

# Delivering simplification plans

**A SUMMARY**





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## FOREWORD BY THE PRIME MINISTER



**This Government is committed to reforming the way we regulate, so that we can provide the best possible conditions for the success of our businesses, charities and frontline public servants.**

Regulatory reform is essential to Britain's economic and social goals. Good regulation provides essential protection for citizens, consumers, workers and business against risks in society. But we also need to remove regulations which are no longer relevant in today's world, and to look for every opportunity to simplify those that remain. We need to reform the culture of regulators so that they are truly risk-based, and minimise the burden of inspection and form-filling.

We have one of the most respected regulatory reform programmes in the world, aimed at making life easier for business, the third sector and public sector workers.

We are committed to reducing net administrative burdens faced by business and the third sector by £3.5 billion by 2010, as well as reducing public sector data burdens by 30%.

We have identified over 700 different simplification measures across 19 Government departments and agencies. We have already delivered over 280, reducing the costs faced by business and charities by over £800 million a year.

This is the beginning of culture change across Government. As a result, the measures in this document will make a real difference on the ground. But there remains much to do – and the Government will continue, year-by-year, to review regulation and to report transparently on its progress.

A handwritten signature in black ink that reads "Gordon Brown". The signature is written in a cursive, slightly slanted style.

**Gordon Brown**  
*Prime Minister*

## INTRODUCTION BY JOHN HUTTON



**One year ago, we published proposals from across Government to deliver on our commitment to cut the annual administrative burden placed on the private and third sectors by 25%.**

In this document, we set out how we have delivered on those proposals to make a real and lasting difference to people's lives.

We've made over 280 changes to regulations of all types – including planning, employment law, tax, environmental law, health and safety, transport, construction and company law. We've prioritised our work to focus on those areas where stakeholders have told us a practical change could deliver the most positive difference to their everyday operations.

Tackling largely outdated, redundant regulation has resulted in over £800 million net reduction in annual costs.

In the next two and a half years, that figure will rise to £3.5 billion net.

The job ahead is clear. Government must continue to back up its proposals with credible action for both the private, public and third sectors.

We must also continue to communicate the impacts and benefits of what we are doing to the people this work can help the most.

Getting these things right is central to Government delivery of better regulation that helps ensure the UK's competitiveness and success now and in the future.

It also supports our commitment to deliver the highest quality public services and ensure a thriving third sector.

**John Hutton**

*Secretary of State for the Department for Business, Enterprise and Regulatory Reform (BERR)*



## EXECUTIVE SUMMARY

**Effective and well-focused regulation can play a vital role in correcting market failures, promoting fairness and increasing competition. Society expects the Government to provide protection for the general public, consumers and employees consistent with the best international standards, and these expectations grow over time.**

However, inefficient regulation can impose significant burdens on the private, public and third sectors, and this affects our national competitiveness and the quality of public services. The UK's regulatory reform agenda is therefore focused on delivering better regulatory outcomes while driving down unnecessary burdens.

This report outlines the progress in departmental simplification plans on delivering the Government's commitment to reduce administrative burdens by 25% by 2010 for businesses and the third sector. Across Government we have identified savings in administrative burdens of £3.5 billion by 2010. Of this, over £800 million of annual net administrative burdens have already been delivered.

Reduction in administrative burdens					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Net administrative burden reduction (£million)	265	647	1474	2505	3485

<b>Reduction in public sector burdens</b>					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Public sector savings (£million)	116	239	792	921	2083

<b>Reduction in policy costs</b>					
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Policy savings (£million)	102	469	807	1246	1364

This report also summarises ways in which the Government is reducing data burdens on the public sector front-line so that NHS nurses and doctors have more time to care for patients, police officers to deal with crime and local authorities to improve local communities and teachers.

This year's plans also show progress on reducing policy burdens. 2007 plans identify areas in which the policy costs on business and the third sector will be reduced by over £1.3 billion by 2010.

Included here are particular examples of savings in these categories. Appendix A gives a more detailed overview of savings taken from departmental simplification plans, which can be found on individual departmental websites, as well as the Better Regulation Executive website, [www.bre.berr.gov.uk](http://www.bre.berr.gov.uk).

## CHAPTER 1

# DELIVERING REGULATORY REFORM – PROGRESS IN THE LAST 12 MONTHS

**In autumn 2006, Government departments announced agreement to cutting by a net 25% the £13.4 billion of annual administrative burdens on the private and third sectors by 2010. This ambitious target is an important part of the UK Government's wider better regulation agenda to ensure a regulatory climate in which business, third sector organisations and the public sector front-line can thrive, while at the same time relying on necessary legal, environmental and individual protection.**

To show how this 25% net saving in administrative burdens would be achieved in the years to 2010, departments agreed to publish annual rolling simplification plans. In addition, departments agreed in the plans to set out how the policy costs of existing regulations would be reduced, and how main regulatory irritants would be addressed.

This document provides a summary of progress on each of these since the publication of the first departmental simplification plans in December 2006.

This year, 19 simplification plans have been published, which together increase the total number of identified simplification measures to more than 700 compared with 500 last year. Taking into account the additional work on policy costs, regulatory irritants and public sector data burdens, the measures in 2007 plans will deliver total annual savings of around £7 billion by 2010.

HMRC is committed to a separate programme of tax simplification announced in Budget 2006. At Budget 2006, the Chancellor announced separate administrative burden targets for HMRC. By April 2007, HMRC had delivered net annual administrative burden reductions of £174 million as well as a net reduction to the wider administrative burdens of the tax system of £134 million.

### Total net annual administrative burden savings to 2010

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Net administrative burden reduction (£million)	265	647	1474	2505	3485
Net percentage reduction	2.0%	4.8%	11.0%	18.7%	26.0%

## ADMINISTRATIVE BURDENS

Two and a half years into the programme, the Government is delivering on its commitment to cut administrative burdens across all sectors of the UK economy. In this year's simplification plans, departments have identified savings in administrative burdens of £3.5 billion by 2010. This exceeds the Government's original target of a 25 per cent reduction. A breakdown of savings by department and agency is presented on page 17.

### What are administrative burdens?

Administrative burdens are those which require an organisation to provide information either to government or a third party (such as consumers or shareholders). Examples include keeping records, carrying out inspections, completing returns and reports, cooperating with audits and inspections, applications for subsidies and grants, applications for permission, exemption or authorisation, framing complaints and appeals, or entry in a register.

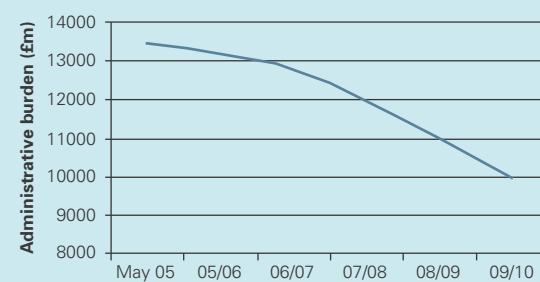
### DELIVERY TO DATE

2007 plans show that over 280 measures in last year's plans have now been delivered, taking the total net annual administrative burden savings delivered to over £800 million a year. This means that the Government as a whole is on track to reach its 2010 target.

The delivered savings are across all policy areas, and range from larger measures affecting many businesses across sectors such as abolishing the need for private companies to hold an AGM, to smaller measures which are sector specific, such as enabling sales of timber to be negotiated electronically. The measures have delivered these savings by:

- reducing administrative burdens by making forms simpler, and reducing reporting requirements; or
- creating exemptions from regulatory requirements; or
- abolishing regulations altogether; or
- consolidating law by bringing different regulations into a more manageable form.

