

BERR

Department for Business
Enterprise & Regulatory Reform

SIMPLIFICATION PLAN 2007

Promoting business and
enterprise through better
regulation

DECEMBER 2007

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FOREWORD

The Department for Business, Enterprise and Regulatory Reform (BERR) has been created to act as a powerful voice for business in Government with a brief to ensure that the domestic business environment equips UK businesses to succeed in an increasingly competitive global economy.

A key element of this agenda is the Government's continuing commitment to regulate only where necessary and – when regulation is necessary – to do so with the minimum burden on business.

Regulatory reform is therefore at the heart of BERR's agenda for business success. And with the Better Regulation Executive as an integral part of the new Department, we now have the experience and expertise to lead the regulatory reform drive across Government.

BERR is also a major regulatory Department in its own right, with responsibility for a number of key regulatory sectors. These include company law, employment rights, consumer protection and energy regulation – all areas where simplification and regulatory savings have the capacity to make a real difference to hundreds of thousands of businesses, and millions of employees and consumers, across the UK.

This gives BERR a real opportunity to make an enormous impact on the regulatory environment. But it also gives us a wider responsibility to lead by example.

This Simplification Plan therefore sets out both the savings that we have already delivered, as well as detailed proposals across the Department's full range of regulatory responsibilities that will achieve our ambitious target of a 25 percent reduction by 2010 in the administrative costs that we place on business.

Taken together, these will deliver savings worth more than £1 billion per year to the UK economy within the next three years.

The publication of this Plan does not, however, signal the end of the process. Changing the culture of regulation is an ongoing task, and BERR will work hard to make sure that the Government's policy-making culture continues to reflect its regulatory reform ambitions.

December 2007

Rt Hon John Hutton MP

Secretary of State for Business, Enterprise and Regulatory Reform

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1. EXECUTIVE SUMMARY

1.1. The Department for Business, Enterprise and Regulatory Reform (BERR) was formed on 28th June 2007, when the Better Regulation Executive (BRE) and parts of the Department for Communities and Local Government joined most of the former DTI to create a unified Department to bring the views of business to the heart of Government policy-making. At the same time, the former DTI's responsibility for science and innovation policy was transferred to the new Department for Innovation, Universities and Skills.

1.2. With this focus on promoting business and enterprise, BERR is leading the regulatory reform agenda in Whitehall through the work of the Better Regulation Executive. BERR is, however, also a major regulating Department in its own right, and it is therefore important not only for the Department's own credibility – but also for that of the Government's regulatory reform agenda as a whole – that BERR demonstrates that it both understands and is addressing – and reducing – the impact of regulation on business.

KEY ACHIEVEMENTS AND PROGRESS ON MAJOR PROJECTS

1.3. BERR is committed to achieving a 25% reduction on its administrative burdens baseline by 2010.

- BERR baseline £4,188 million
- Administrative burdens savings identified £1,182 million
- New administrative burdens since 2005 £132 million
- Net administrative burdens reduction £1,050 million = 25%

1.4. Our administrative burdens are heavily concentrated in three areas of policy – employment, consumer law and company law. Five major projects in these areas will deliver the bulk of our administrative burdens reductions – over £1 billion in total. They are;

- Implementation of the Companies Act 2006 [paragraph 2.14].
- Implementation of the Unfair Commercial Practices Directive (UCPD) [paragraph 2.34].
- The Employment Law Guidance Project [paragraph 2.27].
- The Employment Bill – which will implement recommendations of the Gibbons Review of the dispute resolution system [paragraphs 2.21 – 2.26].

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- The Consumer Law Review – a new project in this plan [paragraph 2.38].

1.5. We have made good progress on all of these projects and they are beginning to deliver real benefits to business:

- The Companies Act 2006 is being implemented by a series of Commencement Orders and secondary legislation. Several provisions benefiting business have already come into force including those allowing companies to communicate electronically with shareholders (Jan 2007) and the removal of the requirement for private companies to hold an Annual General Meeting (Oct 2007) [paragraphs 3.2 – 3.3].
- UCPD is on track for implementation in April 2008 – when a general duty to trade fairly will replace detailed requirements in a wide range of legislation [paragraphs 3.3 – 3.4].
- The Employment Law Guidance project will help business by providing straightforward guidance and tools which they can use to help them understand the requirements of employment law. Major administrative burdens savings will come from large numbers of businesses making use of these tools, but some of the actual guidance and tools have already been put in place – such as a tool to help employers produce a statement of employment particulars (May 2007) [paragraph 3.5].
- An Employment Bill was announced in the Queen’s Speech (Nov 2007). This will implement recommendations from Michael Gibbons’ review of employment dispute resolution procedures. The measures in the Bill are projected to save business £185m per year and employees a further £4m [paragraphs 2.21 – 2.26].
- The Consumer Law Review announced in July 2007 will look at those areas of consumer law not already being addressed by a current simplification project [paragraph 2.38].

1.6. Overall we estimate that the measures we have put in place are already delivering savings to business of over £140m per year.

1.7. Our better regulation programme goes wider than addressing administrative burdens:

- Implementation of the Services Directive is on track (consultation document published Nov 2007). We estimate that the Services Directive will benefit the UK economy as a whole by £4-6bn per annum by opening up opportunities for cross-border trade in services between EU Member States [paragraph 5.6].

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- The Business Support Simplification Programme is a cross-Government programme led from BERR aimed at streamlining the way Government delivers business support. The Government response to consultation is due to be published in December 2007 [paragraph 5.4].
- The Energy Bill will implement the policies set out in the Energy White Paper and provide a sound market framework. The Energy Bill is underpinned by extensive economic analysis [paragraphs 2.56 – 2.58].

1.8. BERR does not place significant specific burdens on either the public sector or third sector, but supports the wider cross-Government efforts being led by the BRE. In particular we support the target to reduce the number of information requests on front-line public sector workers by 30% by 2010 – our contribution to this effort is set out in the plan [paragraphs 4.1 – 4.7].

TABLE OF ESTIMATED SAVINGS

1.9. The DTI 2006 Simplification Plan published on 11th December 2006 committed us to a programme of simplification that would deliver an estimated £704m in annual administrative burdens savings by 2010¹ – equivalent to around 14 percent of the DTI baseline for administrative burdens.²

1.10. This Simplification Plan updates that programme with more detailed plans for implementation and with additional simplification proposals. Together, these will deliver net reductions in administrative burdens worth around £1,050m per year – or 25 percent of the total administrative cost to business.

1 Retrospectively adjusted to £690m following the transfer of NWML and UK-IPO to DIUS.

2 The baseline quoted in the 2006 Simplification Plan included administrative burdens totalling £457m associated with consumer safety requirements under the Consumer Protection Act 1987.

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1.11. The following table shows PwC's estimates of BERR administrative burdens by policy area; the savings identified in the 2006 Simplification Plan; and the revised totals that take account of the additional simplification savings identified in this plan.

BERR policy area	2006 Baseline(post BAU) £m ³	Savings identified in 2006 Simplification Plan £m	2007 Revised Baseline ⁴	2007 Simplification Plan estimated saving £m ⁵
Company Law & Companies House	962	167	962	304
Consumer & Competition Policy	1,097	170	979	294
Employment law	1,914	427	1,914	507
Insolvency Service	220	12	220	23
Energy Group	78	0	78	25
Other	35	29	35	29
Total admin burdens				
	4,306		4,188	
Total admin burdens savings		805		1,182
Total new burdens since May 2005		(115)		(132)
Net admin burdens savings		690		1,050
Approximate % Reduction		16		25

³ The cross-Government administrative burdens reduction exercise conducted between September 2005 and May 2006 (based on measurement by Price Waterhouse Coopers) estimated that the administrative burdens from BERR regulations amounted to £4.3 billion. This excluded what business representatives themselves categorised as "business as usual" costs – costs that, while linked to regulatory requirements, arise from activities that businesses would continue even if those legal requirements were to be abolished.

⁴ Annex A explains adjustments that have been made to the Baseline to take account of the June 2007 Machinery of Government changes.

⁵ These projected savings are subject to revision as policy measures will be developed further. 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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PROGRESS ON MEASURES SET OUT IN THE 2006 SIMPLIFICATION PLAN

1.12. Our deregulatory efforts have focused on simplification in three key policy areas – company law; employment law; and consumer protection.

Company Law

1.13. The Companies Act 2006 establishes a modern framework for company law, designed for the 21st century.

1.14. Our 2006 Simplification Plan was published only a month after the Companies Act received Royal Assent. At that early stage in the process of implementation, we were only able to give an initial estimate of the administrative burdens savings that the new Companies Act framework would deliver. We conservatively put this at £167m per year – which was the bottom end of the estimate for savings contained in the Regulatory Impact Assessment for the Act.

1.15. With work to implement the Act now well underway, it has become clear that there is far greater scope to reduce the level of burdens on companies. The figures in the 2006 Simplification Plan were based on the legislation as originally drafted. Consequently, they did not reflect significant deregulatory changes to the Bill during its passage through Parliament – in particular, provisions to make it possible for companies to make greater use of electronic communications to contact shareholders and to submit official returns to Companies House.

1.16. We now expect the package of reforms to company law set out in this Plan to deliver administrative burdens savings of just over £300m per year.

1.17. The ongoing process of implementing the Companies Act means that a significant proportion of these savings are already being enjoyed by companies. Since April 2007, companies have been empowered to communicate electronically with their shareholders – saving around £66m in administrative burdens annually. In October 2007, the requirement for private companies to hold an AGM was abolished – reducing annual administrative burdens by £45m for those companies. Further implementing provisions simplifying company law for small businesses will come into force in April and October 2008.

1.18. We are also investigating further simplification opportunities beyond the new Companies Act, in particular EU proposals published in February 2007 to reduce and simplify EU Directives on mergers and auditing; and recommendations on the deregulation of partnership law made by the Law Commission and the Law Commission for Scotland.

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Employment Law

1.19. The 2006 Simplification Plan acknowledged that the years since 1997 had seen – in line with Government policy on the workplace – the introduction of a range of new employment entitlements embodying essential rights and protections for workers. However, the Plan also noted the concerns that many businesses – and particularly small businesses – continue to have about the duties placed on them as employers. In particular, it recognised the concerns that many employers share about the consequences of non-compliance.

1.20. As we explained in our 2006 Simplification Plan, we began to address these concerns in June 2006 with the launch of a joint DTI / BRE Employment Law Simplification Review (ELSR). This was tasked with identifying ways to reduce the complexity, administrative costs and other irritants for business associated with complying with employment law obligations – but without diluting existing employee or union rights. The Review, which concluded in June 2007, was overseen by an expert Practitioners' Panel under the chairmanship of Michael Gibbons, a businessman and member of the Better Regulation Commission. A parallel review of the rules on dispute resolution and employment tribunals – also led by Michael Gibbons – was launched in December 2006 and reported in March 2007.

1.21. Our 2006 Simplification Plan made an initial commitment to an annual reduction of £427m in employment law administrative burdens. As with company law, this was an interim assessment of potential savings based on work in progress at the time the Simplification Plan was written.

