deliver significantly reduced administrative burdens for around 290,000 retailers. Reductions in form filling and better-targeted advice. Figure represents savings relating to trading standards inspections only, total savings from the whole scheme are likely to be approximately double this amount.	Evidence suggests the scheme would lead to a third fewer visits for compliant businesses, applying this reduction to PwC measured burdens of trading standards inspection suggests a saving of <b>£7.2m</b> .	Initiative will be extended to a further 70 local authorities in 2006/7, ahead of final evaluation in Spring 2008.
<b>12. Weights and Measures: costs of repeating Type approval.</b>	Costs of repeating Type Approval for different EEA countries.	Transposition of Measuring Instruments Directive. Provisions, for Designation of Notified Bodies came into force on 30 May 2006.	One type approval will open the EEA market to all manufacturers.	Only obtaining type approval in the UK rather than every EU state in which the company does business should save <b>£750,000</b> (based on RIA data).	11 SIs came into force on 30 October 2006.
<b>13. Weights and Measures: labelling information on fuel pumps.</b>	Cost of labelling information on fuel pumps.	Amendment to Liquid Fuel and Lubricants Regulations 1995 to remove requirement for indication of product standard and date on retail fuel dispensers.	Re-labelling of 250,000 fuel pump nozzles will no longer be required for small changes to fuel specification.	Assuming a 10p saving for each fuel nozzle, this leads to an annual saving of <b>£25,000</b> to fuel retailers (based on RIA data).	Regulation amendment came into force on 30 October 2006.
<b>14. Consumer credit.</b>	(a) Requirement to provide running account credit account holders with statements every 12 months.	Possible removal by reforming Section 78 (4) and (5) of the Consumer Credit Act.	Simplification could save print and postage costs.	Up to <b>£4m</b> in saved print and postage costs according to PwC figures.	All consumer credit items require further investigation and consideration with stakeholders

**(i) Detailed simplification proposals: administrative burdens reductions**

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
	(b) Requirement for lender to tell credit broker name and address of agency to which the lender has applied for information on financial standing.	Now redundant as duplicated elsewhere. Reform of Consumer Credit (Conduct of Business) (Credit references) Regs 1977.	This measure will reduce confusion and duplication of effort amongst consumer credit providers.	<b>£9m</b> according to PwC figures.	for development of delivery plan.
	(c) Requirement for a person who becomes or ceases to be a controller of a body corporate which holds a consumer credit licence to give the licensee notice of that fact within 14 days.	Further consideration as to whether this requirement could be modified or removed.	Simplification: Less confusion and duplication of effort.	<b>£1.1m</b> according to PwC figures.	
	(d) Providing the customer with a copy of the executed agreement each time they are sent a replacement credit card.	May be scope for modifying the requirement so that copies of agreements need only be sent at specified intervals and that the copies embody the terms and conditions current at the time the copy is sent. s85 of the Consumer Credit Act.	Reduced admin, including postage for consumer credit providers.	Estimates being established in discussion with stakeholders.	

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>15. Estate Agents (Provision of Information) Regulations 1991.</b></p>	<p>Ensuring charges are detailed to client before any commitments are made. Whether offers can be passed on via e-mail or "in writing" only.</p>	<p>Improve guidance to clarify what Estate Agents (Provision of Information) Regs 1991 requires. Improve guidance to confirm that estate agents can use e-mail to pass on offers. Will require liaison with lawyers and OFT to consider guidance.</p>	<p>Savings in printing and postage. Will require liaison with lawyers and OFT to consider guidance.</p>	<p>Possible savings of <b>£1-£2m</b> according to PwC figures.</p>	<p>Potential saving only recently identified, timetable still to be clarified.</p>
<p><b>16. Trading Schemes Regulations 1997.</b></p>	<p>Low initial investment limit of £200 may lead to a delay in the time in which new direct sellers can become active and participate in the recognition programmes that are important in direct selling.</p> <p>Clarification of the legality of electronic contracts specifically around "printed warnings",</p>	<p>Consulting with trade and lawyers to clarify the legal position and determine the way forward.</p>	<p>Potential savings for an estimated 200,000 new entrants.</p> <p>A reduction in the delay that may damage the revenue earning prospects of direct selling companies.</p>	<p>Potential saving for the estimated 200,000 new entrants of £1 to £1.50 per year, further savings due to fewer delays. Total savings up to <b>£0.5m</b> per year.</p>	<p>Informal consultation with business continues. Announcement expected on way forward 2007.</p>

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>Company Law and Accounting (including savings from the Companies Bill of £165m – £340m*)</b>					
<b>17. Simpler law for smaller firms.</b>	Complex, inaccessible law.	Rewrite to “think small first” and simplify, with clearer structure and language. Produce better guidance.	Lower agency costs, increased confidence in regulatory environment, increased compliance - benefiting SMEs in particular.	This measure has the potential to impact the majority of information obligations estimated by PwC in the Company Law area, a conservative estimate of savings is <b>£19.2m</b> based on a 2% reduction in the costs of these information obligations.	
<b>18. Electronic communication with shareholders.</b>	Company law obligation for paper communication with shareholders.	The Companies Act 2006 facilitates electronic communication.	Large companies incur costs of £100k - £400k per mailing. Speed increases market efficiency.	Potential to deliver <b>£16.3 - £24.4m</b> savings against PwC figures.	Implementation of provisions January 2007.
<b>19. Remove requirement for private companies to hold AGM.</b>	Obligation to hold an Annual General Meeting, Procedures for written resolutions and informing shareholders.	Abolish requirement for private companies to hold AGM. Modernise company decision-making processes.	Annual savings for 500,000 – 750,000 firms; benefits from greater shareholder engagement.	This is a potential saving on PwC figures of <b>£45.5 - £47.9m</b> .	Companies Act 2006: Royal Assent 8 November 2006.
<b>20. Remove requirement for private companies to appoint company secretary.</b>	Requirement to appoint a company secretary.	Abolish requirement to appoint a company secretary for private companies.	Around 60,000 private companies could save £50 - £100 per year (although in wider cost savings, not administrative burdens).	As detailed, savings in wider business costs rather than admin burdens specifically.	
<b>21. Capital Maintenance.</b>	Complex rules on capital maintenance and share provisions.	Simplify; and abolish “financial assistance” rules for private companies.	Will save private companies from incurring advice and transaction costs.	This is a potential saving on PwC figures of <b>£34.4 - £68.7m</b> by removing the need to comply for private companies.	