## Administrative burden £m



Appendix A provides a detailed overview of measures in departmental simplification plans that have been delivered. If you would like to find out more about a particular measure, you can find individual plans published on departmental websites or on the Department for Business, Enterprise and Regulatory Reform website at [www.bre.berr.gov.uk](http://www.bre.berr.gov.uk).

On the following pages, we present some of the most important simplification measures for key sectors.

## Annual Administrative Savings of £10 million or more

### Weights and Measures (Packaged Goods) Regulations 1986 (DIUS)

Five sets of regulations have been consolidated into one, creating a far simpler regime and greater freedom over the measuring equipment used in a number of sectors – primarily food. Reduces information obligations as a result, saving £119 million per year.

### New Competent Persons Scheme for Electrical Work (Communities)

1.2 million pieces of electrical work a year are now certified by “competent persons”, rather than having to go through building control inspection, saving around £110 per check. £65 million annual administrative savings delivered so far.

### Revision of passenger rail franchise map reducing number of franchises (DfT)

25 passenger franchises reduced to 19, saving train operators both time and money in the bidding process competing against others for different franchises. Estimated administrative savings of £32.7 million per year for the rail industry.

### Consolidation of asbestos regulations (HSE)

Companies working with textured decorative coatings – common in domestic premises – no longer need to have an asbestos licence. £28 million annual administrative savings delivered.

### Online vehicle licensing (DfT)

All car owners can now license their cars online or on the telephone, saving time, effort and queuing. DfT analysts predict an administrative saving to business of £13.9m per year. In addition, if the take-up predicted by the DVLA is accurate, time savings for private motorists may equate to some £20 million per year.

### Production of UK guidance notes for Reg EC 178/2002 Traceability (FoodSA)

Clearer, simpler, more appropriate guidance for UK businesses. Removal of specific EC best practice recommendations. Annual administrative savings of £15.6 million.

### BROMI company “name changes” (DH)

Better Regulation of Medicines Initiative: simplifying the process for changing the name of the owner of a product (e.g. when pharmaceutical companies merge). The Association of British Pharmaceutical Industries estimate £12 million administrative burden saving.

### Removing requirement for landlords to provide information for backdating housing benefit claims in certain cases (DWP)

Landlords are no longer required to provide information for the backdating of housing benefit claims in the case of refugees (instead, customers can now apply for a repayable loan) delivering annual administrative savings of £11 million.

## 5 KEY AREAS OF SAVINGS

Savings have been delivered in five key areas which business often identify as particularly burdensome. The Health and Safety Executive announced in its 2007 plan that it had delivered annual administrative savings in excess of £95 million, making legislation easier to understand and comply with in order to ensure necessary health and safety levels in the workplace. The Department for Work and Pensions and the Department for Business, Enterprise and Regulatory Reform have together delivered significant savings for business employers, directors and boards. The Department for Communities and Local Government simplification plan shows strong progress on tackling the burden of planning regulations. Finally, at Budget 2006, the Chancellor announced separate administrative burden targets for HMRC. By April 2007, HMRC had delivered net annual administrative burden reductions of £174 million as well as a net reduction to the wider administrative burdens of the tax system of £134 million.

## 3 MEASURES DELIVERING A MODERN APPROACH TO HEALTH AND SAFETY

### Sensible Risk Management– Risk Assessments (HSE)

Convenience stores, estate agencies, dry cleaners, and hairdressing salons are among the 18 sector-specific businesses that can now benefit from access to example risk assessments published on the Health and Safety Executive website. Lower risk businesses should need to spend significantly less time completing their assessments as a result. Savings of £29 million have been achieved annually as part of an expected total £200 million savings by 2010.

*“I have taken a look at the [example] risk assessment and ... I am happy that I did. Before reading [it] I was unsure of what exactly needs to be covered in the risk assessment for my business and was finding it difficult to get to grips with it. However, since reading it I have now completed my risk assessment and it*

*took a fraction of the time I had spent on researching the topic.”*

Convenience store owner, Birmingham, September 2007

*“HSE’s example risk assessment for office cleaning is clear, simple to follow and focused on significant risks. It also shows that it needn’t cost a lot of time and money to do a good risk assessment and to act on its findings.”*

Service Industry Manager, West Midlands

### Forms (HSE)

HSE’s forms which were outdated and unnecessary, and duplicated information already gathered from businesses have been removed: 54% in all. Abolishing these has reduced the potential for confusion and error as well as £250,000 annual administrative savings to date. By 2009, a further 9 forms will have been removed under the Factories Act and Office, Shops and Railway Premises Act – taking total annual savings to around £20 million.

### Reporting of Injuries, Diseases and Dangerous Occurrences (HSE)

Businesses can now report accidents and incidents by phone through the Incident Contact Centre. For the average business, this has reduced the time taken to record and report incidents from around 2.5 hours to 30 minutes. £16.5million annual savings delivered.

## 3 MEASURES MAKING LIFE EASIER FOR EMPLOYERS

### Online tool launched to help employers issue a written statement of employment particulars (BERR)

1.2 million employers can now access a new, online tool to set out terms and conditions for new starters more quickly and easily. Costs have been reduced from an average £158 to £40, based on a 75% reduction in time taken to produce this written statement. £16 million annual savings delivered as part of £160 million annual savings anticipated by 2010 as employer take-up increases.

### Improve pension regulations to make payments by employers less prescriptive (DWP)

Pension scheme trustees now have greater flexibility about when reports are made to the Pensions Regulator. As a result fewer reports are now filed resulting in benefits for both pension scheme trustees and the regulator with net administrative savings of £8 million annually.

### Simplified member-nominated trustee/director requirements (DWP)

Removed the prescriptive processes and time-tables for member nominated trustees in the UK's 66,000 occupational pension schemes delivering total annual administrative savings of £16 million.

## ③ MEASURES SIMPLIFYING GOVERNANCE FOR COMPANIES, DIRECTORS AND BOARDS

### AGM obligations changed for private companies (BERR)

500 – 750,000 private companies no longer need to hold an AGM, as part of wider changes to company decision-making processes. £45m annual savings delivered. Around 60,000 private companies also no longer need to appoint a company secretary, saving each of them £50 – £100 each a year.

### Statutory Statement of Codification of Directors General Duties (BERR)

More than one million companies will benefit from savings due to Company Act 2006 measures including the codification of Directors General duties. Total delivered annual administrative savings of £30m.

### Facilitation of electronic communications (BERR)

1.2m companies can now send information to shareholders by email, rather than hard copy. Print and postage costs expected to reduce by £100 – £400,000 per mailing per company. £66m annual savings delivered.

## ③ MEASURES EASING THE PLANNING PROCESS FOR BUSINESS

### Electronic Planning Applications (Communities)

Nearly half a million planning applications from business stand to benefit from new, e-enabled processes. Savings are delivered through lower costs (at least £120 per application) and reduced waiting times (11 – 13 days). £7.2m annual savings delivered so far.

*“Before using the Planning Portal, preparing and submitting a planning application, with all the drawings and attachments, took a full working day. Using the Planning Portal we can now do the job in less than an hour. The Portal is an invaluable tool which saves us considerable staff time and helps us offer our clients a more efficient and competitive service.”*

Rita Weldon, Planning Department,  
Complete Technical Services Ltd

### Building Regulations – User Centred Guidance (Communities)

A programme of improvement to online guidance has made regulations more user-friendly delivering administrative savings to the general public, developers, professionals and Local Authorities of £9 million annually.

### Consolidation of fire safety regimes (Communities)

One simple risk-based fire safety regime has replaced 79 overlapping regimes. Greater clarity about employers' responsibilities is expected to reduce 'downtime' costs associated with false fire alarms. Abolished requirement to apply for Fire Certificate. Annual administrative savings of £53 million.

## Measures benefiting SMEs

### Intrastat (HMRC)

Progress has been made towards reform of the EU statistical survey of intra-EU trade "Intrastat". The threshold for participation increased in January 2007, which means 2,300 small businesses no longer have to send in detailed statistical returns.