1.22. With the conclusion of the ELSR; the delivery of the Gibbons Report into Dispute Resolution; and an Employment Law Bill confirmed as part of the Government's legislative programme for the next session of Parliament – we now have a clearly defined programme of regulatory reform, capable of more accurate assessment against our administrative burdens baseline. We now estimate that implementation in full of the measures set out in this Plan will produce annual savings in the region of £507m. Of this, £365m is attributable to the ELSR-inspired project to improve the design, delivery and uptake of employment law guidance. A further £132m is associated with implementation of recommendations in the Gibbons Report on dispute resolution.

1.23. A formal announcement of the way forward on the Gibbons proposals will be made at the end of 2007. Any measures which require primary legislation will be part of the Employment Bill. Non-legislative measures will be introduced as soon as practicable.

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Consumer Law

1.24. Our 2006 Simplification Plan highlighted work to implement the EU Unfair Commercial Practices Directive as a key deregulatory opportunity. At that stage, the scope for administrative burdens savings associated with transposition of the Directive was conservatively estimated at no more than £35m per year.

1.25. However, as detailed work on the implementation of the Directive has progressed over the last year, it has become clear that its terms will permit a far more radical approach to a number of existing consumer protection regulations. This, in turn, leads to substantially greater reductions in the administrative burdens that these provisions place on business.

1.26. The 2006 Simplification Plan – which made an overall commitment to reduce administrative burdens associated with complying with consumer law by £170m per year – therefore significantly underestimated the benefits that will accrue to business once the Directive is enacted in UK law. Legislation to implement the Directive will be laid before Parliament in the current session, and is expected to take effect in April 2008.

1.27. The introduction of a general duty on traders under the terms of the Directive will allow the removal of some specific existing statutory obligations. For example, the current statutory Code of Practice for Traders on Price Indications will be made voluntary, rather than mandatory; and rules in the Control of Misleading Advertisements Regulations on advertisements to consumers will be repealed altogether.

1.28. As a result of these major simplification initiatives, we now expect implementation of the Directive to produce administrative burdens savings of up to £216m per year.

1.29. We are also evaluating further simplification opportunities on both the EU and domestic fronts. In Europe, we are considering a recent Green Paper on a review of the EU consumer statute book. We are also taking forward a recommendation from the Davidson Review into gold-plating of EU legislation on possible simplification of remedies in sale of goods and supply of services legislation.

1.30. Domestically, we launched a thorough-going Consumer Law Review in July 2007. Based on the successful model that we pioneered for employment law – and building on the work to implement the Unfair Commercial Practices Directive – the review will examine consumer law across the board to assess the scope for further reductions in the burdens on business, without diminishing consumer protection. Research by the Better Regulation Executive on consumer information obligations will

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inform this work. We are targeting burdens reductions of £60m per year by 2010 from the Review, which will report in Spring 2008.

1.31. For consumer law as a whole, this means that we are now aiming to achieve annual savings against the baseline figure of around £294m.⁶

Insolvency Service

1.32. Our 2006 Simplification Plan estimated that simplification initiatives by the Insolvency Service would deliver administrative burdens reductions of almost £12m per year. Again, as work has progressed on implementing these reforms, the initial estimates of savings have proved conservative.

1.33. The first of two Legislative Reform Orders (LROs) – which is allied to a wider project to consolidate, modernise and simplify insolvency legislation that will itself deliver substantial reductions in burdens - simplifies the rules governing the conduct of insolvency proceedings. The provisions in this proposed LRO will make provision for electronic communications within insolvency processes; and will grant insolvency office-holders greater flexibility to exercise their professional judgment when complying with their statutory duties.

1.34. The second LRO will introduce a simple alternative to the current regime governing Individual Voluntary Arrangements in cases where the debtor has undisputed debts of £75,000 or less.

1.35. Taken together, we now expect these measures to deliver an annual reduction in administrative burdens of £23m.

Energy

1.36. The 2007 Energy White Paper “Meeting the Energy Challenge” sets out proposals that will secure clean and affordable energy supplies; tackle climate change; and help to drive the UK economy – all within independently-regulated, competitive markets.

1.37. An Energy Bill in the 2007-2008 Parliamentary session will contain measures designed to bring greater clarity to the regulatory framework; boost investor confidence; and promote more effective and sustainable exploitation of the UK’s energy resources.

1.38. We are also examining the scope for deregulation in respect of gas quality specifications – in the light of increasing dependence on imported supplies; planning reform – to give industry greater certainty on timescales and decisions; and metering and billing requirements – where the

⁶ £120m of savings in the Weights and Measures policy area have now been reallocated to DIUS (see Annex A).

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introduction of “smart meters” promises a possible reduction of around £25m per year in administrative burdens.

New Burdens

1.39. Our expected reduction in administrative burdens of £1,050m per year is net of £132m in new burdens per year by 2010.

1.40. Our 2006 Simplification Plan estimated new burdens at £115m per year by 2010 – largely attributable to implementation of the WEEE Directive; new rules on flexible working; and implementation of the Consumer Credit Act 2006.

1.41. That figure has risen to £132m in this Simplification Plan with the addition of the statutory entitlements to additional annual leave and additional paternity leave; and new company law audit requirements.

Wider Simplification Initiatives

1.42. BERR is also the lead department for two major cross-Whitehall initiatives:

- Business Support Simplification Programme – which aims to streamline Government support for business.
- Implementation of the Services Directive – which will break-down barriers to cross-border trade in services between EU Member States, and has the potential to deliver £4-6 billion in benefits to the UK economy.

1.43. Overall we are presenting a strong better regulation programme covering the full range of BERR’s policy activities. We are on track to deliver the target 25% reduction in administrative burdens by 2010 through a series of measures which will deliver real benefits to business, employees and consumers and address key regulatory concerns. We are working with colleagues throughout Government on cross-cutting simplification initiatives and leading efforts to promote the success of the EU better regulation agenda.

2. PROGRESS REPORT

BACKGROUND TO SIMPLIFICATION IN BERR

2.1. The Department has an extensive regulatory remit, including company law, the competition framework, energy market regulation, employment law and consumer legislation. Efficient regulatory frameworks, imposing as few burdens as possible, are vital to economic success. So, while BERR has an enormous responsibility to ensure that its own regulatory framework is light-touch, it also has significant power to influence the wider debate on the future of regulation. That role as a champion of better regulation was explicitly recognised when the Government's regulatory reform agency – the Better Regulation Executive – was brought within BERR in June this year.

2.2. BERR discharges its responsibilities in partnership with a range of executive agencies, independent regulators, enforcement authorities and advocacy bodies. BERR's agencies include Companies House and the Insolvency Service. The UK-IPO (formerly the Patent Office) and the National Weights and Measures Laboratory transferred to the Department for Universities, Innovation and Skills in June 2007.

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.

WORKING WITH OUR STAKEHOLDERS

2.4. BERR – and DTI before it – has a proven track-record of taking its better regulation responsibilities seriously.

2.5. The Department has been a leader in Whitehall on developing a culture change strategy focused on embedding better policy-making principles at all levels of the organisation. In this way, we have taken great strides to ensure that our policy-making is consistent with Departmental objectives of delivering an improved regulatory environment for business – by introducing a better regulation checklist for BERR ministers and officials to use when taking policy decisions; a Ministerial Challenge Panel, chaired by the Minister for Better Regulation, opening BERR's regulatory agenda to external scrutiny; and better policy-making objectives for BERR's top civil servants – including chief legal, scientific and economic advisors – linked to personal bonuses.

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2.6. The Department has a well-established inclusive approach to consultation and external involvement in policy-making. The major consumer credit review – which was launched in 2001 and culminated in the 2006 Consumer Credit Act – involved extensive consultation with stakeholders at all stages, and benefited from the secondment of a number of credit industry experts to the review team. More recent major projects – such as the company law review that produced the 2006 Companies Act; the Employment Law Simplification Review, with guidance from its expert Practitioner Panel; and ongoing work to transpose the EU Directive on Unfair Commercial Practices – have all been characterised by extensive, prolonged and transparent consultation with key stakeholders – including the CBI, the Engineering Employers Federation, the Federation of Small Businesses, the British Chambers of Commerce, the Small Business Council⁷, the Institute of Directors, the National Consumer Council and the Trades Union Congress.

2.7. This culture of consultation has been mirrored within key industry sectors – including vehicles, chemicals, biotechnology and retail – where business and officials meet regularly to examine all of the regulatory issues affecting their sector. Following extensive consultation with the construction industry, we intend to publish in Spring 2008 a strategy endorsed by the Strategic Forum for Construction to help business to address the regulatory framework on sustainable construction.

2.8. We also invited comments through our dedicated e-mail address, simplify@dti and through the Government's central Internet Simplification Portal, <http://www.betterregulation.gov.uk/>.⁸ The Portal was introduced in April 2007 and is administered by the Better Regulation Executive.

2.9. We received a total of seventeen proposals – two through “simplify@dti” and fifteen through the Portal. Of these, three proposals did not, in fact, make any suggestions for deregulation or simplification and were not, therefore, taken forward. Six proposals are being taken forward. Three are still being considered. Three proposals were for more regulation in areas (for example, price controls) where we had previously announced that regulation would be reduced.

2.10. All of this is reinforced by the governance framework that we have put in place to support our better regulation efforts. Our Ministerial Challenge Panel tests policy proposals against better regulation criteria; and our Better Regulation Programme Board has overseen the preparation of both this and last year's Simplification Plans. Both the Ministerial Challenge Panel and the Programme Board include business representatives.

⁷ Now replaced by the Small Business Forum, chaired by Stephen Timms

⁸ Since the introduction of the Government portal as the single channel for simplification suggestions we no longer invite comments through simplify@dti.

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MAJOR SIMPLIFICATION MEASURES

2.11. We have already conducted major reviews into company law – resulting in the Companies Act 2006; and employment law simplification – the results of which form the basis for the forthcoming Employment Bill.

2.12. The addition of a comprehensive review of consumer law in July 2007 completes a process of detailed examination of the Department's three key regulatory areas which, between them, account for over 90 percent of the administrative burdens attributed to BERR in the PwC research.

2.13. Five projects will deliver reductions of over £1 billion in administrative burdens:

- Implementation of the Companies Act 2006
- Delivery of an improved employment dispute resolution system
- Improved guidance for employers on their employment law obligations
- Implementation of the EU Unfair Commercial Practices Directive
- A Consumer Law Review.

Company Law

Implementation of the Companies Act 2006

2.14. The Companies Act 2006 received Royal Assent on 8th November 2006⁹. It represents the first major overhaul of company law since the Companies Act 1985.

2.15. Implementation has already begun. When the Act received Royal Assent, provisions permitting companies to communicate electronically with shareholders came into force – saving a projected £66m per year in administrative burdens. From October 2007, the requirement for private companies to hold AGMs has been abolished – saving those companies around £45m per year.

2.16. The remaining measures - to simplify Directors' duties and processes for smaller companies; remove restrictions on companies' purchase of their own share capital; and simplify provisions relating to the

⁹ <http://www.berr.gov.uk/bbf/co-act-2006/index.html>

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submission of annual accounts – will come into effect in a planned implementation process by October 2009¹⁰.

2.17. Total administrative burdens reductions arising from implementation of the Companies Act are projected to be around £300m per year.