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>22. Other Companies Act measures including codification of Directors General duties.</b>	Other measures from the Companies Act. Directors' general duties are contained in case law and not always well understood.	For example, allowing a register of Directors to be kept anywhere, simplifying written resolution procedures and providing non-court procedures. The Companies Act 2006 also introduces a statutory statement of director's duties. Codification of directors' duties will make the law in this area clearer.	Further work to do to estimate admin burden savings from other measures. More predictable and comprehensible law for private businesses. New conflict of interest rules - easier for directors to exploit outside opportunities.	Estimate here is a lower bound of the additional admin burdens savings that are likely to result according to PwC figures: <b>£13m.</b>	
<b>23. My Companies House.</b>	Time consuming Companies House registration and database services.	Development of My Companies House and electronic services; individual company portals; access to wider range of services.	Reduced form filling and more efficient data handling.	On the basis of PwC figures, a saving of <b>£6.5 – £13m</b> is possible, representing a 5% reduction in costs of procedures to file information.	Initial implementation 2005, new phases late 2006 and 2007.
<b>24. Joint-filing project with HMRC.</b>	Cost of submitting same information to Companies House and HMRC.	Joint filing project with HMRC: forms for Corporation tax registration at incorporation and linked filing of returns & accounts.	Reduced form filling and more efficient data handling. (Savings split with HMRC).	Estimated savings of <b>£60m</b> , but these are shared with HMRC and only a small proportion (£8m) is counted in DTI's total admin burden savings.	Implementation currently expected 1 October 2009.

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>Intellectual Property Promoting Innovation</b>					
<b>25. Simplification of forms.</b>	Time to complete forms.	Review of Patent Office forms begun August 2005. Report of review team approved – action plan for implementation being drawn up.	Reduced admin burdens (e.g. change notification forms reduced from 3 to 1); plus online filing.	Removal of specific information obligations associated with forms being replaced could save <b>£0.1m</b> on PwC figures.	To be implemented by end March 2007.
<b>26. Modernisation of design registration system.</b>	Time to file multiple applications.	Simplification of Design Registration processes.	Simplification of provisions on multiple applications; savings in official fees, time to file on a single form; reduced external (legal) costs.	Removal of need for multiple applications and form filling time saves <b>£0.2m</b> on PwC figures.	To be implemented by end March 2007.
<b>27. Business-friendly hours.</b>	Restrictive business hours.	Liberalisation of times and dates on which documents can be filed at the Patent Office. Consultation closed on 6 January 2006. Policy options being discussed, including some further informal consultation.	Simpler system for businesses.	Savings more in terms of convenience than direct cost savings.	Implementation 1 October 2007.
<b>28. Litigation rules.</b>	d) Complex and overlapping rules on litigation at the Patent Office.	Redrafting entire rules package to create a simple set of new rules on patent litigation before PO, following Civil Procedure Rules.	Savings for potential users of litigation procedures.	Simplification of litigation procedures should reduce legal costs in the region of <b>£0.05m</b> on PwC figures.	To be implemented by end March 2007.
<b>29. Implementation of revised European Patent Convention (EPC).</b>	Cost of multiple MS patents application.	Allow multiple patents from one application.	Ability to gain patents in multiple MS with one application; ease of amending European patents.	Reduction of costs associated with multiple filings approximately <b>£0.1m</b> .	Revised EPC due to come into force December 2007. or early 2008. Depends on speed of ratification in other MS.

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>30. The London Agreement on Patents.</b>	Removes requirement for translations of European patents to be filed in national language.	Pursue French ratification.	Reduced costs of filing translations following grant of European Patent.	Savings in cost of translation and filing of application in multiple jurisdictions of <b>£10-15m</b> according to PwC figures.	Operational on French ratification. Expected early 2008.
<b>Business and Innovation</b>					
<b>31. Construction Order under the new Legislative Regulatory Reform Bill.</b>	Cost of inefficiencies and uncertainties in current rules on payment and adjudication.	Order and guidance to implement Sir Michael Latham's 2004 Review looking at the effectiveness of legislation to improve the exchange of information relating to payment so as to enable the parties to better manage cashflow. Where there are disputes to encourage the parties to resolve them during the project by adjudication and encourage successful completion.	Improved payment practice and dispute resolution in the construction sector, helping cash flow and dispute resolution, reducing litigation and insolvency.	The measure is likely to lift the information obligation from 60% of main contracts and 60% of main contract payments, yielding a saving of <b>£5.8m</b> .	Further consultation expected by early 2007.
<b>32. Technology Innovation – Review of New Approach to Technical Standards.</b>	Inconsistency between directives, causing extra compliance costs.	Evaluation of EC discussion papers on New Approach Review.	Greater legal consistency Directives; easier compliance, reduced compliance costs.	Work to quantify potential savings underway.	EC proposals put out for public consultation Summer 2006. Responses 2007. New Legislation 2010 – 2015.