### Changes to National Minimum Wage regulations (BERR)

Employers no longer need to provide a written agreement confirming that the National Minimum Wage applies where the employee is taking part in accredited training. £5.1 million annual savings delivered to date.

### Alterations made to bulk transfer of protected pensions rights (DWP)

Employers can now consolidate schemes which have protected rights leading to £3m savings for 3 years (not administrative burdens).

### Simpler law for smaller businesses (BERR)

Smaller businesses stand to benefit from substantial rewrite of Company Law. Coupled with better guidance, new provisions are expected to lower third party costs and make compliance easier. Conservative estimate of £2 million annual savings delivered.

### Changes to Small Business Rate Relief (Communities)

Small firms eligible for Small Business Rate Relief no longer have to register for relief annually. £3 million annual savings delivered, and expected to rise to £11 million by 2010.

### Changes to tax self assessment (HMRC)

Around 1.3 million businesses are now able to submit shorter tax returns, through doubling of the income tax self assessment three line account to £30,000, and introducing shorter self-employment ages for businesses with turnovers below the VAT registration threshold.

### Changes to the VAT annual accounting scheme (HMRC)

More than 1.1m businesses are now eligible for the less burdensome annual accounting scheme, through doubling of the upper threshold for paying VAT in instalments to £1.35 million.

### Reduced burden for some landlords of houses in multiple occupation (HMOs) (Communities)

Replacement of old provisions for control of HMOs means tighter controls for high risk properties, but 100,000 fewer landlords subject to control. Net annual saving of £120 million.

### Statutory Sick Pay and Statutory Maternity Pay (DWP)

Employers no longer need to make provision in their payroll system to exclude statutory payment if the employee is under 16 or over 65. This will simplify the process of establishing whether statutory sick pay or statutory maternity pay is due, delivering annual savings of £4 million.

### Simplified Pension Scheme Returns (DWP)

The length of the pension scheme return to the Pensions Regulator has been halved saving about 80,000 pension schemes £1m in total.

### Online tool launched to help employers more easily calculate and communicate employees' redundancy (BERR)

1.2 million employers can now access a new, online tool to produce a written statement showing how an employee's redundancy has been calculated. Production costs have been reduced from an average £300 to £200 per person. Total savings to the economy to date of £500,000 rising to an expected £5 million annual savings by 2010 as employer take-up increases.

### 3 MEASURES UNSCRAMBLING TAX

#### Form 42 – Employee share schemes (HMRC)

An improved HMRC risk assessment has removed the need for 90% of new companies to complete this form reporting their first issue of shares to employees. This will save some 300,000 companies up to £200 per form.

#### Working Tax Credit payments no longer go through employers (HMRC)

The responsibility for paying tax credits to employees has been transferred from employers to HMRC, removing the burdens from 300,000 employers, including by removing various obligations to retain records or supply information to third parties.

#### Simplified Pensions Tax regime (HMRC)

HMRC replaced numerous existing rules with a new single simplified pensions tax regime in April 2006. This regime is expected to significantly reduce the administrative burden on business, including by removing various obligations to retain records or supply information to third parties, even though the new form adds to the burden of HMRC's forms and returns.

### SECTOR SPECIFIC DELIVERY

#### Building and Construction

Health and safety 'core criteria' for electrical contractors (HSE)

The construction industry is benefiting from the restructure, simplification and clarification of sector-specific regulations. In addition companies can now be assessed on specific criteria and should no longer need to undertake multiple assessments, resulting in £170,000 annual administrative savings to date.

*"The Core Criteria [for electrical contractors] have already been effective in terms of simplifying the ...health and safety regime. All members of the Specialist Engineering Contractors' group... 300,000 operatives, have signed up to it. ...various assessment schemes are beginning to recognise each other, using the Core*

*Criteria... [This] means that many small contractors are having to demonstrate the required standard on fewer occasions, saving time and cost."*

Paul Reeve, Electrical Contractors Association

#### Construction regulations (HSE)

One key set of consolidated regulations restructuring, simplifying and clarifying the law. £3.6 million annual administrative savings.

#### Construction Industry Scheme (HMRC)

Provides an electronic alternative to paper processes, replaces individual vouchers and removes the need for end of year returns for contractors. At April 2007 HMRC had reduced its administrative burden by an estimated £43 million due to the introduction of this reform.

#### Transport

##### Improved rail franchise bidding procedure (DfT)

Simplifying the tendering process by eliminating unnecessary information and focusing the bids on pertinent information. This significantly reduces the administrative burden for train operating companies and for DfT evaluation. Administrative burden savings of £2 million.

##### Standardising all rail franchise agreements (DfT)

Changes will eliminate unnecessary information requests and substantially reduce administrative burden for train operating companies. Administrative burden savings of £2 million.

##### New electronic services for Heavy Goods Vehicle operators (DfT)

HGV operators can now carry out most licensing transactions on line, using the transport office portal. £1.4m annual administrative savings delivered.

#### Environment

##### Hazardous Wastes (Environment Agency)

Better and more simplified paperwork procedures for monitoring the movements of hazardous wastes of greatest benefit to waste producers, the waste management industry and the Environment Agency. Annual administrative savings of £2.1 million.

**Electronic timber sales (Forestry Commission)**

Replacement of manual system with e-Sales auction/bid system. Annual administrative savings of £21,000.

**Wood Exporting Certificates (Forestry Commission)**

UK Wood Packaging Material Marking Programme has reduced exporters' certificates from 20,000 per year to 200, saving £35,000 a year.

**Food Producers****Production of UK guidance notes for Reg EC 178/2002 Traceability (Food Standards Agency)**

Clearer, simpler and more appropriate guidance for UK businesses. Removal of specific EC best practice recommendations. Annual administrative savings of £15.6 million.

**Consolidation of bottled water regulations (Food Standards Agency)**

Consolidation of legislation, along with new guidance for industry and enforcement authorities have made regulations easier to interpret and comply with. Annual administrative savings of £80,000.

**Development of a central database (GRAIL) (Food Standards Agency)**

Database to store legislation and guidance on UK food imports. Tool which provides Public Health Authorities with comprehensive and up to date guidance on import controls. Annual savings of £18,000.

**Farming****The Environmental Impact Assessment (Agriculture) (England)(No 2) Regulations 2006 (DEFRA)**

Simplifies existing EIA rules on farming on semi-natural land, cutting red tape and inspections, and introducing thresholds below which the rules will not apply. Annual administrative savings of £85,000.

**Milk Quotas producer record keeping & inspections (DEFRA)**

Training for purchasers following new legislation. Training for inspectors so revised procedures work smoothly and areas covered are compliant with regulations. Instructions for inspectors are regularly updated to reflect their feedback. Annual administrative savings of £200,000.

**New registration regime for farms (FoodSA)**

Reducing burden of registration on approximately 107,000 farms in England and the 150 local authorities in England containing farms. One-off saving of £1,465,900 for farms; £213,108 for local authorities.