2.18. Reducing the burdens associated with company law is important because of its wide reach – it has an impact on every company in the country. That is why the original baseline numbers were so large, but it is also the reason why a handful of targeted reforms – such as those set out in this Simplification Plan – will have a significant positive impact on the administrative costs to business across the economy.

Other Company Law Simplification Measures

2.19. In addition to the new regime under the 2006 Act, a number of other simplification initiatives are being taken forward which may begin to deliver administrative burdens savings by 2010:

- Deregulation of audit and accounting – in particular for small firms.
- Companies House – automated services through My Companies House, with individual company portals.
- Joint filing – project with Her Majesty's Revenue and Customs on data sharing, joint filing and a single business identifier.
- Partnership law – implementation of a number of deregulatory measures recommended by the Law Commissions.
- Changes to the regime governing company charges – to end double-registration for fixed charges over land.
- Proposed simplification of EU rules – the Commission has published a Simplification Plan that considers further simplification of corporate governance, and accounting and auditing regulation across the EU. The UK supports the aims of this Plan, and is working to ensure that further simplification is achieved where appropriate.

10 A statement on the revised implementation timetable for the Companies Act 2006 was laid in the House of Commons on 7th November – and can be viewed at: <http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm071107/wmstext/71107m0001.htm#07110721000016>

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Employment Law

2.20. We expect the implementation of simplification measures as a result of the Employment Law Simplification Review to deliver administrative burdens savings for business of £507m per year.

Dispute Resolution Review

2.21. Securing improvements to the employment tribunals and dispute resolution systems are key objectives for the Department's business stakeholders.

2.22. On 7th December 2006, the then Secretary of State for Trade and Industry, Alistair Darling, appointed Michael Gibbons to undertake a root and branch review of the framework for settling disputes between employers and employees.

2.23. The report of the Gibbons Review was published alongside the Budget in March 2007. It recommended repeal of the 2004 statutory procedures; their replacement by alternative and non-statutory measures to encourage early settlement of disputes; and measures to enhance the effectiveness and consistency of employment tribunals.

2.24. The Government issued a consultation in parallel with the Gibbons report to seek views on the way forward. That consultation closed on 20th June having received over 400 responses.

2.25. Implementation of the Gibbons review is expected to deliver savings for business in the region of £185m per year – of which £132m is administrative burdens savings. We anticipate associated annual savings for employees in the order of £4m.

2.26. Achieving these savings is dependent on primary legislation, and the Department has secured an Employment Bill in the 2007-2008 Parliamentary session.

Simplification of Employment Law Guidance

2.27. The employment law simplification review concluded that the provision of improved guidance for employers had the potential to deliver very significant reductions in administrative burdens on business throughout the economy.

2.28. We are therefore putting together a co-ordinated programme to improve the content, delivery and awareness of employment law guidance – through the provision of user-friendly tools on employment rights and responsibilities – designed to increase business confidence, encourage compliance and reduce compliance costs.

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2.29. Improved online tools and guidance have already been developed and posted on the Business Link website. Funding for the full roll-out of the programme has been secured as part of the 2007 Comprehensive Spending Review settlement (covering 2008-2011).

2.30. We anticipate that the new guidance tools will deliver administrative burdens savings totalling £365m per year across a range of employment law obligations. This is based on assumptions about the level of take-up of the new tools varying from 20-30% (see the Simplification Grid p56). A detailed breakdown of projected savings is set out below:

- Statements of terms of employment: Measures to improve guidance, to deliver this through a web-based tool and to raise awareness about its availability is expected to reduce administrative burdens on business by around £160m a year.
- Working Time Regulations: Improved guidance will reduce administrative burdens on employers by over £60m per year.
- Flexible Working: New guidance will produce annual administrative burdens savings of almost £50m.
- Agency workers: Measures to improve the quality, awareness and take-up of Government advice to employment agencies on their legal obligations is expected to produce annual administrative burdens savings for the industry of £78m.
- We have also consulted on proposals to simplify the information requirements on agencies where the assignment is for less than 5 days and where all the essential details have already been provided to the worker in writing with the agency's term and conditions. We estimate that this will reduce administrative burdens by around £5m per year.
- National minimum wage: The abolition from 1st October 2006 of the Older Worker Development Rate has released employers from the requirement to provide employees with a written agreement on this rate. This is already producing administrative burdens savings of over £5m a year. Improved guidance will reduce the administrative costs associated with compliance by a further £7m per year.
- Redundancy: We are extending the availability of web-based guidance and advice to complement the existing calculation tools; to clarify some areas of confusion on the part of employers about their legal obligations; and to help employers to produce statements of redundancy pay. This will deliver savings of £5m per year.

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- Maternity leave and pay: A new guidance regime – including the rationalisation of all Government website advice and the production of summary leaflets of rights and responsibilities took effect in October 2006. Although PwC data did not estimate significant administrative burdens in this area, employers have identified these issues as key irritants.
- Parental Leave: Improved guidance will deliver almost £5m in administrative burdens savings per year.
- Trade unions: Trade Unions can apply for new technologies for their administrative systems to the Union Modernisation Fund, sponsored by BERR. Over time this will make it less burdensome to compile and maintain a register of the names and addresses of union members and securing that the entries in the register are up to date.
- The case for simplifying Trade Union Law is being considered, including the case for non-postal balloting methods, which may reduce costs associated with ensuring that everyone who is entitled to vote in a ballot on industrial action is sent a voting paper.

Practitioner Panel

2.31. Alistair Darling, the then Secretary of State of DTI, appointed the Employment Law Simplification Practitioner Panel in December 2006. The Panel was established to assist the Government in conducting the employment law simplification review, in particular by advising on areas of simplification already in train and by identifying any other areas of employment law where simplification could be achieved without diluting employee rights. In completing its work, the Panel considered not only the administrative burdens identified by PwC, but also specific simplification suggestions made to the Department by business and other stakeholder groups.

2.32. Most of the Panel's recommendations relate to stopping – or at least managing better – the flow of new employment regulation; as opposed to amending existing law – where the Panel found less scope for change.

2.33. The Panel has made two key recommendations – that BERR should review the law relating to compromise agreements and some specific elements of redundancy law – neither of which feature on the PwC list of employment law administrative burdens; and that the social partners seek to agree a definition of 'autonomous worker' that could be exempted from the Working Time regulations.

Consumer Law

Implementation of the EU Unfair Commercial Practices Directive

2.34. The Unfair Commercial Practices Directive will be implemented in the UK early in 2008. Implementation will repeal existing provisions in 22 pieces of consumer law – creating leaner, more flexible and future-proofed regulation.

2.35. Our 2006 Simplification Plan estimated that implementation of the UCPD in the UK would produce annual administrative burdens savings in the region of £7m - £35m. As the ambition of the implementing package became apparent, however, those figures proved to be far too conservative.

2.36. For example, since the publication of the 2006 Simplification Plan, we have taken the decision to remove the statutory effect of the Code of Practice for Traders on Price Indications. We also intend to repeal the Control of Misleading Advertisements Regulations so far as business to consumer advertising is concerned, as well as key sections of the Trade Descriptions Act and parts of the Price Marking regulations.

2.37. As a consequence of these and other simplification measures associated with implementation of the Directive, we have significantly revised the expectations on savings set out in our 2006 Simplification Plan. We now anticipate that the administrative burdens reductions associated with UCPD implementation will be £216m per year¹¹.

Consumer Law Review

2.38. We launched a comprehensive review of consumer law in July 2007 as part of the "Next Steps for Regulatory Reform" document. We expect to conclude this review by Spring 2008, with proposals for simplification in 2008/2009.

2.39. Building on the principle-based approach that we are adopting to the implementation of the UCPD, the review will assess the scope for further reductions in the administrative burdens on business while maintaining levels of consumer protection.

2.40. We are targeting burdens reductions of £60m per year by 2010 from the Consumer Law Review.

2.41. There are also links to the current EU review of the main consumer protection directives ('the consumer acquis'), which remains an opportunity for further simplification and better regulation. The EU

¹¹ The assumptions underpinning this figure are subject to validation with business stakeholders

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Commission are currently working on an impact assessment to accompany a draft proposal, expected in the Autumn of 2008. One likely option is to bring together at least four consumer protection directives regulating sales of consumer goods, unfair consumer contract terms, distance-selling and door-step selling contracts. Divergences in the way that withdrawal rights operate are expected to be removed, together with more consistent definitions of terms in consumer contracts. This provides scope for not only reducing the size of the consumer acquis but also reducing the administrative burdens on business when selling cross-border in the EU.

Other Consumer Law Simplification Measures

- Consumer credit: We have reviewed certain provisions in the Consumer Credit Act 1974 and the Conduct of Business (Credit Reference Agencies) Regulations 1977, and have identified administrative burdens savings of an estimated £14m a year.
- Consumer Voice: The introduction by April 2008 of a simpler and more effective system of consumer representation will save business an estimated £9m a year.

Retail Enforcement Pilot

2.42. The Retail Enforcement Pilot was launched in June 2005 to trial ways of reducing the burden of local authority inspection for retail businesses whilst enhancing consumer and worker protection. It set out to be a practical application of the key Hampton Report 'lighter touch' principles through risk-based enforcement and joined up working between Government agencies, focusing on outcomes rather than outputs (such as the number of inspections carried out) and genuine sharing of data.

2.43. The Pilot is working closely with a wide range of expertise across central and local government and includes representatives from the Food Standards Agency, the Health and Safety Executive, Trading Standards, Environmental Health and business. It provides a framework for collaborative working between local authorities and national regulators which is intended to:

- reduce the burdens of inspections upon compliant businesses;
- promote targeting of risk based interventions;
- increase the efficiency of local authority regulatory services through joint local working;
- enhance consumer and employee protection through re-focusing resources on high risk or non-compliant businesses.

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2.44. In November 2006, the Chancellor announced that the Retail Enforcement Pilot would be extended to another 70 local authorities in Phase 2. Full evaluation of the Pilot testing is planned for March 2008. It is estimated that the reduction in administrative burdens on business will be at least £3.5m per year, but may double those expectations.

Local Better Regulation Office

2.45. The Local Better Regulation Office (LBRO), which is based in Birmingham, will support local authorities to make regulation simpler and more effective. It became operational on 1st September 2007 when Chairman Clive Grace, Chief Executive Graham Russell and seven board members took up their appointments.

2.46. LBRO's statutory powers are included in the Regulatory Enforcement and Sanctions Bill which received its first reading on 8th November 2007. The powers will:

- require Government departments to consult the LBRO about enforcement provisions within scope to ensure that enforcement and compliance responsibilities are workable and well thought-out;
- require local authorities to be compliant with the best practice framework; and
- Oversee and manage performance measures.

2.47. Following consultation,¹² we laid an order creating a statutory code of practice for regulators before Parliament in October 2007. The Code – which is provided for under the Legislative and Regulatory Reform Act 2006 – will encourage regulators to focus enforcement effort on those problem businesses that are most likely to cause harm, whilst improving advice and reducing unnecessary burdens for honest businesses. It comes into force in April 2008.

Insolvency Service

2.48. In our 2006 Simplification Plan, we indicated that deregulatory initiatives by the Insolvency Service would deliver administrative burdens reductions of almost £12m per year. Again, as work has progressed on implementing these reforms, the initial estimates of savings have proved conservative.