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>Small Business Service</b>      <b>Note The following benefits to small firms and sole traders are not assessed against PwC data and accrue to a number of Govt departments</b></p>					
<p><b>33. Business Experience Projects.</b></p>	<p>All types: admin burdens, interpretation, guidance etc i.e. Regulatory frameworks.</p>	<p>Four projects to be undertaken by April 2007. The first will be "Understanding employment law" (Success at Work, p11).</p>	<p>Projects will help identify key areas of burden to SMEs, leading to Identification of possible simplification activities to overcome burdens and simplification of tools on businesslink.gov.uk.</p>	<p>Savings will be established once projects have been completed.</p>	<p>Employment Law fieldwork began August 2006.</p>
<p><b>34. General regulatory guidance through businesslink website.</b></p>	<p>Problems a firm in any given sector has in identifying all the regulations affecting it.</p>	<p>Small Business Service: improvements to businesslink.gov.uk to offer content tailored to 400+ business sectors relevant to SMEs.</p>	<p>Reduced compliance costs stemming from shorter search times And reduced need for external advice.</p>	<p><b>£25.4m pa by 2010</b> assuming business users increase from 19,000 to 48,000 and save 25 hours of regulatory time.</p>	<p>First 183 business types published 1 February 2006. Remaining 230 due 30 September 2006.</p>
<p><b>35. International Trade Single Window: Information and Guidance Portal.</b></p>	<p>Import rules and regulations are unclear; Information is spread over multiple government websites – with scope for better search functions and information architecture. Information seldom in plain English. When regulations change, customers have to find out themselves.</p>	<p>Small Business Service: ITSW Information and Guidance Portal: create new common information portal for all regulatory information, designed and managed according to the same principles as businesslink.gov.uk. Service for new/inexperienced traders as well as one to be launched for expert users.</p>	<p>Less uncertainty and time spent finding information for businesses importing and exporting; fewer errors made, reduced delays for their goods in ports. Reduced non-compliance. Savings to new/inexperienced traders from improved service on embedded site.</p>	<p><b>£50m+ by 2010</b> Assumes business users increase from 54,000 to 61,000 up to 2010 and they save 8 hours per year of working time. Also assumes that expert users increase and they save 49 hours per year.</p>	<p>Significant expansion/re-launch of International Trade area November 2006. Launch of expert service in June 2007.</p>

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<b>36. International Trade Single Window: Automatic Licence Verification.</b>	When arriving in port, traders have to present the same paperwork to several different authorities, and depending on the goods and country of origin, present supporting documentation.	Automatic Licence Verification: facilitate data sharing by Defra and HMRC systems to enable a single physical inspection of documentation, followed by automatic, system-to-system clearance.	Trader need only present documentation once, meaning reduced paperwork, faster clearance of goods and time/money savings.  Savings will grow as the solution is rolled out across more areas of documentation.	<b>£8.6m by 2010</b> assuming a simplified form and greater accuracy/fewer errors.	First deliverable (imports of plants + produce): July 2007 Second deliverable (imports of products of animal origin: August 2007).
<b>37. International Trade Single Window: Transactions.</b>	Transactions are currently conducted through multiplicity of paper and electronic systems, using widely varying formats and standards – even when sending information to the same authority.	Create a single electronic access point for all transactions: data entered once and re-used for pre-population; validation performed by the system; and a single electronic message is sent from the trader to Government.	Key information entered once via the web portal, pre-populated where possible from user account, and forms generated as required. Key data validated before submission. Automatic multi-submission to all relevant authorities. Trader savings arising from time saved in form filling and dealing with mistakes. As project rolls out additional transactions savings may run to £100s of millions – as has happened in other countries with ITSWs.	<b>£10m</b> from time saved in form-filling and dealing with mistakes.	First transaction to be launched together with expert site. Remaining transactions rolled out into 2007/08.

(i) Detailed simplification proposals: administrative burdens reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL ADMIN BURDENS SAVINGS	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>Competition Commission: The Commission is an Agency of DTI. It is responsible for the content of its Simplification Plan. Costs are not included in DTI data.</b></p>					
<p><b>38. Proposal for "lean" merger inquiry process at the Competition Commission (CC).</b></p>	<p>Costs to business.</p>	<p>Implement a lean process on certain merger inquiries (e.g. smaller mergers involving decisions on a few identifiable and clear issues).</p>	<p>Reduction of the burden of information provision by businesses who are parties to CC inquiries, and some shortening of the merger inquiry process thereby reducing cost for the businesses involved and the CC. For the CC this will save around £100k per merger.</p>	<p>Depends on the number of merger inquiries conducted in a year, which is variable.</p>	<p>In early stages of development.</p>

## (ii) Detailed simplification proposals: policy cost reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL POLICY COST SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>Competition Policy and Consumer Law Benefits to businesses and consumers</b>					
<b>39. Internal Market in Services.</b>	Burdens on business trading across EU borders.	Services Directive: will prevent Member States from restricting incoming services.	Reduced burdens for service business, especially SMEs. Cross-EU benefit likely to amount to 0.6% increase in GDP (37bn euros) and 600,000 new jobs.	UK net welfare benefit likely to be in the region of <b>£6bn*</b> .	Consultation with OGDs end 2006 Directive comes into force 2009.
<b>40. Strengthening and streamlining consumer advocacy.</b>	Current system of consumer advocacy is relatively complicated and could be more effective whilst still providing greater value for money for consumers.	Proposals to utilise Consumer Direct as a single point of contact for customers; create new redress services in all the utility sectors with the power to resolve fully consumer complaints; consolidation of the sectoral and national consumer bodies to form a more coherent and effective organisation (Consumer Voice). Formal consultation began January 2006, ended on April 19th.	Simpler and more effective system of consumer representation; certainty of redress for utility consumers; consumer advocacy system providing greater value for money for consumers and industry. Potential gross savings of approx half the annual cost of the present system.	A due diligence exercise has been undertaken to produce more robust estimates of the costs and benefits associated with the proposals. This project will also refine the estimate of the potential annual net savings, which are currently estimated at <b>£9m.</b>	Government response to consultation due end September. Anticipated implementation in 2007-2009.
<b>41. Consumer contracts.</b>	Overlap between Unfair Contract Terms Act and Unfair Terms in Consumer Contract Regulations.	Unification of UCTA and UTCCR regimes.	Simpler and more accessible law. Benefits to consumer advice organisations from simpler regime.	Currently no quantified estimates, but businesses should be able to reduce costs in contracting with consumers.	Possible RRO under the new Regulatory Reform Bill that is expected to enter into force January 2007.