<b>Administrative burdens: Progress by individual department and agencies</b>					
Department or Agency	Baseline May 2005	Reduction by 2010		Net annual savings delivered to date	
	£m	£m	% of baseline	£m	% of baseline
Department for Business Enterprise and Regulatory Reform	4188	1049	25%	57	1%
Cabinet Office	15	5	32%	0	0%
Charity Commission	49	11	23%	8	15%
Communities and Local Government	2487	685	28%	220	9%
Department for Culture, Media and Sport	343	108	31%	99	29%
Department for Children, Schools and Families	210	54	26%	0	0%
Department Environment, Food and Rural Affairs	528	155	29%	52	10%
Department for Transport	577	165	29%	60	10%
Department for Health	1202	322	27%	155	13%
Department for Innovation, Universities and Skills	543	176	32%	122	22%
Department for Work and Pensions	471	129	27%	67	14%
Foreign and Commonwealth Office	n/a	n/a	n/a	n/a	n/a
Food Standards Agency	91	22	24%	17	19%
Forestry Commission	1.5	<1	27%	<1	27%
Government Equalities Office	5.7	3	56%	0	0%
HM Treasury	159	115	72%	-11	-7%
Home Office	84	21	25%	4	5%
Health and Safety Executive	2038	455	22%	62	3%
Ministry of Justice	369	70	19%	15	4%
Office for National Statistics	40	8	19%	6	15%
<i>Adjustment for new food and feed regulations<sup>1</sup></i>		-69		-114	
<b>Cross-Government</b>	<b>13401</b>	<b>3485</b>	<b>26%</b>	<b>819</b>	<b>6%</b>
Financial Services Authority	n/a	73	n/a	53	n/a

<sup>1</sup> New EU food and feed hygiene regulations, negotiated before the May 2005 baseline measurement but introduced on 1 January 2006, more than doubled the burden figure for the Food Standards Agency from £91m to £205m. The Food Standards Agency Simplification Plan sets out the Agency's commitment to deliver a net reduction of 25% on the original baseline – requiring savings of £136m, and equivalent to a 66% reduction on £205m. The figures above for the Food Standards Agency exclude the effect of these new EU regulations as this gives a clearer sense of the progress they have made against the original baseline. The Agency's plan this year identifies £40 – 50 m of savings against the new EU burden. The adjustment at the bottom of the table takes account of the new EU food regulations, so the total net saving of £819 m is net of all new burdens including these EU measures.

## REDUCTIONS IN POLICY BURDENS

This year's plans also show progress on reducing policy burdens. 2007 plans identify areas in which the policy burdens on business, the third sector and public sector will be reduced by over £1.3 billion by 2010. This shows an increase in identified policy burden reductions, since last year.

### What are policy burdens?

Policy burdens are the costs inherent in meeting the aims of a regulation. This could be a direct cash cost, such as installing a pollution filter on a factory chimney as prescribed by legislation, or it could be an indirect cost, for instance through necessary changes in working practices.

## EXAMPLES OF DELIVERED POLICY SAVINGS

### Over-the-counter medicines (DH)

Manufacturers of medicines which can be sold over the counter without prescriptions have benefited from savings of £100 million annually by identifying with the regulator low risk processes and agreeing simplified ways of complying with necessary regulation. As a result, the regulator (MHRA) is able to redirect resources to higher risk activities, benefiting patients and the public by a quicker availability of new medicines. There are savings too for the NHS from improved self-medication and fewer GP or other appointments for prescriptions.

### Safer Food Better Business (FoodSA)

Allows small businesses to implement hygiene procedures such as keeping records of their food safety management systems in an effective and proportionate way saving £128m of policy costs.

### Better targeted safety inspection requirements for goods vehicle and passenger transport (HGV and PSV) operators (DfT)

Reduction in the number of inspections (other than annual 'MoT' tests) more modern vehicles need to have, saving time and costs (each safety inspection of HGVs costs £500 in lost productivity) delivering policy savings of £100 million a year to the industry.

### Construction health and safety regulations (HSE)

This measure streamlines regulatory requirements, eliminates unnecessary ones and simplifies paperwork for health and safety standards in the construction industry, significantly reducing bureaucracy by over £100 million savings annually.

### Money laundering customer due diligence – reliance (HMT)

New Money Laundering Regulations 2007 allow firms to rely on other firms' money laundering customer due diligence measures to a greater extent from December 2007, delivering £13m – £15m in annual policy cost savings.

### Money Laundering Regulations – record keeping (HMT)

New Money Laundering Regulations allow firms greater choice in the records they need to keep from December 2007, delivering £11m – £12m in annual policy cost savings.

### Money Laundering guidance (HMT)

New joint industry / Government guidance for firms on how to meet anti money laundering requirements was issued in January 2006, to promote a much more risk-based approach with savings for firms and their customers. Policy cost savings of between £10m and £15m are expected over a five year period.

## Policy savings: progress

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Policy savings (£million)	102	469	807	1246	1364

## WHERE THE GOVERNMENT IS GOING FROM HERE

Over the next twelve months the Government will continue to work hard to deliver more savings to continue progress towards meeting the 25% administrative burden target.

Examples include:

### Small business tax (HMRC)

From April 2009, the threshold for twice-yearly payments toward income tax liability will double to £1,000, saving 319,000 small businesses an estimated £47 million a year in administrative costs.

### Workplace disputes (BERR)

Changes to the rules for disputes in the workplace are expected to deliver savings to business of around £185 million a year. The proposals which are before Parliament at the moment, should come in to force in early 2009 and focus on practical solutions to workplace disputes.

### 'Think Small First' (BERR)

By re-writing and simplifying company law with SMEs in mind, SME agency costs will be reduced, confidence will be increased and compliance improved. Estimated total savings £42 million.

### The written Health and Safety Policy Statement (HSE)

Removal of any duplication of effort and paperwork, from the Health and Safety at Work Act and the Management of Health and Safety at Work Regulations for written health and policy statement. Estimated total savings of £26 million a year.

### Electronic Insurance Certificates (DFT)

Insurance companies will be able to issue electronic copies of insurance certificates. The measure will be introduced following, and dependent on the results of, formal written consultation with business stakeholders. Early estimates that administrative savings to businesses may be up to £20 million.

### Care Quality Commission (DH)

The new Commission, subject to Parliamentary approval, will replace the existing bodies which regulate health, adult social care and mental healthcare. It will deliver a consistent, integrated approach to regulation across health and adult social care and help reduce administrative burdens including on NHS services. It will also be more flexible and concentrate resources on the areas of greatest concern. This will reduce unnecessary paperwork and bureaucracy. £63 million annual administrative savings.

## CURRENT GOVERNMENT REVIEWS

To explore possibilities for further simplification and new approaches, the Government is conducting two reviews; a health and safety review and a review of consumer law,

### Improving outcomes from Health and Safety – a review (Better Regulation Executive)

This review is looking at how the health and safety system operates in totality, and in particular how it affects small firms and low risk firms. The aim is to find ways to improve protection for workers in these firms, to make it easier for such employers to follow the law and also to maintain public confidence in these important rules. Small employers are more likely than larger firms to face multiple, overlapping challenges in managing health and safety. So, to ensure they protect workers, it is important to evaluate their experiences and whether the many current initiatives designed to communicate the rules to them are working. The review is also studying international and British evidence on what delivers vital health and safety protections in the most proportionate way.

### Consumer Law Review

The rationale for the consumer law review announced in July 2007 is that the consumer law framework has developed over several decades for various reasons. As a result, the regulatory arrangements can be complex, sometimes inconsistent and inflexible. This can lead to unnecessary costs for businesses in trying to understand and comply with requirements, and

difficulties in keeping consumer protections up to date with changes to markets and technologies (particularly with the growth of internet transactions and digital products and services).

The review is examining the scope for: simplification of existing legislation while maintaining necessary protections; exploring ways to simplify and rationalise enforcement allowing greater targeting of action on higher risk businesses; and investigating the options for improving consumer empowerment and redress. Joint BRE/National Consumer Council work on the efficacy of consumer information as a tool to drive desired consumer outcomes continues. Findings will be reported in spring 2008.

## **CUTTING EUROPEAN ADMINISTRATIVE BURDENS**

The Government is not limiting its better regulation work to the national level. To ensure European Union rules contribute to the UK's competitiveness in a globalised economy, we have put strong political efforts into reforming EU laws which generate unnecessary administrative costs. Together with other like-minded countries, the UK has made a significant contribution to achieving a series of recent EU better regulation commitments, one of which is an agreement to cut EU administrative burdens by 25% by 2012.