12 The Government response to the consultation on the Regulators' Compliance Code can be viewed at:
http://bre.berr.gov.uk/regulation/documents/consultation/pdf/gov_response_consultation.pdf

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2.49. The Insolvency Service is currently preparing two Legislative Reform Orders (LROs) under the 2006 Legislative and Regulatory Reform Act. The first, allied to a wider project to consolidate, modernise and simplify insolvency legislation (that will itself deliver substantial reductions in burdens), will remove some redundant, but burdensome, requirements on insolvency practitioners. It will make provision for electronic communications; and will grant insolvency practitioners greater flexibility to exercise their professional judgment when complying with their statutory duties. The proposals strike a balance between the need for proper accountability and reducing or removing unnecessary burdens.

2.50. In total, we expect the LRO and the wider consolidation of legislation to reduce administrative burdens associated with insolvency procedures by around £22.5m per year. Reducing costs in this way should also increase the amount of money that can be returned to creditors.

2.51. The second LRO will introduce a simple alternative to the current regime governing Individual Voluntary Arrangements in cases where the debtor has undisputed debts of £75,000 or less, and will similarly reduce administration burdens by an anticipated £0.5m per year.

2.52. Taken together, we therefore now expect these measures to deliver an annual reduction in administrative burdens of £23m.

Energy

2.53. In the 2007 Energy White Paper "Meeting the Energy Challenge" the Government announced a package of proposals to ensure that the UK has secure, clean and affordable supplies of energy, to drive the economy and to tackle climate change. An analytical synthesis paper was published alongside the White Paper setting out the broad impacts of the individual policies that it contains: <http://www.berr.gov.uk/files/file39198.pdf>.

2.54. More detailed impact assessments of individual proposals will be conducted as the White Paper proposals are taken forward.

2.55. The Government is committed to a market framework for energy. Independently regulated competitive markets are the most cost-effective and efficient way to deliver our goals, and the market - regulated by the independent energy regulator, Ofgem - is functioning well in the UK. Government's role is to correct market failures to align the objectives of market participants with our energy policy goals – for example, through a carbon price to incentivise low carbon energy production, distribution and use. The White Paper identifies a number of such areas where policy or regulatory intervention is, or may become, necessary to deliver our energy goals.

Energy Bill

2.56. Some of the measures set out in the Energy White Paper will require primary legislation and the intention is to introduce a Bill in the next parliamentary session. The Bill will contain a mix of new measures and amendments to some of the existing provisions of energy legislation that are out of date.

2.57. The Bill will strengthen the investment framework for investment in power stations, gas storage facilities and other energy infrastructure in order to help the UK ensure secure supplies of energy and tackle climate change. It will do this by encouraging growth in of renewable energy sources (banding the Renewables Obligation) and enabling the development of emerging technologies to reduce emissions from fossil fuel power stations (carbon capture and storage). A “light touch” approach to regulation (Offshore Gas infrastructure) will allow the market to work effectively whilst ensuring security of supply. The Bill will also contain provisions on the decommissioning of oil and gas and offshore renewables. These, together with changes to oil and gas licensing and third party access to petroleum infrastructure, are intended to create a level playing field through consistency of regulation in the energy sector where appropriate. The provisions will create certainty around the set-up and lifecycle of new energy projects and have been assessed to balance the requirements of industry and society as a whole. The Energy Bill's benefits to business will be:

- clarity in the regulatory framework;
- greater investor confidence; and
- better access to exploit the UK's energy resources more effectively and sustainably.

2.58. BERR has been working with other Government departments to utilise existing regulations and avoid duplication. BERR and DEFRA have agreed a joint regulatory approach to enforcing EU Environmental Regulations on offshore oil and gas in the UK. These include Statutory Instruments (SIs) for enforcing penalties if industrial sectors are non-compliant. This avoids BERR having to introduce separate SIs to apply the same penalties offshore that would be applicable to onshore industrial sectors. We are also proposing to use the provisions of existing offshore (domestic) regulations to implement EU environmental measures.

Other Energy Policies

Gas Quality

2.59. We have worked hard to ensure that better regulation principles underpin our policy decisions. As we face an increasing dependence on imported gas we have had to consider whether our gas quality specifications should be altered to reflect this. We established a sound evidence base on the likely specification of imported gases, and on the ability of our current gas appliance population to burn those gases safely, and consulted on the proposal not to change the specification. The consultation responses refined the estimates of the risks and costs of the policy options, and enabled the Government to confirm the “no change” option which was estimated to save £8bn (NPV 2005) in comparison with the “change” option that would have involved approximately 45 million gas appliances.

Planning Reform

2.60. The Energy Bill, the Planning Bill and the Climate Change Bill form the three legislative pillars of the Government's energy strategy in tackling climate change by reducing carbon emissions both in the UK and abroad; and ensuring we have clean secure and affordable energy supplies. The Planning Bill will ensure that major energy infrastructure projects which are essential to security of energy supply are dealt with by an efficient and fair planning process. DCLG are leading on the cross-Government Planning Bill with input from BERR (on energy), DEFRA (water and waste) and DfT (transport).

2.61. The Planning Bill seeks to depoliticise the planning system, give greater certainty to interested parties about timescales for decisions and outcomes, and increase transparency. This should increase investor confidence and encourage investment in the UK's major infrastructure. It is anticipated this will be a deregulatory measure - a draft impact assessment issued with the Planning White Paper estimated significant administrative savings for major infrastructure projects, some of which are currently BERR's responsibility as they relate to energy infrastructure. The partial Impact Assessment will be updated upon introduction of the Planning Bill. A link to the partial Impact assessment can be found at: <http://www.communities.gov.uk/publications/planningandbuilding/partialregulatoryimpact>

2.62. If the Government confirms its preliminary view in favour of allowing the option of new nuclear power stations, the Strategic Siting Assessment (SSA) for new nuclear power could enable subsequent planning inquiries into proposed new nuclear build to focus better on the relationship between the proposal, the local plans and local environmental impacts, rather than the rationale for the site's selection. This would

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significantly reduce levels of uncertainty in the planning process and allow the inquiry to make the best use of its time and resources. These would provide direction to the planning system and the local level. Furthermore, by addressing national issues related to nuclear siting at the national level in advance of any application being submitted, the length and cost of the public inquiry should be greatly reduced compared to previous inquiries in this area. Analysis of the costs of the Sizewell B inquiry suggests that the potential savings to business could be significant - running into millions of pounds.

Climate Change Bill

2.63. The Climate Change Bill, led by DEFRA, reinforces the Government's commitment to driving an energy efficient, low carbon economy in the UK and working towards our long-term goals of reducing global greenhouse gas emissions. It provides a long-term framework that will encourage and support action, as well as minimise mitigation costs to help this and future Governments, business and individuals meet the climate change challenge. It puts in place a coherent package to strengthen the domestic policy framework. It increases confidence in our long term targets by enshrining these in legislation and creating greater certainty for investors. A partial Impact Assessment has been prepared for the draft Bill available at:

<http://www.defra.gov.uk/corporate/consult/climatechange-bill/ria.pdf>.

2.64. This will be updated when the Bill receives Royal Assent.

Metering and Billing

2.65. Administrative burdens arising from our energy policies are relatively small as a proportion of the BERR baseline. The majority of information obligations are associated with metering and billing requirements for the suppliers of gas and electricity to consumers, both domestic and industrial. We will review the figures ascribed to these obligations as part of the current work on providing "smart meters" that we announced in the Energy White Paper. Preliminary analysis suggests that targeting a reduction of £25m should be achievable.

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NEW BURDENS SINCE 2005

2.66. Our 2006 Simplification Plan identified new burdens of £115m per year – consisting of:

- implementation of the EU Waste Electrical and Electronic Equipment Directive (£31m);
- introduction of new rules on flexible working (Flexible Working Regulations 2006)(£35m);
- implementation of the Consumer Credit Act 2006 (£38m).

2.67. This Simplification Plan acknowledges an additional £17m in new burdens per year attributable to:

- introduction of the statutory entitlement to (additional) annual leave (£14m);
- introduction of the statutory entitlement to additional paternity leave (£1.3m);
- new company law audit requirements (£1.3m).

2.68. The overall total for new burdens by 2010 is therefore £132m per year.

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3. TRAJECTORY GRAPHS

Chart 1. Administrative burdens reductions (£m)

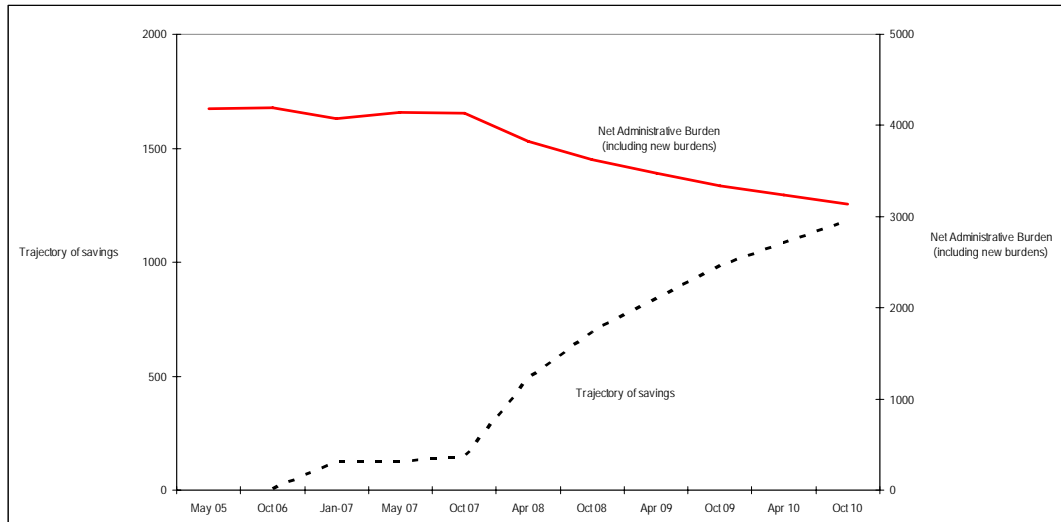
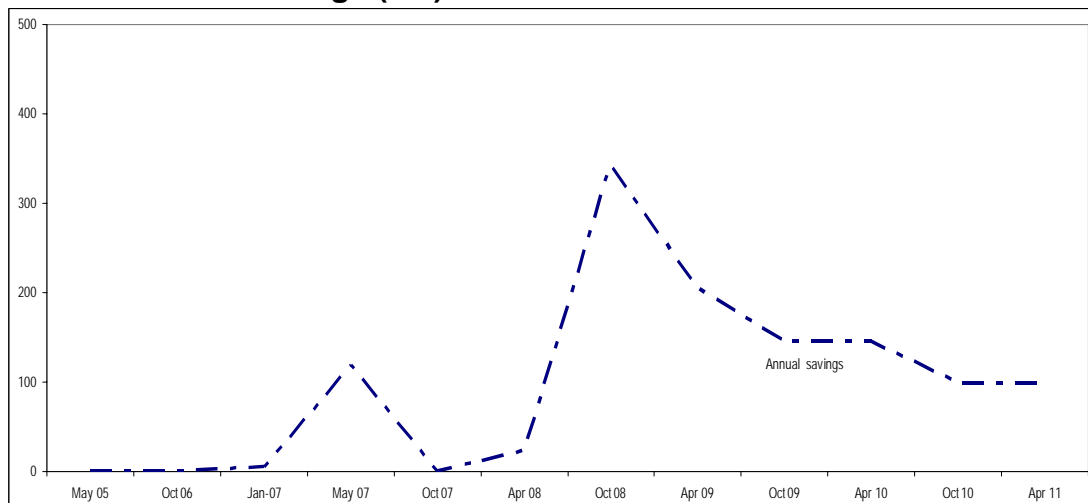


Chart 2. Annual savings (£m)



TIMELINE FOR IMPLEMENTATION OF SIMPLIFICATION MEASURES

Measures already delivered

Measures delivered January 2005 - May 2006

3.1. The first set of Simplification Plans was published in December 2006. These contained tables setting out measures implemented between January 2005 and May 2006. These included:

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- Simplified online filing of for small accounts: major reduction in rejection rates for small accounts filed with Companies House (implemented November 2005).
- Reduced cost of accessing statutory information held by Companies House effected through online information tools – saving business £5m per year (implemented March 2006).
- Introduction of Common Commencement Dates – by introducing a system where most new legislation commences on either 6 April or 1 October reduced costs of familiarisation with new legislation for business. Estimated saving to business of about £5m per year – especially focused on small business (implemented April 2006).