\* *The Economic Importance of the Country of Origin Principle in the Proposed Services Directive*, Copenhagen Economics, October 2005

## (ii) Detailed simplification proposals: policy cost reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL POLICY COST SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>42. Mergers.</b>	Out of date merger undertakings given under former merger regime (Fair Trading Act 1973).	Action with OFT and CC to review the relevance of undertakings under FTA regime. A number have been identified as no longer required.	A further batch of undertakings and Government Orders is being reviewed. Covers a range of sectors.	Cost savings will accrue to those companies bound by the undertakings, so will not be significant on an economy-wide scale.	Nine merger undertakings, involving twenty-one companies, were released by the SoS on 8 February 2006. Further releases took place June 2006. Next batch of releases planned for Autumn and Winter 2006.
<b>Energy</b>					
<b>43. Gas Infrastructure Project.</b>	Operational cost and market barrier – project is facilitating competition and incentivising growth in new markets (in an area where there was previously no specific regulatory framework).	Facilitating offshore projects (gas storage and unloading of LNG) via legislation.  Reviewing the current onshore gas consents regimes and facilitating offshore projects (gas storage and unloading of LNG) via new legislation if appropriate.  Developing best practice guidance for developers looking to apply for consents for new projects.	Potentially more storage facilities leading to more reliable gas supplies and potentially lower gas prices for domestic and industrial gas consumers.  Project developers better able to navigate the consents regime, with reduced commercial risks.	Reducing commercial risk and cost in the development process should save <b>£50 -100k</b> per project, and with approximately 10 projects currently under development, this gives a saving of <b>£0-£1m</b> .  Further savings through potential lower prices to end consumers.	In the early stages of analysis, consultation during 2006.

## (ii) Detailed simplification proposals: policy cost reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL POLICY COST SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>44. Decommissioning: financial security.</b>	Financial /operational costs.	DTI is working with industry to minimise the costs of the financial security whilst balancing the risk of defaulting against decommissioning costs.	Will reduce banking costs for companies responsible for decommissioning offshore oil and gas structures. Should facilitate access for new entrants to the market.	Studies underway should reveal indicative savings by November 2006, but only benefits a small number of businesses.	Proposals completed November 2006.
<b>45. Decommissioning: operational costs.</b>	Operational costs.	DTI is collaborating with industry to reduce the burdens through: helping develop a standard Decommissioning Security Agreement; producing guidelines on cost estimating; and revised guidance on obtaining international approvals.	Will reduce operational costs for companies responsible for decommissioning offshore oil and gas structures.	Only benefits a small number of businesses, but estimated to save up to £50,000 per year.	All 3 documents agreed November 2006.
<b>46. Strengthened co-operation with Norway to maximise the value of offshore oil and gas resources.</b>	Market barriers.	Working with Norway to simplify the process for approving offshore oil and gas developments. A new Intergovernmental (Treaty) Agreement has been concluded which covers a wide range of offshore oil and gas projects including the construction and operation of new cross-boundary pipelines and the development of new oil/gas fields.	Serves to strengthen UK security of energy supply. Avoids need for the offshore oil and gas industry to negotiate a separate treaty for each project and therefore reducing the risk of projects being shelved or delayed.	Simpler process reduces time and risk with associated costs and incentivises investment in new projects. New projects already approved provide additional import capacity, meeting 16% of UK peak winter demand.	Framework Agreement signed April 2005.

(ii) Detailed simplification proposals: policy cost reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL POLICY COST SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>47. Hampton implementation – Transfer engineering inspectorate functions on public safety to Health and Safety Executive.</b>	Regulatory inspections carried out by two bodies..	Meeting Hampton obligation to transfer the public safety inspection functions of the DTI's Engineering Inspectorate to the Health & Safety Executive.	Detailed plans for the transfer of these functions and four associated posts have been agreed. Industry supports the change as a way of improving the effectiveness of inspection and enforcement and reducing inconsistencies.	Public and employee safety for the electricity industry will be enforced by a single body – HSE. This will lead to an integrated safety strategy and consolidation of reporting requirements.	Effective from October 2006, ahead of Hampton 2009 deadline.
<b>48. Hampton implementation: HSE and the DTI's coal authority.</b>	Regulatory inspections carried out by two bodies..	Addressing Hampton recommendation on the Health & Safety Executive's role in inspection functions of the DTI's Coal Authority.	DTI and HSE have agreed and are operating a policy of joint inspections in line with Hampton principles.	Public and employee safety for the coal industry will be enforced by a single body – HSE. This will lead to an integrated safety strategy and consolidation of reporting requirements.	Implemented June 2006 ahead of Hampton 2009 deadline.

(ii) Detailed simplification proposals: policy cost reductions

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL POLICY COST SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<p><b>Small Business Service</b>    <b>Note The following benefits to small firms and sole traders in particular are not assessed against PwC data and accrue to a number of Govt departments</b></p>					
<p><b>49. Public procurement national opportunities portal.</b></p>	<p>Costs of bidding for public sector contracts - public sector tender opportunities below the OJEU threshold are currently advertised through a diverse range of media making it costly for business to find out about them.</p>	<p>Launch of the national opportunities portal and use by DTI (<a href="http://www.supply2.gov.uk">www.supply2.gov.uk</a>).</p>	<p><a href="http://www.supply2.gov.uk">www.supply2.gov.uk</a> makes it simpler for small businesses to find the opportunities and complete pre-qualification information. SBS has provided the opportunity for other government departments to make similar savings.</p>	<p><b>£69.8m by 2010</b> across multiple Government Departments. This estimate assumes business users will increase from 26,000 to 127,000 over the period and each gain 25 hours a year in reduced search time. Assumes benefits from pre-qualifying for opportunities (meaning reduced application time).</p>	<p>Portal live - will be promoted throughout 2006 and beyond.</p>

(iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>Competition Policy and Consumer Law Benefits to businesses and consumers</b>					
<b>50. Weights and Measures (Packaged Goods) Regulations 1986.</b>	Complex, overlapping rules on packaged goods.	Simplification of UK law on quantity indications through consolidation of 5 Orders into 1. This removes the distinction between "Class A" and "Class B" packaging and helps understanding of the indication requirements.	Simpler law: more consistent, certain, accessible and comprehensible. Greater freedom over the equipment for measuring and checking quantity, primarily in the bread sector, but also for other suppliers. Will facilitate greater innovation.	Removal of information obligations resulting from this measure will save <b>£119m of admin burdens</b> according to PwC figures.	Came into force 6 April 2006.
<b>51. Researching weights and measures legislation – NWML website.</b>	Costs to business of researching weights and measures legislation.	Improved web site.	Simpler navigation, improved search mechanism for legislative documents and facilities for web-based booking of NWML services.		Implemented October 2005.
<b>52. Trading Stamps and Directory Publications.</b>	Outdated administrative requirements with Trading Stamps & Directory Publications.	Regulatory reform orders to remove requirements.	Savings in administrative burdens. Prompt introduction of new promotional schemes (e.g. supermarkets, petrol retailers, DIY stores, etc). Simplified procedure for authorising payment for entries in business directories.	For Trading Stamps this will save <b>£25,000-£75,000 per year</b> . Directory Publications saving <b>£0.8m - £1.2m per year</b> .	Implemented April 2005.

\* Figures contain a mixture of admin burdens and policy costs, although where a saving is of admin burdens, this is identified. PwC did not estimate policy costs in their measurement exercise.

### (iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>53. Public transport ticketing schemes.</b>	Block Exemption for Public transport ticketing Schemes: restrictions on transport operators (conditions on ticketing schemes).	Variations made to reduce constraints on participants in the ticketing schemes: revenue sharing between operators providing multi-operator travel cards; requirement on operators to provide single and return tickets as well as multi-operator individual tickets.	Beneficiaries: passengers and public transport operators. Should result in more schemes.	Economic benefits to transport operators and passengers, through quicker journey times, lower costs and improved services.	Implemented and in force March 2006.
<b>Company Law and Accounting</b>					
<b>54. Companies House – E-accounts.</b>	Costs of filing small accounts.	E-accounts: Simplify online filing for small accounts using intelligent form technology.	Reduced costs and better quality returns through use of online help wizards, automatic checks. Reduced chance of late filing penalties.	Early indications show 99.1% of accounts filed to date processed with no human intervention, with reject rates at 0.6% as opposed to 8.1% for paper.	1st phase for filing via bespoke software implemented November 05. WebFiling facility (via CH website) implemented March 06. Take-up at 4.9% in March.
<b>55. Companies House – Accessing statutory information.</b>	Cost of accessing statutory information.	Online information search on the companies register: development of electronic services & substantial revision of pricing structure. Monitor product to be launched on website in March making it easier for customer to keep tracks on individual companies.	Reduced cost and greater ease of searching. Market benefit from improved accessibility to company data.	Prices were reduced on 1 Feb 05 and volume increased by 30%+, total saving to business of <b>£5m.</b>	Monitor service on CH website live March 2006.

(iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>Intellectual Property (Patents, Trademarks and Design) Promoting Innovation</b>					
<b>56. Regulatory Reform Order</b>	The Regulatory Reform (Patents) Order 2004 & The Patents (Amendment) Rules 2004: complex rules.	Simplification of requirements.	Savings in customers' legal and office fees.	<b>£0.67m Admin Burdens.</b>	Implemented January 2005.
<b>57. Web-based filing of Trade Mark applications.</b>	Cost of filing Trade Mark applications.	Introduction of a web-based electronic form for filing.	Reduced costs for inventors of submitting applications to Patent Office.	Since June 05, 19% of forms submitted electronically – up from 2%. Current usage: 6000 forms annually, likely to mean <b>£8,000</b> per year total savings.	Implemented June 2005.
<b>Insolvency</b>					
<b>58. Merging DTI's Companies Investigation Branch with Insolvency Services Agency.</b>	Enforcement – investigation and litigation costs	Implementing the Hampton Report recommendation to merge DTI's Companies Investigation Branch with the Insolvency Services Agency.	Consolidates regulatory expertise, with potential reductions in the cost of investigations and litigation. Shared accommodation, IT & HR services are expected to produce lower administrative costs.	Full access to the Insolvency Service case database will speed up case vetting.	Merger took effect in April 2006.

### (iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>Energy</b>					
<b>59. Renewables Obligation.</b>	Renewables Obligation: operational cost on the Renewables sector (monthly declarations to Ofgem) and sampling requirement for established fuels.	2005 Review of the Renewables Obligation proposed several measures to reduce the burden on electricity suppliers and renewable electricity generators.	The Renewables Obligation Order 2006 allows generators to submit annual declarations and reduces the sampling requirement for established fuels.	This will produce savings for 1010 generating stations in GB and savings for 14 biomass generators amounting to <b>£0.4m.</b>	Order 2006 came into force on 1 April 2006.
<b>60. British Electricity Trading and Transmission Arrangements (BETTA)</b>	BETTA: need for separate interconnection arrangements.	Created a single set of arrangements for accessing and using the transmission network in GB.	Enhanced competition and obviates need for separate interconnection arrangements between England, Wales and Scotland.  Savings to electricity generators and suppliers, and ultimately consumers.	<b>£6m.</b> Total savings up to £85m over 20 years.	Implemented April 2005.
<b>61. Changed appeal process for Ofgem decisions on certain gas and electricity codes.</b>	Cost of appeal process for Ofgem decisions on certain gas and electricity codes.	Creating a new appeals process for Ofgem decisions on gas and electricity code modifications.	Increased Ofgem accountability; gives industry a cheaper and simpler route of challenge, rather than having to take cases through the courts.	Where appeals do occur, businesses involved will incur lower costs.	Implemented July 2005.