The European Commission coordinating this work, has already identified 40 EU laws that should generate significant savings. These range from simplifying the payments systems under the Common Agricultural Policy, to reforming social legislation for European road transport. We estimate that in the UK these two measures alone could generate £110 million of administrative costs for farmers, and £145 million for road hauliers respectively.

The Government will continue to play a leading role in delivering these ambitious savings over the next years.

The Government is also committed to ensuring that agreed European legislation is implemented in the best way. Following Lord Davidson's Review last year, the Government launched new guidance in September 2007 to ensure that EU legislation is implemented in the UK in a way that fulfils our legal obligations, while avoiding unnecessary burdens which can place UK companies at a competitive disadvantage. 2007 simplification plans show how departments are delivering the Davidson Review's specific recommendations for reducing burdens of existing legislation originating from the EU.

## CHAPTER 2

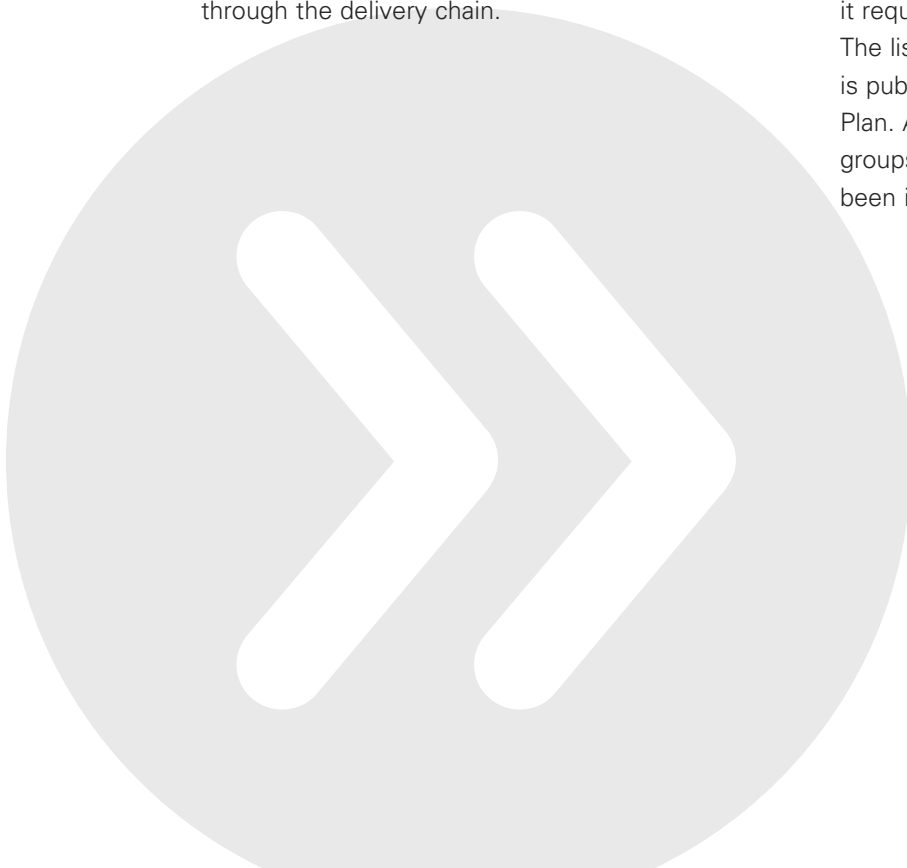
# DELIVERING REAL BENEFITS FOR THE PUBLIC SECTOR FRONT-LINE

**Thanks to a great deal of work across Government we are making progress in tackling public sector bureaucracy and data burdens. The BRE public sector strategy 'Cutting Bureaucracy for our Public Services' was published on 26 June 2007 to address complaints from front-line workers that too much of their time is spent on paperwork and bureaucracy. The key aims of the strategy are:**

- A 30% net reduction in the number of data requests made by central Government to the front-line
- Giving a voice to front-line workers
- Reducing the stock of unnecessary bureaucracy in the areas the front-line cares most about
- Success that is understood and mirrored through the delivery chain.

This programme will accelerate change in the approach to better regulation in the public services. Freeing up time that is currently spent on unnecessary bureaucracy will mean NHS nurses and doctors have more time to care for patients, police officers have more time to deal with crime, local authorities can focus on improving local communities, and teachers on teaching children.

As departmental simplification plans show, work has already begun to implement these aims. Each department has compiled a list of the data it requires public sector organisations to provide. The list of each department's data requirements is published along with its 2007 Simplification Plan. After verification by external stakeholder groups a total of around 800 data burdens have been identified.



The ways in which departments are seeking to reduce data requests include: cutting data requests that are out of date; consolidating items that are similar to reduce duplication of effort; and repealing items that are not sensible for departments to collect.

Departments have also been working with front-line bodies to identify those burdens that are considered most irritating. These may not be the most costly measures, but they are those that the front-line has indicated should be addressed to remove or rectify unnecessary burdens.

### EXAMPLES OF DELIVERED PUBLIC SECTOR SAVINGS

This year's plans show that departments have already been taking action to tackle data burdens on the public sector. The following examples give benefits across the public delivery services.

#### County Courts Data Review (MoJ)

A total of 380 hours per year have been saved for frontline staff following a review of data collected from County Courts.

#### Police Technology (HO)

Measures have been introduced which have freed up time for the frontline. These include:

- The introduction of new technology such as video identification, new generation radios, automated number plate reading, electronic fingerprinting and a computerised missing persons system.
- A revision of police duties so that tasks such as dealing with abandoned vehicles, escorting heavy loads on the road and handling noise nuisance complaints are now the responsibility of local authorities.

#### ROCR (DH)

Over 50,000 hours of NHS staff time (or £1.4m) have been saved thanks to a review of central data collections known as ROCR (Review of Central Returns). In 2006/07 10 collections were discontinued. In addition 100,000 hours have been cut from proposed data collections before they reach the NHS.

#### OFSTED inspections (DCSF)

Since 2006 the average length of a school inspection has been cut from five to two days. The notice period has also been reduced from 10 weeks to 2 days. This has resulted in schools and teachers spending less time on administering inspections and reduced unnecessary preparation.

#### Safer and Stronger Communities Fund (CLG)

Local Authorities now have more flexibility on how they spend money to benefit local communities. The Safer and Stronger Communities Fund merges several funding streams from two Government departments into one single fund. Local Authorities can now combine separate programmes to renew the poorest neighbourhoods and build safer communities. This allows for a more coordinated approach as well as reducing the administrative work associated with managing separate funds.

Further measures planned to ease bureaucratic burdens on the front-line in the future.

#### NOMIS (MoJ)

Ministry of Justice plans to introduce a new national database and IT system (NOMIS) to support end to end offender management. The national database in prisons and connectivity to probation would support end to end offender management, resulting in better public protection. It would also result in improved

**Table of public sector savings to 2010**

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Public sector savings (£million)	116	239	792	921	2083

efficiency and effectiveness, abolishing duplicate recording and records in prisons. The main rollout commences in April 2009.

#### De-prescribing the Penalty Notice for Disorder (MoJ)

By de-prescribing the penalty notice form, the police will be given the freedom to re-design the ticket should they so wish.

#### Police Technology (HO)

Police officers will continue to see improvements in their daily activities with £50 million being spent on the rollout of new technologies. This includes the introduction of over 10,000 hi-tech hand-held data devices saving officers time.

#### Department of Health Arms Length Bodies (DH)

Department of Health has pledged to reduce the number of arm's length bodies that it sponsors by 50% from 38 in 2005 to 19 in 2008. This will free up £500m a year for frontline services by April 2008. NHS staff will need to engage with fewer organisations. Twelve such bodies have already been cut resulting in savings of £150 million.