Measures delivered May 2006 - October 2007

3.2. A number of the measures included in the 2006 DTI Simplification Plan have now been delivered – notably in the area of employment law and company law (following the passage of the Companies Act 2006 in November 2006). These include:

- Changes to National Minimum Wage regulations saving employers £5m per year (implemented October 2006).
- Revised Business Link tools and guidance on how to produce a statement of employment particulars (implemented May 2007).
- A new Business Link tool to enable employers to produce a statement of redundancy terms (implemented May 2007).
- New guidance on maternity leave and pay – identified as a significant irritant for business (implemented October 2006).
- Enabling electronic communication with shareholders – estimated savings for business of around £66m per year (implemented January 2007).
- Removal of the requirement for private companies to hold an AGM – projected savings of over £45m per year (implemented October 2007).
- International Trade Single Window – a new common information portal for all regulatory information – saving time and providing certainty for new / inexperienced traders.

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Measures due to be delivered in the next 3 years

Measures to be implemented October 2007 - May 2008

3.3. The Companies Act has a detailed implementation plan with full implementation to be completed by October 2009. Measures are being brought into force on the various common commencement dates between now and then. In addition, the transposition of the EU Directive on Unfair Commercial Practices (UCPD) will be complete within the next year.

3.4. The various guidance projects in employment law will also be rolled out starting in 2007. These projects have the potential to deliver up to £365m in administrative burdens reductions – dependent on take-up by business.

3.5. Specific measures include:

- Implementation of the UCPD will lead to the repeal of a number of pieces of consumer legislation and their replacement with a general duty not to trade unfairly – projected savings of about £216m per year (due in April 2008).
- Simplification of information requirements for agencies supplying workers on short term assignments – projected savings of approximately £85m per year (due in April 2008)

Measures to be implemented May 2008 – May 2010

3.6. Measures include:

- Companies Act measures – including simplifying rules on capital maintenance; and codification of directors' general duties – projected savings over £150m per year (due in October 2009).
- Implementation of the Services Directive (due by end 2009) – projected economic benefits to the UK economy of between £4-6 billion. Administrative burdens reductions are still to be calculated, and depend on the final form of the implementing measures.
- Insolvency measures – simplified Individual Voluntary Arrangements and consolidated secondary legislation – with projected savings of £23m per year (due in 2008).
- Employment law measures included in the Employment Relations Bill – including the outcome of the dispute resolution review, which has the potential to deliver administrative burdens savings up to £132m per year.

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Possible savings beyond 2010

3.7. Various proposals are likely to deliver further administrative burdens reductions, but the effect may not be felt till after 2010.

3.8. Proposals include:

- Additional savings in the consumer law area – arising, for example, from the review of the EU consumer acquis; and the Consumer Law Review.
- Simplification of EU company law; changes on partnership law; and possible changes to audit and accounting rules.
- Further savings arising from recommendations from the employment law Practitioners Panel.

4. PUBLIC SECTOR AND THIRD SECTOR

Public Sector

4.1. On 21 June 2007 the BRE launched the Government's strategy for reducing bureaucracy for front-line public sector workers¹³ and in the pre-Budget Report in October 2007, the Chancellor announced a new commitment to reduce by 30% by 2010 the total amount of data that central departments and agencies request from frontline public sector workers¹⁴. The aim is to improve the efficiency of the delivery of public services by reducing the burden of bureaucracy on public sector workers.

4.2. BERR does not impose significant burdens on public sector workers. In common with other departments we have attempted to identify those information requirements which we do make on front-line workers. These are primarily information requests to organisations which are part of the wider BERR family – e.g. ACAS. The results are shown in table iv, pages 76 – 78. The small numbers of information requests that are made of these organisations are part of our duty to ensure that these organisations are being properly run and to monitor their performance against objectives.

4.3. BERR will seek to minimise the data it requests from front-line workers in line with the target to reduce the number by 30%. Six of the 21 datastreams identified in this exercise will no longer be required from April 2008 when the new local Government Performance Framework begins – a reduction of 29%.

4.4. In addition, some of the initiatives that we have reported on elsewhere in this Simplification Plan will have the effect of reducing burdens on public sector workers:

Insolvency

4.5. The proposals on simplified Individual Voluntary Arrangements set out in paragraphs 2.48 – 2.52 of the Progress Report will also remove the current requirement for the courts service to open a file for each IVA.

Retail Enforcement Pilot

4.6. The Retail Enforcement Pilot not only reduces the burdens on business by reducing the numbers of inspections undertaken by enforcement officers, but it will help front line workers to target their efforts to where they will have the most impact.

¹³ http://bre.berr.gov.uk/regulation/reform/public_sector/index.asp

¹⁴ http://www.hm-treasury.gov.uk/media/2/D/pbr_csr07_chapter3_208.pdf - see para. 3.16

THIRD SECTOR

4.7. The Government is also committed to reducing regulatory burdens on the third sector. BERR is not responsible for regulation placing significant specific burdens on the third sector. However, third sector organisations are affected by general regulation in areas such as employment and company law in the same way as other employers. BERR's programme of administrative burdens reductions will likewise benefit third sector organisations in the same way as it benefits other employers.

5. WIDER LINKS

IMPLEMENTING THE HAMPTON REVIEW

5.1. BERR, and in particular the BRE, has the lead responsibility for implementing the Hampton Report across Whitehall.

5.2. BRE is taking forward the creation of the Local Better Regulation Office (LBRO) in the Regulatory Enforcement and Sanctions Bill. BERR has already achieved a number of other regulatory mergers and consolidations recommended in the Hampton report:

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

BERR-LED CROSS-GOVERNMENT INITIATIVES

5.3. Important areas where BERR leads on cross-Government programmes that will simplify the business environment, in particular:

Business Support Simplification Programme (BSSP)

5.4. In the Budget of 2006, the Chancellor announced that between now and 2010 current schemes and programmes will be merged, closed or if appropriate continued as one of no more than 100 products and services. The Government invests around £2.5 billion each year to stimulate enterprise and innovation in the UK, encourage business start-ups and help businesses grow successfully. Business support is made available in many forms, from different Government departments, at central, regional and local government levels. Over years, the proliferation of support schemes and products (which are estimated to be nearly 3000 in number) has led to confusion for businesses, inefficient delivery and sub-optimisation of fund flows. BSSP is a cross-Government programme to simplify business support. It is led by BERR's Enterprise Directorate.

5.5. We consulted on BSSP in the summer of 2007 and an interim response to the consultation was published at the time of the pre-Budget Report. The high-level portfolio of business support products was announced at the same time.

Implementation of the EU Services Directive

5.6. The EU Directive on Services in the internal market aims to break down barriers to cross border trade in services between EU Member States, making it easier for service providers, particularly small and medium sized enterprises, to:

- set up business and offer services in other Member States; and
- provide services temporarily and/or at a distance in other Member States.

5.7. The Directive was adopted at the end of 2006 and published in the European Commission's Official Journal on 27 December 2006. BERR is responsible for coordinating the implementation of the Services Directive with colleagues across Whitehall, the Devolved Administrations, Local Authorities and Regulators.

5.8. Work to implement the Directive has begun. We have until 28 December 2009 to ensure all elements of the Directive are in place. We are focusing on:

- screening - ensure all legislations/licences and administrative practices relating to service providers comply with the Directive, meaning remove or amend any laws and practices which create unjustifiable barriers to trade;
- point of single contact - setting up an online portal through which businesses will be able to complete the formalities and procedures needed to set up a business or provide a service on a temporary basis;
- mutual assistance – Regulators will be enabled to co-operate more efficiently with their counterparts in other Member States. This will mean fewer burdens on business e.g. checking documentation;
- quality of services – the Directive also includes provisions on rights for service recipients, such as making information on redress schemes more readily available.

5.9. In addition, each Member State is required to report back to the Commission (end of the implementation period) on what legislation and practices they have retained and the justification.

5.10. To ensure UK businesses benefit from the Directive fully, we are working closely with the Commission and Member States to ensure a cohesive approach is taken across the EU. The Commission have planned to hold several Working Groups during the course of the implementation

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stages with Member States, to discuss aspects of the Directive and share best practice. The UK will be playing an active role in these.

5.11. BERR launched a consultation on the implementation of the Services Directive in the UK on 5 November 2007¹⁵.

Evidence Base Capabilities

5.12. BERR's Better Regulation Team and economists were closely involved in the development of the new Government-wide Impact Assessment (IA) template, which was rolled out across Departments from May with a requirement that it should be used for all IAs supporting regulations and legislation laid before Parliament from the new session in November.

5.13. BERR economists continue to lead on a number of cross-Departmental better regulation initiatives. In particular, this year saw the launch of the Impact Assessment Peer Review Group, which will help to ensure ongoing engagement of the Department's economists in the development of IAs. It will help scrutinise and challenge the underlying assumptions in IAs to ensure they meet the requirements of better policy making and are able to withstand wider scrutiny.

5.14. The Department was also a leader in Whitehall in the development of an IT Tool to give officials access to the administrative burdens data and to assess the implications of simplification proposals on existing regulations. The BRE subsequently developed its Cross-Governmental tool using the BERR model.

EUROPEAN BETTER REGULATION AGENDA

5.15. Better Regulation has become a major priority in Europe. Better regulation is central to the Lisbon Agenda for strengthening the competitiveness of the EU and supporting sustainable growth and employment. The UK is at the forefront of efforts to push this work forward, with BERR officials (BRE) in the lead.

5.16. The Commission has adopted the better regulation agenda and on 14 November 2006 came forward with a major package of proposals presented as the outcome of a "Strategic Review of Better Regulation in the EU". Key proposals in the 14 November package included:

- Reducing administrative burdens – the Commission proposed that the European Council of March 2007 should endorse a target to reduce administrative burdens arising from EU legislation by 25% by 2012. It will begin by measuring burdens in priority areas.