### (iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>62. Gas Class Exemption Orders.</b>	Operational costs and adverse market functionality.	Gas Act 1986 (Exemption) (No. 2) Order 2005 laid, allowing eight businesses (four owned by NG, two owned by SSE) to participate in a limited area of gas shipping without the need of a licence.	Enabled most major restructuring of gas industry since privatisation, without which significant investment (millions) by industry would have been required.	Benefits more in terms of market functioning. or example: deal proceeded that is likely to benefit consumers to the tune of <b>£11m</b> pa.	Implemented February 2005.
<b>63. Streamlining export licence applications.</b>	Cost of completing export licence applications.	Simplified process, making it easier for exporters to apply. Improved guidance and support, including regional training seminars for business. Waived requirements for some supporting documentation, extensions to the validity of certain licences, and a revised appeals procedure.	Individual applications have reduced from around 100,000 in the late 1980s to 9,000 per year currently. 58% of all individual applications now go through the SFE.	Leads to internal efficiency savings, businesses should in turn benefit from time saved and greater certainty.	Implemented 1 July 2006.
<b>64. Removal of UKCS annual field report.</b>	Cost of producing annual data submission - operators of producing offshore oil and gas fields.	Removal of UKCS annual field report; simpler annual data requirement.	Simpler compliance due to simpler annual data submission for operators of producing offshore oil and gas fields.	<b>£1m</b> total saving to those businesses that submit data.	Implemented in 2005.

(iii) Measures implemented January 2005 - May 2006

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ANNUAL COST SAVINGS *	MILESTONES/ DEADLINES FOR DELIVERY
<b>Small Business Service</b> <b>Note: The following benefits to small firms and sole traders in particular are not assessed against PwC data and accrue to a number of Govt departments</b>					
<b>65. E-mail alerts.</b>	Costs of getting to grips with new regulation.	E-mail alerts tailored to business sector (Regulation Updates) advising of forthcoming changes.	Reduced implementation costs from simplified horizon scanning.	Assuming business users increase to 16500 by 2010, each saving one hour of their time at £21/hour leads to an annual saving of <b>£0.35m</b> .	Implemented December 2005.
<b>66. Common Commencement Dates (CCDs).</b>	Costs of getting to grips with new regulation.	Common Commencement Dates (CCDs): two CCDs a year extended to all DTI policy areas.	Reduced one-off costs of familiarisation with new legislation, greater certainty and ability to plan. Benefits all business, but particularly small businesses.	Working assumption of <b>£5.4m per year</b> (to be refined). This is based on use of CCDs for employment law estimated to have saved £13.5m over 5 years; minimum estimate of £2.7m per year.	Implemented in DTI April 2006.
<b>67. Business Link: Business start-up organiser.</b>	All regulatory barriers to starting up a business.	Launch Business start-up organiser on businesslink.gov.uk; give users direct fulfilment on 5 key starting-up transactions.	Clear understanding of regulatory obligations. Easy, quick and consistent registration processes for: registering as self-employed/ company formation/PAYE signup/ registration with the information commissioner.	<b>£0.38m</b> per year for users using the tool without using any of the transactions.  The usage of the transactions will deliver a benefit of <b>£1.5m</b> per year to businesses that use it.	Business start-up organiser launched on February 1 2006.

(iv) Consolidation and deregulatory measures

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED ADMIN BURDEN SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>Competition Policy and Consumer Law Benefits to businesses and consumers</b>					
<b>68. Weights and Measures Act 1985 – consolidation under Part IV.</b>	Over-complex, overlapping regulation.	Simplification of UK law on quantity indications through consolidation of 8 Orders into 1 and closer modelling on relevant EU Directives.	Primarily affecting businesses manufacturing and packaging foodstuffs, which will benefit from a more consistent, certain, accessible and comprehensible framework.	There are some 88,000 retailers in the affected sectors, on PwC figures they will realise savings of <b>£0.5m pa.</b>	Next steps depend on progress in Brussels progress of proposals to simplify EC law on specified quantities.
<b>69. Weights and Measures Self-Verification – Regulatory Reform Order.</b>	Enforcement.	Deregulation. Extension of scope planned to remove the requirement for verification by Trading Standards following adjustments of fuel dispensers.	Approved manufacturers, repairers and installers of weighing and measuring equipment can self-verify their products.	<b>£0.3 – 1m</b>	NWML have submitted all requisite documentation to Cabinet Office for its approval and the draft RRO is currently the subject of negotiation with the Cabinet Office.

#### (iv) Consolidation and deregulatory measures

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED ADMIN BURDEN SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>70. Consumer Safety.</b>	Restricting the marketing and use (M&U) of dangerous substances and preparations (EU Directive 76/769/EEC) Proliferation of statutory instruments, difficulty in identifying Directive changes, costs of accessing rules.	Draft a single statutory instrument (SI) consolidating seven stand-alone SIs and incorporating three new amendments to the Directive (M&U).	Greater clarity and legal certainty through single point of reference. Benefit to retailers, enforcement authorities, NGOs, chemicals industry.	This is a tidying up measure. Savings likely to be minor.	SI to be laid 1 October 2006 Part 1 in force 31 October 2006; Part 2 24 February 2007; Part 3 15 June 2007.
<b>71. Consolidation of Textile Labelling Regulations.</b>	Fragmented regulation.	Consolidation of 4 sets of regulations into 1.	Simpler law: more accessible and comprehensible. Ease of understanding and reduction in comprehension time.	<b>£0.03 – 0.05m</b>	Consultation begun August 2006.
<b>72. Bed pricing.</b>	Legislation is redundant with cessation of retail price maintenance.	Repeal of regulation.	Tidier statute book.		Early stages of analysis.
<b>73. Business to consumer advertising and marketing rules.</b>	a) Hallmarking: restriction on goods consisting of more than one metal. Problems with marketing unhallmarked goods made between 1920-1950.	Allow hallmarking of combinations of metals currently not permitted. Allow accurate description of old unhallmarked goods that meet minimum acceptable finenesses.	Producers and traders of mostly high design, high value items. Global marketing benefits. Unmet demand for mixed metal goods could account for 15% of high design market. Sales of precious / base watchstraps currently about £40m. Annual turnover in old unhallmarked goods about £7.5m.	Removes restrictions on companies. Savings likely to be minor.	In force by end 2006.