#### Special Educational Needs (DCSF)

The Department for Children Schools and Families is reviewing whether there is excessive paperwork involved in acquiring a statement for a pupil with Special Educational Needs. One area where paperwork could be significantly reduced is the transfer of data between schools and local authorities. DCSF is investigating how the use of online technology could reduce the burden on the frontline and simplify the transfer of information in this and other areas.

#### Local Authority Performance Indicators (CLG)

Performance measures for local authorities will be cut significantly as part of changes outlined in the Local Government White Paper which was published last year. The current 1200 measures will be slashed to 198 from April 2008. This will in turn result in a reduction in information collection and reporting thereby reducing the administrative burden for local authority staff.



## CHAPTER 3

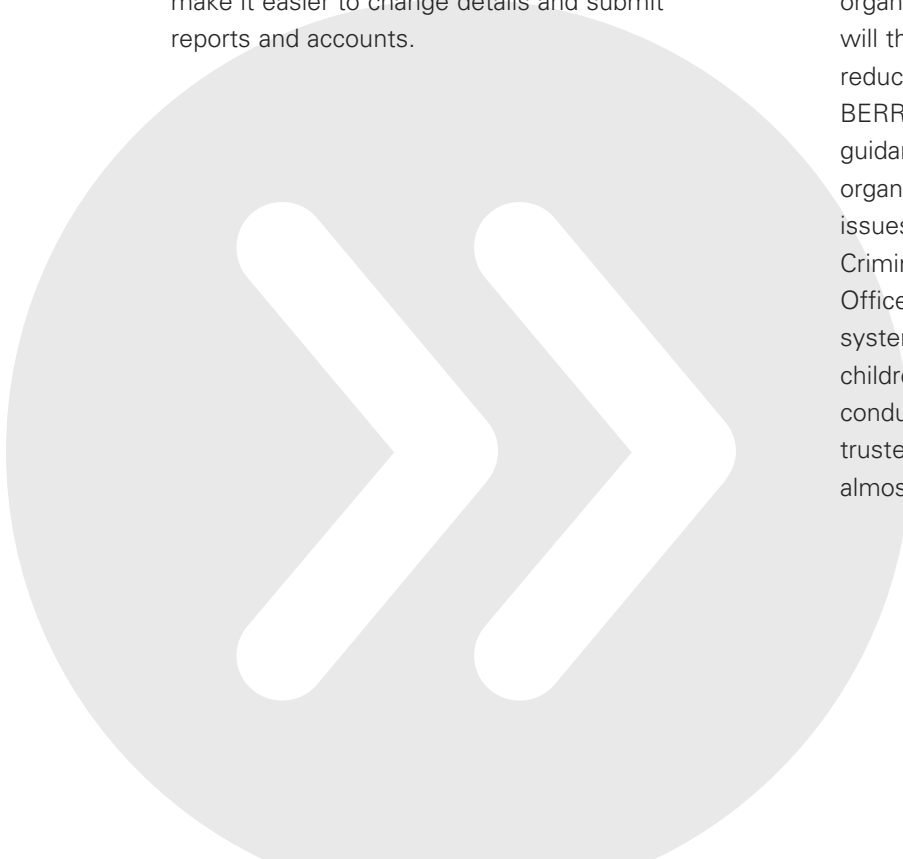
# DELIVERING REAL BENEFITS FOR THE THIRD SECTOR

**Departmental simplification plans also show a strong specific commitment across Government to reducing unnecessary burdens on charities and voluntary organisations. Together with the Office of the Third Sector, the Better Regulation Executive will, early next year, publish a document which will summarise in more detail this progress in delivering regulatory improvements for the sector.**

To minimise burdens on the smallest charities in particular, their legal form or status is being simplified. For example, 65,000 charities are already benefiting from a simplified annual return form, and many more are benefiting from changes to the registration and audit thresholds as well as enhanced online services which make it easier to change details and submit reports and accounts.

Steps have also been taken to make it easier for charities to merge. The Charity Commission and Office of the Third Sector simplification plans contain full details of measures that will reduce the administrative burdens of this type of legislation by at least 25% by 2010. Some of these measures, including proposals to save £4.6 million by 2010 by increasing the threshold for when a charity needs to prepare a Trustee's Annual Report.

Third sector organisations will also benefit from simplification of regulation affecting them. Many organisations in the sector are employers, and will therefore benefit from the HSE's drive to reduce the costs of risk assessment, and BERR's project to provide straightforward guidance on employment law. Third sector organisations can also face particular regulatory issues due to the nature of their work, such as Criminal Records Checks (CRB). The Home Office has continued to improve and refine its systems for when organisations working with children or vulnerable adults may need to conduct Criminal Record Bureau checks on staff, trustees and volunteers. This is evidenced by an almost 90% customer satisfaction.



The Government is also reducing the bureaucracy associated with government funding streams. Third sector providers have benefited in recent years from improvements to funding and procurement processes, such as the Learning and Skills Council's e-tendering process, and many more will benefit from the Department of Health's introduction of a generic contract for the provision of out-of-hospital services next year. The Office of the Third Sector is also funding further research into the scale of this sort of bureaucratic burden on charities, which will provide a basis for further action.

## CHAPTER 4

# OTHER GOVERNMENT BETTER REGULATION INITIATIVES OVER THE LAST 12 MONTHS

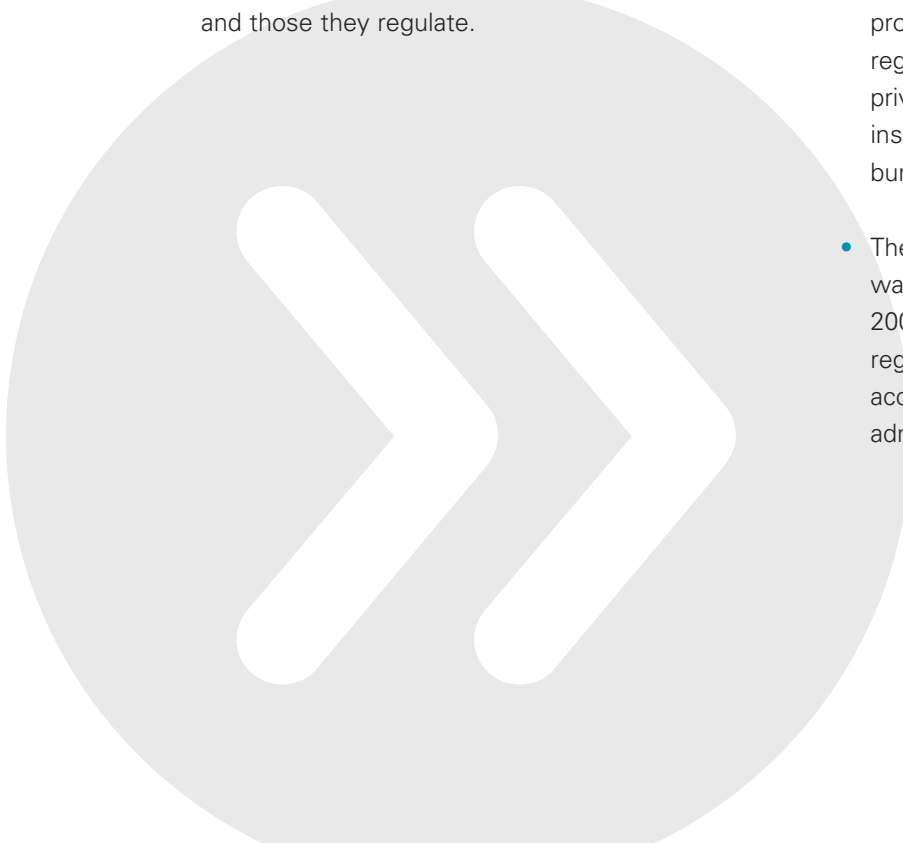
**The Government is clear that delivering tangible regulatory change relies on wider initiatives in addition to administrative burden savings. This is why over the last 12 months we have also been working to:**

- improve inspection and enforcement;
- improve the quality of new regulations; and
- improve transparency.