¹⁵ <http://www.berr.gov.uk/files/file42207.pdf>

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- Strengthening of rolling simplification programme – In October 2005 the Commission launched a rolling programme for the simplification of EU legislation by repeal, review or clarification. The 14 November package included a proposal to add 43 new initiatives to the rolling simplification programme
- Withdrawal of legislative proposals – In March 2006 the Commission announced the withdrawal of 67 legislative proposals following a review. The 14 November package included a proposal to withdraw 10 more pending legislative proposals.
- Scrutiny of impact assessments – a new Impact Assessment Board will be established, made up of senior Commission officials, with a remit to consider the quality of Commission impact assessments. This new body met for the first time in February 2007.

5.17. The European Council endorsed this package of proposals in March 2007. The European Commission has begun a measurement exercise, working with member states, similar to the Administrative Burdens Measurement Exercise undertaken in the UK (and in several other member states) on priority areas being targeted for administrative burdens reductions. BRE officials are co-ordinating this work for the UK, building on our own measurement exercise. EU company law is one of the identified priority areas and officials from the Corporate Law and Governance Directorate are working with BRE colleagues to identify opportunities for simplification and burdens reductions.

DAVIDSON REVIEW

5.18. The Davidson Review of the implementation of European legislation published its final report on 28 November 2006. The full report and related documents can be found online on the BRE website at: http://bre.berr.gov.uk/regulation/reviewing_regulation/davidson_review/index.asp.

5.19. The Davidson Report showed that over-implementation of EU legislation (“gold-plating”, double-banking and regulatory creep) is neither a widespread problem in the UK generally, nor in those areas of policy for which BERR is responsible.

5.20. The Report contained some recommendations relating to specific examples of over-implementation and some recommendations for improved guidance for officials. The Government accepted the recommendations contained in the report and they are being taken forward by various Departments including BERR.

5.21. Nevertheless, the review did find some specific instances of the different types of over-implementation and has made recommendations in

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each case. Only one of these falls within BERR's responsibilities – on consumer remedies and the Consumer Sales Directive – Davidson cites this as a case of double-banking. The report's recommendation is as follows:

“DTI should implement a simplified system of consumer remedies by the end of 2009 unless, following informal stakeholder consultation, there is a clear preference for deferring reform in this area until measures arising out of the review of the consumer acquis by the EU Commission are implemented. Subject to that consultation, DTI should ask the English and Scottish Law Commissions to produce a joint report by the end of 2008 on the reform and simplification of remedies available to consumers relating to the sale or supply of goods.”

5.22. The Department accepts this recommendation. Informal consultations with stakeholders showed that there was a general wish for simplified remedies in advance of the conclusions from the EU review of the consumer acquis. BERR has asked the Law Commissioners to produce a review of the current legislation and make recommendations for simplification.

5.23. The report also recommended a number of changes to the Cabinet Office's Transposition Guidance for UK officials implementing EU legislation. Responsibility for this guidance transferred to BERR with the BRE. These changes were accepted and revised guidance was published on 6 September 2007:

http://bre.berr.gov.uk/regulation/documents/europe/pdf/transposition_guide.pdf

5.24. The Davidson Review provides strong evidence that over-implementation of EU legislation is not a significant problem either in the UK generally or in the policy areas for which BERR has lead responsibility. Nevertheless, we need to remain vigilant to ensure that this remains the case and Davidson's recommendations on best practice provide useful guidance for officials working on the negotiation and implementation of EU legislation.

6. WORKING WITH OTHER GOVERNMENT DEPARTMENTS

6.1. BERR is working with other Government Departments to ensure that the voice of business and the views of other BERR stakeholders are fully taken into account during the development of policy.

6.2. Major initiatives include:

- working with the Department for the Environment, Food and Rural Affairs on the climate change agenda;
- participating in the cross-Whitehall working group on the Discrimination Law Review and the Equalities Bill;
- working with the Department of Health on the Government's response to the Office of Fair Trading's report on the Pharmaceutical Price Regulation Scheme;
- working with the Home Office and HM Treasury on borders and immigration policy; and
- working with the Department for Work and Pensions and HM Treasury on pensions and personal accounts.

6.3. BERR officials have also continued to provide support to the newly-formed Department for Innovation, Universities and Skills on the development of their Simplification Plan – particularly as it relates to simplification initiatives by the UK Intellectual Property Office (UK-IPO) and the National Weights and Measures Laboratory (NWML).

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7. NEXT STEPS

7.1. 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.

7.2. We want you to keep sending us your ideas. Please visit the BERR Better Regulation webpage to find out how to do this.

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ANNEX A: CHANGES FROM 2006 SIMPLIFICATION PLAN:

Adjustments to the Baseline:

1. Adjustments have been made to reflect both inaccuracies in the original PwC data and the re-allocation of regulatory responsibilities as part of the June 2007 machinery of Government changes:
2. The 2006 Simplification Plan placed a PwC-estimated £443 million of administrative burdens attributed to regulations made under the Consumer Protection Act 1987 in escrow, pending further investigation of the figures. DTI undertook to review the numbers before the publication of the 2007 Simplification Plan – specifically to establish whether some of the costs had been double-counted and could therefore be attributed to other items in the baseline; and whether others (associated with electrical and gas safety) had not been captured.
3. The 2006 Simplification Plan noted considerable reservations as to whether an Information Obligation assigned to the Consumer Protection Act 1987 Act itself actually created burdens. The Information Obligation was subsequently reviewed with a stakeholder panel comprising major trade associations and consumer bodies. It was discovered that a second Information Obligation, with an administrative burden of £14 million, had also been incorrectly assigned to the Consumer Protection Act 1987. Both Information Obligations make it an offence not to comply with secondary legislation under the Act, but do not in themselves impose administrative burdens. Regulations under the Act are already included in the baseline. The stakeholder panel agreed that they did not impose direct burdens and the post-BAU baseline has therefore been reduced by £457m.
4. A further adjustment to the baseline has been necessitated by the transfer of two of the old DTI's Executive Agencies – the National Weights and Measures Laboratory (NWML) and the UK Intellectual Property Office (UK-IPO – formerly the Patent Office) – along with their administrative burdens to the new Department for Innovation, Universities and Skills. The baseline has therefore been revised downwards by a total of £259m in respect of the NWML and £265m for the UK-IPO.
5. In examining the PwC data for further simplification opportunities, we found two instances where the data appeared significantly to overstate the real burden – a consequence of extremely high external goods costs. Consultation with stakeholders has confirmed that these estimates had been wrongly recorded in the PwC data. On the basis of the evidence provided by stakeholders, further reductions to the baseline amounting to £100m were made.
6. The revised baseline for BERR in this Simplification Plan is therefore £4,188m.

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(i) Delivery Grid

TITLE/POLICY/ INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	COST SAVING (ADMIN /POLICY)	DELIVERY
Company Law and Accounting					
1. Simpler law for smaller firms.	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.	Reduction in the Company Law of administrative burdens of £2m between Jan 2007 and Oct 2007. (See also grid ii) line 14)	Some measures came into force Jan 2007. Statutory Instruments implementing other provisions of Companies Act come into force in April and October 2007.
2. Remove requirement for private companies to hold AGM.	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 saving on PwC figures of £45m	Companies Act 2006 provisions came into force January 2007.
3. Remove requirement for private companies to appoint company secretary	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).	Savings of £0.3 – 0.6m policy costs.	Companies Act 2006 provisions came into force January 2007.
4. Electronic communication with shareholders.	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.	Around £66m savings against PwC figures.	Companies Act 2006 provisions came into force January 2007.

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(i) Delivery Grid

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5. Other Companies Act measures including codification of directors' general duties.	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.	More predictable and comprehensible law for private businesses. New conflict of interest rules - easier for directors to exploit outside opportunities.	Admin burdens savings according to PwC figures: £30m. (See also grid ii) line 16)	Further measures in SIs coming into force, April and October up to 2008
Employment Law Revisions to employment law and guidance.					
6. Maternity leave and pay	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.	Government website advice has been revamped to remove duplication and ensure guidance that is streamlined, consistent and clearly targeted. The Business Link website now provides standard letter templates for employers, and an interactive tool to provide a personalised read-out of next steps, entitlements and obligations for both parties. Summary leaflets have been produced for both employers and employees setting out rights and responsibilities in a clear way.	All employers should find it easier to understand their rights and responsibilities and hence fulfil them more effectively. Employers are able to save management time by using standard letters to provide key information on maternity entitlements to employees.	Although PwC data did not estimate significant admin burdens in this area, employers have identified these issues as key irritants.	Improved guidance was introduced 1 October 2006.

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(i) Delivery Grid

TITLE/POLICY/ INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	COST SAVING (ADMIN /POLICY)	DELIVERY
7. National Minimum Wage regulations	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.	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.	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.	Admin burdens savings of £5.1m per annum	Regulation abolished on 1 October 2006
Competition Policy and Consumer Law		Benefits to businesses and consumers			
8. Mergers.	Out of date merger undertakings given under former merger regime (Fair Trading Act 1973).	Action with OFT and CC to release companies from undertakings under FTA regime that are no longer required.	Nine merger undertakings, involving twenty-one companies, were released by the SoS on 8 February 2006. Further releases took place June 2006. Additional release granted in Jan-Mar 2007.	Cost savings will accrue to those companies bound by the undertakings, so will not be significant on an economy-wide scale. Approximate policy cost savings for business in not having to provide information to indicate compliance with undertakings is in the order of £600k per annum.	Direction by the Secretary of State

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(i) Delivery Grid

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<p>9. Business to consumer advertising and marketing rules.</p>	<p>a) Hallmarking: restriction on goods consisting of more than one metal. b) Problems with marketing unhallmarked goods made between 1920 and 1950.</p>	<p>Allow hallmarking of combinations of metals currently not permitted. Allow accurate description of old unhallmarked goods that meet minimum acceptable finenesses.</p>	<p>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.</p>	<p>Removes restrictions on companies.</p>	<p>In force April 07</p>
<p>10. Trading Schemes Regulations 1997.</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. Clarification of the legality of electronic contracts specifically around "printed warnings",</p>	<p>Provisions of the regulations permit electronic contracting. Guidance to be issued that the documentary requirements of the 1997 Regulations are capable of being met electronically.</p>	<p>Potential savings for an estimated 200,000 new entrants of £1 to £1.50 per year, A reduction in the delay that may damage the revenue earning prospects of direct selling companies.</p>	<p>Administrative burdens savings up to £0.5m per year.</p>	<p>Direct Sales Association issuing guidance to members on the regulations Autumn 2007,</p>

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(i) Delivery Grid

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Hampton Implementation					
11. Merging DTI's Companies Investigation Branch with Insolvency Services Agency.	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.
12. Transfer engineering inspectorate functions on public safety to Health and Safety Executive	Regulatory inspections carried out by two bodies.	Meeting Hampton obligation to transfer the public safety inspection functions of the former 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.
13. Hampton implementation: HSE and the DTI's coal authority.	Regulatory inspections carried out by two bodies.	Addressing Hampton recommendation on the Health & Safety Executive's role in inspection functions of the Coal Authority.	The former DTI and HSE 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.