#### (iv) Consolidation and deregulatory measures

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED ADMIN BURDEN SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
	b) UK Assay offices restricted by Hallmarking Act 1973 from competing for business overseas (extra-territorial marking).	Allow Assay Offices to strike UK approved hallmarks on products at source, overseas, subject to protections being in place for continued validity of UK hallmarks.	UK Assay Offices prevented from losing work to other countries' Assay Offices, which can mark at source. Savings to UK makers of precious metal articles producing goods overseas. UK trade and consumers benefit from continued use of familiar UK hallmarks on mass-market items.	Removes restrictions on companies. Savings likely to be minor.	In force by end 2006.
<b>74. Winding up Restrictive Practices Court.</b>	No burden, as the Restrictive Practices Court has been superseded.	Repeal Restrictive Practices Court Act 1976 by means of a commencement order under the Competition Act 1998.	Tidier statute book.		In discussion with OFT.
<b>Intellectual Property (Patents, Trademarks and Design) Promoting Innovation</b>					
<b>75. Changes to the Patents Rules 1995.</b>	Administrative.	Deregulation.	Simplified requirement.	<b>£0.024m</b>	Consultation November 2006.

(iv) Consolidation and deregulatory measures

POLICY AREA / MEASURE / INITIATIVE	TYPE OF BURDEN	ACTIONS	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED ADMIN BURDEN SAVINGS £M	MILESTONES/ DEADLINES FOR DELIVERY
<b>Insolvency</b>					
<b>76. Consolidation of insolvency legislation.</b>	Cost of getting to grips with changes to insolvency law.	Review and consolidation of 10 insolvency Statutory Instruments including The Insolvency Rules 1986 (since amended 14 times). Examining scope for modernisation / simplification including electronic means of administering insolvencies.	Simpler, more accessible law; modernised procedures facilitating better returns to creditors. Anticipated savings for members of insolvency profession.	<b>£11.6m</b>	New SI's to be laid by 31 December 2007, coming into force from April 2008.
<b>Business and Innovation</b>					
<b>77. Wireless Telegraphy Consolidation.</b>	Cost of getting to grips with law.	Consolidation: putting into one Act legislation about wireless telegraphy currently found in 6 different Acts.	Simpler law: more consistent, certain, accessible and comprehensible.	<b>£0.1m</b>	Received Royal Assent November 2006. Comes into force January 2007

(v) Regulations introduced after May 2005 imposing significant administrative burdens

POLICY AREA / REGULATION	PURPOSE	TYPE OF BURDEN	ESTIMATED NEW ANNUAL ADMIN BURDEN £M (INDICATIVE)	IMPLEMENTED ON
<b>Employment Law Revisions to employment law and guidance.</b>				
<b>The Employment Equality (Age) Regulations 2006 (Implement EU Directive).</b>	To maximise the participation and economic (and social) contribution of groups that are currently subject to discriminatory practices both inside and outside the labour market because of their age.	Admin: dealing with an employee's request to continue working and potential cases of discrimination.	Request to continue working: Based on estimates for similar obligations in existing flexible working regs, this is estimated at approx £0.5m Discrimination claims: based on existing employment equality regulation, and assumption that there will be 8,000 tribunal cases per year, approx £2.4m Total: <b>£2.9m.</b>	(Into force) 01/10/2006.
<b>Competition Policy and Consumer Law Benefits to businesses and consumers</b>				
<b>General Product Safety Regulations (2005) (Implement EU Directive).</b>	To ensure that consumer products placed on the market are safe.	Policy: ensuring the safety of products – this is largely business-as-usual. Admin: burdens similar to 1994 regulation some additions due to keeping register of complaints and record of product origin.	Additional burdens due to keeping a register of complaints and record of product origin likely to raise 1994 regulations' admin burdens by approximately 2% or <b>£0.35m.</b>	01/10/2006.

(v) Regulations introduced after May 2005 imposing significant administrative burdens

POLICY AREA / REGULATION	PURPOSE	TYPE OF BURDEN	ESTIMATED NEW ANNUAL ADMIN BURDEN £M (INDICATIVE)	IMPLEMENTED ON
<b>Business and Innovation</b>				
<b>Restriction of the use of certain hazardous substances in new electrical and electronic equipment regulations (2006) (Implement EU Directive).</b>	To reduce the environmental impact of new electrical and electronic equipment in the UK during its manufacture and after it becomes waste.	Policy: largely from adjusting production processes and inputs  Admin: preparing and keeping documents to prove compliance.	There are likely to be 5750 producers affected by the regulations, each incurring between £870 - £1565 pa in administrative burdens, which is a total <b>£5-9m.</b>	01/07/2006.
<b>Approx Total.</b>			<b>£10m</b>	

(vi) Forthcoming regulations imposing significant administrative burdens\*

POLICY AREA / REGULATION	PURPOSE	TYPE OF BURDEN	ESTIMATED NEW ANNUAL ADMIN BURDEN £M	IMPLEMENTATION DATE
<b>Employment Law</b>		<b>Revisions to employment law and guidance.</b>		
<b>Flexible working regulations – extension of right to request to adult carers.</b>	To ensure workers with caring responsibilities have the ability to make appropriate choices about how they balance their work and caring responsibilities in ways that meet the needs of business.	Admin: a higher number of employees are eligible to request flexible working, which requires employer to hold meeting and notify of decision.  Policy: making adjustments to working patterns to accommodate flexible working request. There will also be savings in recruitment and absenteeism costs.	The RIA estimates that there will be an additional 350,000 requests for flexible working. For each request, we assume an admin burden to the employer of £100, giving an indicative estimate of <b>£35m.</b>	Provision results from Work and Families Act 2006, likely to be implemented by April 2007.
<b>Competition Policy and Consumer Law</b>		<b>Benefits to businesses and consumers</b>		
<b>Consumer Credit Act 2006 Implementation.</b>	To enhance consumer rights and redress, improved regulation of consumer credit businesses and create a more proportionate regime for business.	Admin: provision to consumers of additional post-contractual information, higher license fees  Policy: reform of extortionate credit test and introduction of compulsory alternative dispute resolution.	On the basis of RIA analysis and admin burden assessments of similar regulation, provision of post-contractual information is likely to impose an additional £11-£56m. Increased license fees are likely to impose an additional £4.2m. Taking the mid-point gives an indicative figure of <b>£38m</b> , though subject to further analysis.	Act received Royal Assent. Full implementation by 2008.