### IMPROVING THE PERFORMANCE OF REGULATORS

- A Code of Practice for national and local regulators was passed by Parliament on 26 November 2007 and will come in to force in April 2008. This makes it legally binding that regulators ensure inspection and enforcement is efficient, both for the regulators themselves and those they regulate.

- To assess how regulators are performing in delivering proportionate enforcement to ensure compliance, the Better Regulation Executive has worked with the National Audit Office and regulators to develop a review framework published in May 2007. Five major regulators have been reviewed – the Health and Safety Executive, Food Standards Agency, Financial Services Authority, the Environment Agency and the Office of Fair Trading. Reports on each of the regulators will be published in February 2008.
- The Government is overseeing a major programme, partly completed, to merge regulators and inspectorates in both the private and public sectors to ensure inspections do not impose overlapping burdens.
- The Regulatory Enforcement and Sanctions Bill was introduced to Parliament in November 2007, and if passed, will modernise the penalty regimes which regulators use by giving them access to flexible, efficient and proportionate administrative sanctions.



- If passed, this Bill will also put on a statutory footing the Local Better Regulation Office set up in September 2007 to address businesses' request for clear and consistent inspection and enforcement across all local authorities. This body focuses on reducing burdens on business by ensuring local inspection is proportionate and targeted. It will also support the capacity of local authority regulators to deliver their services more effectively.

*"Ensuring a clear and consistently fair system across all local authorities is a 'must have' for the small business sector. Adding on the anticipated reduction in costs to businesses means that this is a positive development and we welcome the creation of this new body."*

John Walker, National Policy Chairman of the Federation of Small Businesses

- Based on the February 2007 *Rogers Review*, local authorities for the first time have clarity about what central government's main priorities are for local regulatory services. The five main national enforcement priorities are: air quality; alcohol, entertainment licensing and its enforcement; hygiene of food businesses; improving health in the workplace; fair trading and an additional time-limited priority of animal and public health. These priorities are in the new performance framework for local authorities and local authority partnerships published in October 2007. The Local Better Regulation Office (LBRO) will also work with stakeholders to develop guidance on implementing these national enforcement priorities.

## IMPROVING THE QUALITY OF NEW REGULATIONS

- The Government has sought public feedback about how to improve the consultation of new policy proposals to make sure that all sources of expertise are used when policies are designed.

- A new form of Impact Assessment has been rolled out which makes estimates of the costs and benefits of new regulations a much more transparent and evidence-based part of the policy making process. The new process also includes more explicit emphasis on post-implementation reviews.
- To reduce burdens on business resulting from Government requests for consumer information, the Better Regulation Executive together with the National Consumer Council published a report and guide for policy-makers in November 2007. The report makes recommendations which were accepted in full and which will help ensure information is only used where it genuinely benefits consumers, so that burdens on business are minimised and consumers are helped in making choices. The report's conclusions will feed into the current Government review of the UK's consumer protection regime.

## IMPROVING TRANSPARENCY

- To improve transparency, the Government has committed to publishing the annual total costs and benefits of new regulations based on the cost benefit analyses in impact assessments from April 2008. The UK Government is one of the first in the world to commit to this.
- The Government also has new embedded better regulation principles in a number of its key Public Service Agreements and Departmental Strategic Objectives for the 2007 Comprehensive Spending Review period. For instance the Department for Environment, Food and Rural Affairs (DEFRA) has a PSA on climate change policy which includes a new indicator on the cost effectiveness of its policies. This will help the Government demonstrate that its measures to tackle climate change are subject to robust cost benefit analysis.

- To reduce the burden of changing regulations for business, the majority of changes affecting business come into force on two dates (Common Commencement Dates). This October, for the first time, simple, easy to understand guidance was produced with the help of business to support the changes coming in on the Common Commencement Date. In 2008 we intend to build on this work by publishing a code of practice to improve the quality and timeliness of guidance.

### THE BETTER REGULATION.GOV.UK WEBSITE

Over the last year, the Government has also improved the website that allows anyone to suggest specific regulatory changes. Three examples from this year's simplification plans which were suggested via the website are:

- Publication on the Health and Safety Executive website of a full list of all health and safety regulations to benefit all sectors and in particular Small and Medium Enterprises by delivering a quick and simple route to locate health and safety regulations and requirements for businesses. Since it went live in October it has had 22,000 hits a month and has been welcomed by business.
- The construction industry is benefiting from the restructure, simplification and clarification of sector-specific regulations. Companies are now assessed on specific criteria and no longer need to undertake multiple assessments, saving small electrical contractors £17,000 in costs annually.
- Outdated rules restricting the shooting and selling of game have been repealed entirely, saving butchers £9,000 annually by no longer having to hold a local authority license to deal in game or keep records of sales.

## APPENDIX 1

## TABLE OF SIGNIFICANT MEASURES DELIVERED TO DATE

Full lists of measures can be found in individual departmental plans. Certain measures are at early stages of delivery. Annual savings for these will increase over time.

What	Saving	Realisation date
<b>Main beneficiaries: Small and Medium Enterprises</b>		
<b>Changes to National Minimum Wage regulations (BERR)</b> Employers no longer need to provide a written agreement confirming that the National Minimum Wage applies where the employee is taking part in accredited training.	Annual administrative saving £5.1m	2007
<b>Alterations made to bulk transfer of protected pensions rights (DWP)</b> Employers can now consolidate schemes which have protected rights.	Saving of £3m for 3 years (not administrative burdens)	2007
<b>Simpler law for smaller businesses (BERR)</b> Smaller businesses stand to benefit from substantial rewrite of Company Law. Coupled with better guidance, new provisions are expected to lower third party costs and make compliance easier.	Annual administrative saving £2m	2007
<b>Changes to Small Business Rate Relief (Communities)</b> Small firms eligible for Small Business Rate Relief no longer have to register for relief annually.	Annual administrative saving £3m, expected to rise to £11m by 2010	2007
<b>Changes to tax self assessment (HMRC)</b> Around 1.3 million businesses are now able to submit shorter tax returns, through doubling of the income tax self assessment three line account to £30,000, and introducing shorter self-employment ages for businesses with turnovers below the VAT registration threshold.	Savings will be confirmed in 2008	2007
<b>Changes to the VAT annual accounting scheme (HMRC)</b> More than 1.1m businesses are now eligible for the less burdensome annual accounting scheme, through doubling of the upper threshold for paying VAT in instalments to £1.35 million.	Savings will be confirmed in 2008	2007
<b>Small firms audit requirement (FinSA)</b> Removed the need for 3,400 small firms and their authorised representatives to have a statutory audit.	Annual administrative saving £12.9m	2006
<b>Packaging Waste (DEFRA)</b> SMEs no longer have to collate data on the packaging handled by the business, supply the data to the Environment Agency or calculate their recovery and recycling obligations.	Annual administrative saving £1m	2007