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Previously Delivered Measures:

The DTI plan contained a table (iii) detailing a number of simplification measures delivered between January 2005 and May 2006. Responsibility for several of those measures has been transferred to DIUS as of June 2007, including all of the measures contributing admin burdens reductions. The remaining measures were all delivered prior to the creation of the new Department and so we have not included those measures in the BERR Plan. The original table can be viewed in the DTI Simplification Plan, available on the BERR website at, www.berr.gov.uk - Simplification Plan

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Company Law and Accounting					
14. Simpler law for smaller firms.	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.	Further reduction of burdens in the Company Law of ABME of £42m .	Statutory Instruments implementing final provisions of Companies Act come into force in April and October 2008 and 2009
15. Capital Maintenance.	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.	Saving on PwC figures of £70m by removing the need to comply for private companies.	Companies Act 2006 provisions come into force October 2006.
16. Other Companies Act measures including codification of directors' general duties.	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.	More predictable and comprehensible law for private businesses. New conflict of interest rules - easier for directors to exploit outside opportunities.	Further admin burdens savings that are likely to result according to PwC figures: £32m .	Further measures in SIs coming into force, April and October 2008
17. My Companies House.	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 £17m is possible, representing a 5% reduction in costs of procedures to file information.	Initial implementation 2005, new phases late 2007 and 2008.

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
18. Joint-filing project with HMRC.	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).	Potential savings of £60m but these are shared with HMRC and only a small proportion (£8m) accrues to BERR. (NB – these are not currently included in total savings.)	Implementation expected by 2010.
Employment Law Revisions to employment law and guidance.					
19. Employment status.	Discussions with employers revealed the need for better guidance on the issue of employment status.	An interactive tool is being developed which will be linked to the www.businesslink.gov.uk website	Employers will benefit from a clearer understanding of their legal status of workers engaged by them.	Savings difficult to quantify, but this measure addresses an identified stakeholder concern	Mid-2008
20. Employment particulars	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.	A tool is already available on www.businesslink.gov.uk , 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. 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.	Use of the www.businesslink.gov.uk tool would allow statements to be produced for around £40 each. Further benefits could result if businesses make changes to particulars in the simplest way.	We anticipate that 20-25 per cent of businesses will reduce duplication of written statements and half of the firms using external advisers will switch to the online business link tool. We estimate that this will save £160m of administrative burdens.	Updated tool and guidance placed onto Business Link May 2007

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(ii) Simplification grid

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<p>21. Redundancy</p>	<p>Discussions with business have revealed confusion on the interplay of the statutory redundancy scheme with other areas of employment legislation. 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 www.businesslink.gov.uk 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 £5m of administrative burdens.</p>	<p>New tool placed onto Business Link in May 2007</p>

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(ii) Simplification grid

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22. Agency workers	<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"> • £1688 to secure a worker's agreement to vary their terms • £1117 to send a copy of agreed terms to a hirer. 	<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 £78m.</p> <p>Simplification of information requirements for agencies supplying workers on short term assignments - as proposed in the current Protecting Vulnerable Agency workers consultation - could deliver a further £5m.</p>	<p>Amending Regulations to come into force on 1 April 2008.</p>
23. Dispute resolution	<p>Regulatory attempts to encourage early resolution have had unintended consequences, including over-emphasis on issues of detailed procedure. PwC estimated admin costs of responding to tribunal claims as over £172m/year and admin costs of procedural regulations relating to disputes as £115m.</p>	<p>An independent review of employment dispute resolution, led by Michael Gibbons, reported in March 2007 and recommended a range of actions including repeal of the 2004 dispute resolution regulations. Following a public consultation on the recommendations, the Government intends to publish its response by the end of 2007 and will then take follow-up action as appropriate.</p>	<p>Key aims are to:</p> <ol style="list-style-type: none"> 1) Increase the rate of early dispute resolution and thus reduce the number of cases going to employment tribunal hearings, and; 2) Streamline tribunal processes for those cases that reach a hearing. This will benefit employers and employees across all sectors by reducing costs and stress. 	<p>Potential administrative burden savings of £132m.</p>	<p>Employment Bill announced in Queen's Speech 6 November 2007.</p>

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(ii) Simplification grid

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<p>24. Guidance</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. 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. Considering ways of improving Government help-line provision 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 affected 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 Total: £122m.</p>	<p>Commissioning Central Office of Information and others to undertake base line and tracking assessment establish marketing campaign and evolve a strategic guidance "product" drawing together all employing people strands. Marketing spend in 07/08 will be £1m.</p>

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
25. Trade Unions	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>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>		

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(ii) Simplification grid

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Competition Policy and Consumer Law		Benefits to businesses and consumers			
26. Business to consumer advertising and marketing rules: Transposition of the Unfair Commercial Practices Directive.	Overlapping regulatory requirements, especially with regard to information provided by business to consumers and enforcers.	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.	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.	Close analysis of Information Obligations shows that net savings arising from removal of statutory code of practice on price indications, and changes or repeal of 22 pieces of existing legislation will reduce the burden by £233m, but likely to impose £17m of admin burdens, giving a net reduction of £216m .	Consultation completed March 2007 Consultation on the draft regulations May 2007. SI laid before Parliament October 2007. Entry into force April 2008.
27. Consumer credit.	(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 £4m in saved print and postage costs according to PwC figures.	S.I. 1167 2007 provisions come into force April and October 2008
	(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.	£7.8m according to PwC figures.	SI implementing the Consumer Credit Act 2006 laid before Parliament July 2007. Provisions come into force October 2008

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(ii) Simplification grid

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	(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.	£1.1m 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. (PwC AB estimate of cost £0.21m)	
28. Strengthening and streamlining consumer advocacy.	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 (new NCC). CEAR Act gained Royal assent summer 07	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 £9m .	Consultation for redress closed on 27 Sept 07. New NCC will be established in Oct 08

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(ii) Simplification grid

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<p>29. Estate Agents (Undesirable Practices) (No 2) Order 1991</p>	<p>Ensuring charges are detailed to client before any commitments are made.</p>	<p>Clarify to estate agents that references to "in writing" in the Estate Agents Act 1979 and relevant secondary legislation, includes both paper and electronic documents, such as e-mails. We will make clear that in principle electronic communication is acceptable and that estate agents can send offer details as e-mails if their client so wishes. Where this is not clear in legislation, we will take appropriate action to remove any doubts.</p>	<p>Savings to estate agents in printing and postage.</p>	<p>If 40% of offers are sent electronically, estate agents could save £1.22m pa.</p>	<p>Consultation with clarification of the meaning of "in writing" in the estate agents consultation issued 8 November 2007</p>

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
<p>30. Retail Enforcement Initiative.</p>	<p>Multiple inspections of retailers by different enforcers.</p>	<p>Retail Enforcement Initiative launched June 2005 in Bexley and a group of Warwickshire local authorities- 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; and freeing up time to focus on high-risk and non-compliant businesses.</p>	<p>Phase 1 indicated that we can reduce the number of routine inspections for retail businesses. Benefits are:</p> <ul style="list-style-type: none"> - Better access to information, advice and assistance for businesses - Co-ordinated, risk-based inspection system - More effective focus of resources on high risk and/or non-compliant businesses - more effective consumer protection. <p>Phase 2 will recruit up to 70 local authorities to test REP in a wider diversity of authorities. National adoption would deliver reduced administrative burdens for around 290,000 retailers.</p>	<p>Evidence suggests the scheme could lead to around 15% fewer visits for compliant businesses. Using the data available from the administrative burdens measurement exercise suggests a possible reduction in burdens on businesses of £3.5m from Trading Standards inspections - the total figure may be in the region of double that amount.</p>	<p>The initiative is being extended to up to 70 local authorities in Phase 2 during 07/08 with REP being delivered in those authorities during 08/09, to be followed by a thorough evaluation. At some time during 2008, it is envisaged that REP will transfer to LBRO.</p>
<p>31. Consumer Law Review</p>	<p>Admin burdens arising from the large number of different pieces of legislation in the field of consumer policy</p>	<p>A review of consumer legislation</p>	<p>Reduction in admin burdens</p>	<p>We are targeting £60m in admin burdens reductions by 2010.</p>	<p>The review will report in Spring 2008.</p>

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(ii) Simplification grid

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32. Internal Market in Services.	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 £4-6bn.	Public Consultation on proposals for implementation published September 2007. Directive comes into force 2009.
33. Technology Innovation – Review of New Approach to Technical Standards.	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.
Energy					
34. Simplification of metering and billing	Admin burdens associated with providing notice to customers of intention to install or remove meters	Reviewing the requirement to identify the scope for reducing burden.	Reduction in admin burdens	Stakeholder evidence suggests that an admin burden saving of £25m could be possible	2009
35. Decommissioning financial security	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.	Latest prediction is for increased policy costs for industry of £1.6m/year , but greater protection for the taxpayer against risks which for individual projects range between £5m and £500m.	Proposals put forward for inclusion in the Energy Bill which will strengthen the powers to require security.

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
36. Decommissioning operational costs	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 £50k per year in policy cost reductions.	Guidance on costs and international approvals was published by end 2006; the standard agreement launched on 26 September 2007.
37. Gas Infrastructure Project.	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 £50 -100k per project, and with approximately 10 projects currently under development, this gives policy cost savings up to £1m . Further savings through potential lower prices to end consumers.	In the early stages of analysis, consultation during 2006.

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Insolvency					
38. Consolidation of insolvency legislation.	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.	£22.5m	LRO to be laid by 31 December 2007, coming into force from April 2008.
39. Simple Insolvency Voluntary Arrangements.	Over-regulation of Individual Voluntary Arrangements in cases where the debtor has undisputed debts of £75,000 or less.	Reduction of the burdens on insolvency practitioners who administer IVAs and provision of an IVA that reflects the needs of the majority of its current users.	Simpler, more accessible law; modernised procedures facilitating better returns to creditors.	£0.5m	LRO to be laid by 31 December 2007, Coming into force from April 2008.

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Business and Innovation		Benefits to Business and Consumers			
40. Primary legislation to introduce proposals to amend Part II of the Housing Grants Construction and Regeneration Act 1996 and the Scheme for Construction Contracts (England and Wales) Regulations 1998	Cost of inefficiencies and uncertainties in current rules on payment and adjudication.	Primary legislation 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 an administrative burdens saving of £5.8m .	Part of the Housing and Regeneration Bill introduced on 12 November 2007.
41. Technology Innovation Review of New Approach to Technical Standards	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 proposal put out for public consultation Summer 2006. Responses 2007. New Legislation 2010-2015

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Small Business Measures					
42. International Trade Single Window: Automatic Licence Verification.	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.	Administrative burdens savings of £8.6m by 2010 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).
43. International Trade Single Window: Information and Guidance Portal.	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.	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.	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.	Administrative burdens savings of £50m+ by 2010 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.	Significant expansion/re-launch of International Trade area November 2006. Launch of expert service in June 2007.