\* This list is indicative. Estimates of admin burdens will be refined during policy development, it is currently too early to precisely determine.

(vi) Forthcoming regulations imposing significant administrative burdens\*

POLICY AREA / REGULATION	PURPOSE	TYPE OF BURDEN	ESTIMATED NEW ANNUAL ADMIN BURDEN £M	IMPLEMENTATION DATE
<p><b>Consumers, Estate Agents and Redress Bill: Improving Regulation of the Estate Agents Sector</b></p>	<p>To address high degree of consumer dissatisfaction with estate agency services, difficulties with complaints and obtaining redress, and that enforcers are restricted in their ability to take action by limitations on their powers and the scope of the Estate Agents Act 1979 (EAA).</p>	<p>Admin: minority of estate agents not currently subject to requirements to make and keep records will incur additional costs.</p> <p>Policy: 40% of estate agents not currently part of Ombudsman scheme will have to join.</p>	<p>The RIA estimates that compulsory membership of an ombudsman scheme will involve additional costs for the 5% of businesses not currently covered by existing schemes or already fulfilling record-keeping requirements. This means that 450,000 records are not currently covered and at 5p per record, implies an additional <b>£22,500</b> per annum.</p>	<p>Bill to be introduced late 2006.</p>
<p><b>Business and Innovation</b></p>				
<p><b>Waste Electrical and Electronic Equipment Directive implementation.</b></p>	<p>To reduce the environmental impact of waste electrical and electronic equipment in the UK.</p>	<p>Policy: the separate collection treatment and recycling of waste electrical and electronic equipment to specified levels</p> <p>Admin: producer registration, reporting, marking of products, and provision of information on products.</p>	<p>RIA estimates that the admin burdens of this regulation are likely to be in the range <b>£28-£33m pa</b>, based on 5750 producers at a cost per producer per year of £4,870 - £5,739. Costs likely to fall over time as business adapts and innovates.</p>	<p>Out for consultation on draft regulations. Consultation closes October 2006. Implementation likely April 2007.</p>

(vi) Forthcoming regulations imposing significant administrative burdens\*

POLICY AREA / REGULATION	PURPOSE	TYPE OF BURDEN	ESTIMATED NEW ANNUAL ADMIN BURDEN £M	IMPLEMENTATION DATE
<b>Batteries and Accumulators Directive.</b>	To reduce the environmental impact of spent batteries and accumulators and to promote single market in batteries and accumulators.	<p>Policy: the separate collection, treatment and recycling of spent batteries and accumulators. Rules for placing batteries and accumulators on EU market</p> <p>Admin: producer registration, information and reporting requirements on batteries and accumulators and spent batteries and accumulators.</p>	For an estimated 1,000 producers possibly affected the best current estimates at the moment are in the range of £700 - £1400 per business affected per annum, giving an indicative total of <b>£0.7-£1.4m.</b>	if Directive adopted in September 2006 Transposition in the UK by 26 September 2008
<b>Approx Total.</b>			<b>£105m</b>	

## (vii) Administrative burdens: top 10 obligations

Regulation	Obligation	Burden (adjusted for BAU)	Action
1. Employment Rights Act 1996	Providing statutory information for third parties	586	Increasing awareness of an improved on-line tool for producing employment particulars is estimated to save firms £145m a year (see paragraph 7.6 and Table (i) Item 2).
2. Employment Tribunals (Constitution and Rules of Procedure) Regulations 2004	Returns and reports	172	Reducing procedural obligations could save <b>£57m a year</b> . Other options include wider use of other methods of dispute resolution and changes to guidance (see paragraph 7.5 and Table (i) Item 1)
3. Employment Rights Act 1996	Providing statutory information for third parties	142	We are considering ways to improve help-lines and awareness of guidance. We estimate savings of £5m in the context of parental leave, £7m on the national minimum wage, £50m on flexible working, and £60m on working time.(See Section 7.)
4. Flexible Working (Procedural Requirements) Regulations 2002	Providing statutory information for third parties	137	
5. Working Time Regulations 1998	Keeping records	124	
6. Consumer Credit Act 1974	Providing statutory information for third parties	111	A number of requirements are under review as part of the implementation of the Consumer Credit Act 2006. Total burdens reduction is currently estimated at <b>£14m a year</b> , but more may be possible. (Table (i) Item 14).
7. Conduct of Employment Agencies and Employment Businesses Regulations 2003	Providing statutory information for third parties	101	Improving guidance and increasing awareness of it to one-third of businesses has the potential to save <b>£78m a year</b> (Table (i) Item 3).
8. Weights and Measures (Packaged Goods) Regulations 1986	Statutory labelling for the third parties	96	Measures to simplify the regulations came into force on 6 April 2006. (Table (iii) Item 50)
9. Trading Schemes Regulations 1997	Keeping records	91	Informal consultations on this obligation are being carried out. (Table (i) Item 16)
10. Copyright, Designs and Patents Act 1988	Providing statutory information for third parties	83	Provisions on statutory requirements for patents and trademarks are being revised and will be implemented in 2007 (Table (i) Item 27).

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