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(ii) Simplification grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
44. International Trade Single Window: Transactions.	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.	Administrative burdens savings £10m 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.
Note: International Trade Window savings total £99m accruing to several departments: HMRC, DEFRA and BERR,				£23m Administrative burdens savings accrue to BERR	
45. General regulatory guidance through businesslink website.	Problems a firm in any given sector has in identifying all the regulations affecting it.	Small Business Service: improvements to businesslink.gov.uk to offer content tailored to 400+ business sectors relevant to SMEs.	Reduced compliance costs stemming from shorter search times And reduced need for external advice	£25.4m pa by 2010 assuming business users increase from 19,000 to 48,000 and save 25 hours of regulatory time	First 183 business types published 1 February 2006. Remaining 230 due 30 September 2006.

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TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF SIMPLIFICATION MEASURE	OUTCOMES (INCLUDING SECTORS TO BENEFIT)	ESTIMATED SAVINGS (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Competition Commission					
46. Pilot of "lean" merger inquiry process at the Competition Commission (CC).	Costs to business	Implementing lessons learned from pilot cases across all new merger inquiries whilst simultaneously restructuring our inquiry management structure, so as to facilitate further improvements and cost savings	Reduction of the burden of information provision by businesses who are parties to CC inquiries, and some shortening of the merger inquiry process, where possible, thereby reducing cost for the businesses involved and the CC..	Depends on the number of merger inquiries conducted in a year, which is variable. For the CC this will lead to policy cost savings of up to £100k per merger.	Pilot cases completed.

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Company Law and Accounting					
<p>47. Implementation of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts.</p>	<p>Additional requirements for companies who are defined in the Directive as public interest entities.</p>	<p>The Directive clarifies the duties of statutory and provides for their independence and ethical standards; introduces a requirement for external quality assurance; provides for public oversight of the audit profession, including third country auditors, and improved cooperation between oversight bodies in the EU. It also provides a basis for international cooperation between regulators in the EU and with regulators in third countries</p>	<p>The Government does not intend to specify any other entities as 'public interest entities' for the purposes of Chapter 10 of the Directive, but will build on the existing UK framework and take advantage of the flexibilities provided in the Directive.</p>	<p>Administrative burdens increase of £1.3m annually</p>	<p>Implementing regulations will come into force on 6 April 2008</p>

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Employment Law	Revisions to employment law and guidance.				
48. The Employment Equality (Age) Regulations 2006 (Implement EU Directive).	Admin: dealing with an employee's request to continue working and potential cases of discrimination.	Revisions to employment law.	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.	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: £2.9m.	Into force 1 October 2006.
49. The Working Time (Amendment) Regulations 2007	Admin: keeping records of holiday requests to demonstrate compliance	Revisions to employment law.	To increase the holiday entitlement to make time off for bank holidays additional to the current four-week' entitlement	Additional burden to maintain records for an increased number of holiday requests as a result of the additional entitlement. Estimated at £14m.	Into force 1 October 2007.

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
<p>50. Flexible working regulations – extension of right to request to adult carers.</p>	<p>Admin: a higher number of employees are eligible to request flexible working, which requires employer to hold meeting and notify of decision.</p> <p>Policy: making adjustments to working patterns to accommodate flexible working request. There will also be savings in recruitment and absenteeism costs</p>	<p>Revisions to employment law.</p>	<p>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.</p>	<p>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 £35m.</p>	<p>Provision results from Work and Families Act 2006, and implemented in April 2007.</p>
<p>51. Additional Paternity Leave and Pay</p>	<p>Administrative arrangements associated with the introduction of new entitlement to additional paternity leave and pay</p>	<p>Revisions to employment law</p>	<p>Allowing a greater number of fathers greater opportunities to care for their children</p>	<p>£0.2-1.0 m in new admin burdens</p>	<p>Not before October 2009</p>

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
Competition Policy and Consumer Law		Benefits to businesses and consumers			
<p>52. Consumers, Estate Agents and Redress Act 2007(CEARA 07): improving regulation of the estate agency sector</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>CEARA 07 will require:</p> <p>(i) all estate agents to belong to an independent approved redress scheme that will determine disputes between estate agents and buyers or sellers of residential property in the United Kingdom; and</p> <p>(ii) require estate agents to keep adequate records of their dealing with a client for a minimum period of six years.</p>		<p>1. The CEARA Bill RIA estimated that 40% of estate agent did not belong to redress schemes. The net cost of these agents joining redress schemes (minus cost savings from economies of scale) was estimated at £0.5m pa. The situation today is that about 80-90 of estate agents belong to redress schemes. Excluding any offsetting, this would cost the 10 to 20% of non members £0.14m - £0.29m pa.</p> <p>2. The CEARA Bill RIA estimated that 5% of estate agents did not have record keeping systems, so would face new costs recording and keeping documents. It was estimated that photocopying 450,000 records at 5p a copy would cost them £22.5k pa. The figure ignores e-mail</p>	<p>The estate agents provisions, including redress and record keeping ones, are to be introduced in 2008.</p>

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
53. Consumer Credit Act 2006 Implementation.	Requirements for licensing and provision of more information to consumers on a regular basis.	To enhance consumer rights and redress, improved regulation of consumer credit businesses and create a more proportionate regime for business.	Consumers will be able to avoid defaulting and will have more complete information on outstanding credit agreements. Businesses will have more complete information on which to make credit assessments.	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 £38m, though subject to further analysis.	Act received Royal Assent. SI to implement provisions April 2007. April 2008. Provisions in Force by October 2008.
54. General Product Safety Regulations (2005) (Implement EU Directive).	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%.	Administrative burdens of £0.35m.	Implemented 01 October 2006
Business and Innovation					
55. Waste Electrical and Electronic Equipment Directive Implementation	Information Obligations and requirements on electrical producers to dispose of waste electrical and electronic equipment by specified means to reduce the environmental impact in the UK	Statutory Instrument implementing EC Directive.	Policy: the separate collection treatment and recycling of waste electrical and electronic equipment to specified levels Admin: producer registration, reporting, marking of products, and provision of information on products	RIA estimates that the admin burdens of this regulation are likely to be in the range £28 - £33m pa, based on 5750 producers at a cost per producer per year of £4,870 - £5,739. Costs are likely to fall over time as business adapts and innovates.	The regulations came into effect from the 2 January 2007 with producer responsibility being implemented from the 1 July 2007

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(iii) Regulatory flow grid

TITLE/POLICY / INITIATIVE	NATURE OF BURDEN	DESCRIPTION OF MEASURE	OUTCOMES (INCLUDING SECTORS IMPACTED)	ESTIMATED COST (ADMIN/POLICY)	IMPLEMENTATION TIMETABLE
56. Restriction of the use of certain hazardous substances in new electrical and electronic equipment regulations (2006) (Implement EU Directive)	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.	£5-9m	Implemented on 1 July 2009
57. Batteries and Accumulators Directive.	To reduce the environmental impact of spent batteries and accumulators and to promote single market in batteries and accumulators.	Policy: the separate collection, treatment and recycling of spent batteries and accumulators. Rules for placing batteries and accumulators on EU market. Admin: producer registration, information and reporting requirements on batteries and accumulators and spent batteries and accumulators.		For an estimated 1,000 producers likely to be affected current estimates are in the range of £700 - £1400 per business per annum, giving an indicative total of £0.7-£1.4m.	Directive adopted in September 2006 Transposition in the UK by 26 September 2008

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(iv) Public Sector Strategy

INFORMATION REQUIREMENT	PUBLIC BODIES AFFECTED	REASON FOR REQUIREMENT	FREQUENCY	SIMPLIFICATION PROPOSAL	TIMETABLE
Trading Standards Authorities					
Report on consumer Satisfaction	210 Local Authorities	PSA/DSO target	Annually	The data collection will be abolished when the new Local Government Performance Framework (in England) begins.	April 2008.
Report on business Satisfaction					
Report on visits to high-risk premises					
Report on levels of compliance					
Report on staff development					
Report inspections by categories where non-compliance.					
Nuclear Civil Police					
Cashflow forecasts	1 Specialist Police Force	Financial accountability	Monthly	None	N/A
Expenditure reports			Monthly		
Fraud report		HMT requirement	Annual		

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(iv) Public Sector Strategy

INFORMATION REQUIREMENT	PUBLIC BODIES AFFECTED	REASON FOR REQUIREMENT	FREQUENCY	SIMPLIFICATION PROPOSAL	TIMETABLE
Accounts & Annual Report			Annual		
Whole of Govt Accounting Pack			Annual		
Annual Policing Plan		UK legislative requirement	Annual		
3 Year Strategy Plan		UK legislative requirement	3 Yearly		
Code of Practice for Police Authority		UK legislative requirement	As updated		
Annual Pay Remit		Financial accountability	Annual		
Estate Strategy		Financial accountability	As updated		
Arbitration and Conciliation Service (Acas)					
Financial Data Report	NDPB	Financial accountability	Monthly	None	N/A
Accounts and Annual Report		HMT requirement	Annual		
KPIs Report		Performance target	Annual		
Annual Pay Remit		Financial accountability	Annual		

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(iv) Public Sector Strategy

INFORMATION REQUIREMENT	PUBLIC BODIES AFFECTED	REASON FOR REQUIREMENT	FREQUENCY	SIMPLIFICATION PROPOSAL	TIMETABLE
Performance Management Information		Performance target	Quarterly		

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GLOSSARY

ACAS	=	Advisory, Conciliation and Arbitration Service
AGM	=	Annual General Meeting
BAU	=	Business As Usual
BERR	=	Department for Business, Enterprise and Regulatory Reform
BRE	=	Better Regulation Executive
CBI	=	Confederation of Business Industry
CC	=	Competition Commission
CEARA	=	Consumer, Estate Agents and Redress Act
DEFRA	=	Department for Environment, Food and Rural Affairs
DfT	=	Department for Transport
DIUS	=	Department for Innovation, Universities and Skills
DSO	=	Departmental Strategic Objective
DTI	=	Department of Trade and Industry
EC	=	European Commission
ELSR	=	Employment Law Simplification Review
EU	=	European Union
FTA	=	Fair Trading Act
GDP	=	Gross Domestic Product
HMRC	=	Her Majesty's Revenue and Customs
HSE	=	Health and Safety Executive
IA	=	Impact Assessment
ITSW	=	International Trade Single Window
IVA	=	Individual Voluntary Arrangement
KPI	=	Key Performance Indicator

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LBRO	=	Local Better Regulation Office
LNG	=	Liquefied Natural Gas
LRO	=	Legislative Reform Order
NCC	=	National Consumer Council
NDPB	=	Non-Departmental Public Body
NPV	=	Net Present Value
NWML	=	National Weights and Measures Laboratory
OFCOM	=	Office of Communications
OFGEM	=	Office of Gas and Electricity Markets
OFT	=	Office of Fair Trading
PSA	=	Public Service Agreement
PwC	=	Price Waterhouse Coopers
REP	=	Retail Enforcement Pilot
RIA	=	Regulatory Impact Assessment
SI	=	Statutory Instrument
SME	=	Small and Medium Enterprise
SoS	=	Secretary of State
SSA	=	Strategic Siting Assessment
UCPD	=	Unfair Commercial Practices Directorate
UK-IPO	=	UK – Intellectual Property Office (formerly known as The Patent Office)
WEEE	=	Waste, Electrical and Electronic Equipment Directive