What	Saving	Realisation date
<b>Main beneficiaries: Small and Medium Enterprises</b>		
<b>Removing requirement for landlords to provide information for backdating housing benefit claims in certain cases (DWP)</b> Landlords are no longer required to provide information for the backdating of housing benefit claims in the case of refugees (instead, customers can now apply for a repayable loan).	Annual administrative savings of £11m	2007
<b>Changes to Small Business Rate Relief (CLG)</b> Small firms eligible for Small Business Rate Relief no longer have to register for relief annually.	Annual administrative saving £3m	2007
<b>NetRegs (Environment Agency)</b> Web-based compliance self-assessment tool aimed at SMEs providing advice and guidance for 34 categories of environmental regulation and over 100 individual business sectors.	Annual administrative saving £1.9m	2007
<b>Licensing Act 2003. Guidance (DCMS)</b> Statutory licensing guidance: gives greater clarity on submitting premises' plans; clarity on incidental music provisions and other areas.	Annual administrative saving £2m	2006
<b>Licensing Act 2003 (DCMS)</b> Realisation of the benefits of simplification of Licensing regime following measurement exercise.	Annual administrative saving £97.2m	2006

What	Saving	Realisation date
<b>Main beneficiaries: Business general</b>		
<b>Online tool launched to help employers more quickly issue a written statement of employment particulars (BERR)</b> 1.2 million employers can now access a new, online tool to more quickly and easily set out pay, terms and conditions for new starters.	Annual administrative saving £16m	2007
<b>Facilitation of electronic communications (BERR)</b> 1.2m companies can now send information to shareholders by email, rather than hard copy. Print and postage costs expected to reduce by £100 – £400,000 per mailing per company.	Annual administrative saving £66m	2007
<b>AGM obligations changed for private companies (BERR)</b> 500-750,000 private companies no longer need to hold an AGM, as part of wider changes to company decision-making processes.	Annual administrative saving £45m	2007
<b>Company Secretaries (BERR)</b> Private companies no longer need to appoint a company secretary.	Annual administrative saving £450,000	2007
<b>Codification of Directors General Duties</b> More than one million companies will benefit from savings due to Company Act measures including the codification of Directors General duties.	Annual administrative saving £30m	2007
<b>Simplified member-nominated trustee/director requirements (DWP)</b> Removed the prescriptive processes and timetables for member nominated trustees in the UK's 66,000 occupational pension schemes.	Annual administrative saving £16m	2007
<b>Improve pension regulations to extend ways in which contracted-out rights can be taken as a lump sum (DWP)</b> This measure extends the ways in which contracted-out rights can be taken as lump sums and allows them to be paid at the same age as other rights.	Saving £9m (not administrative burdens)	2007
<b>Improve section 67 of the Pensions Act 1995 (DWP)</b> Occupational Pension schemes can make changes to members' accrued pension rights where the affected member consents to the change.	Saving £3.5m (not administrative burdens)	2007

What	Saving	Realisation date
<b>Main beneficiaries: Business general</b>		
<p><b>Advice and guidance on ending employment correctly and managing redundancy (BERR)</b> Revised and simplified guidelines on dismissal and related subjects can also be found on website with statement for employees which shows the amount of redundancy pay, and how it is calculated.</p>	Annual administrative saving £500,000	2007
<p><b>National minimum wage (BERR)</b> The abolition from 1 October 2006 of the Older Worker Development Rate means employers no longer have to provide employees with a written agreement about this rate.</p>	Annual administrative saving £5m	2007
<p><b>Improve pension regulations to make payments by employers less prescriptive (DWP)</b> Pension scheme trustees now have greater flexibility about when reports are made to the Pensions Regulator. As a result fewer reports are now filed resulting in benefits for both pension scheme trustees and the regulator.</p>	Annual net administrative savings £8m	2006
<p><b>Changes to Trustees funding strategy ability:</b> trustees now have the flexibility to adopt an appropriate funding strategy for minimum funding requirement.</p>	Annual net administrative saving £36m	2007
<p><b>Statutory Sick Pay and Statutory Maternity Pay (DWP)</b> Employers no longer need to make provision in their payroll system to exclude statutory payments if the employee is under 16 or over 65. This will simplify the process of establishing whether statutory sick pay or statutory maternity pay is due.</p>	Saving £4m (not administrative burdens)	2007
<p><b>Simplified Pension Scheme Returns (DWP)</b> The length of the pension scheme return to the Pensions Regulator has been halved, with savings for 80,000 pension schemes.</p>	Annual administrative saving £1m	2007
<p><b>Hazardous Wastes (Environment Agency)</b> Better and more simplified paperwork procedures for monitoring the movements of hazardous wastes of greatest benefit to waste producers, the waste management industry and the Environment Agency</p>	Annual administrative savings of £2.1m	2007
<p><b>Weights and Measures: Costs of repeating the type approval process (DIUS)</b> Removes the need for a measuring instrument to be approved in each EU state by introducing one type approval process.</p>	Annual administrative savings £750,000	2005
<p><b>Transparency Directive (HMT)</b> UK implementation of the Directive which updates and simplifies disclosure requirements for firms issuing securities on stock markets in the EU.</p>	Annual administrative savings (against the FSA baseline) between £7.3m and £25.7m	2007
<p><b>Audit threshold for industrial and provident societies (HMT)</b> The threshold above which non-charitable industrial and provident societies are required to conduct an audit increased (to 5.6m turnover and £2.8m balance sheet total).</p>	Annual policy cost saving of £2.4m	2006
<p><b>Regulatory Reform Order (Financial Services and Markets Act) (HMT)</b> Changes to the Financial Services and Markets Act, including lightened and more flexible requirements for authorising partnerships.</p>	Annual administrative saving between £7.5m and £9.3m (against the FSA baseline)	2007
<p><b>Periodic review of nuclear site authorisations (DEFRA)</b> Regular periodic reviews of nuclear site authorisations are now required by RSA 93. a 'light touch' annual review has been developed.</p>	Annual administrative savings £400,000	2007
<p><b>Intellectual Property: Simplification of Forms (DIUS)</b> Forms used to apply for and renew intellectual property protection have been simplified and consolidated.</p>	Annual administrative savings £100,000	2007

What	Saving	Realisation date
<b>Main beneficiaries: Business general</b>		
<b>Intellectual Property: modernisation of design registration system (DIUS)</b> Applicants no longer need to submit multiple applications to protect a design.	Annual administrative savings £200,000	2007
<b>Intellectual Property: address for service requirements (DIUS)</b> Knowledge based firms operating elsewhere in the EEA no longer need to provide a UK address to access UKIPO.	Annual administrative savings £670,000	2005
<b>Intellectual Property: web based filing of trade mark applications (DIUS)</b> Web based filing reduces the typical time taken to register a trademark.	Annual administrative savings £16,000	2007
<b>Intellectual Property: declaration for an invention which is a product (DIUS)</b> Requirement to declare that a patented invention was a product removed.	Annual administrative savings £6,000	2006
<b>Intellectual Property: Changes to Patent Rules 1995 – litigation rules (DIUS)</b> Consolidates and simplifies the rules for patent litigation.	Annual administrative saving £730,000	2007
<b>Intellectual Property: Implementation of revised European Patent Convention (DIUS)</b> Allows a single application to file patents in multiple EU member states.	Annual administrative savings £100,000	2007
<b>Intellectual Property: examination of trademarks on relative grounds (DIUS)</b> The UK-IPO will no longer examine whether a trademark application conflicts with an existing trademark – but will rely on trademark holders to oppose applications.	Annual administrative savings £120,000. Policy cost saving of £1.18m per year.	2007
<b>Improved the efficiency of sampling (ONS)</b> Improved the efficiency of sampling – yielding better quality for same burden or less burden for same quality.	Annual administrative savings £1.1m	2006
<b>Survey for the Products of the European Community (PRODCOM) (ONS)</b> Reduced the frequency of the from a quarterly to an annual basis.	Annual administrative savings £644,000	2005
<b>Quarterly Capital Expenditure Survey (ONS)</b> Reduced the amount of data required and reduced the sample size by 15%.	Annual administrative savings £966,000	from 2007
<b>Annual Business Inquiry (ONS)</b> Removed overlap between the Annual Business Enquiry (Part 1) and the Business Register Survey. Net reduction in sample size of 8%.	Annual administrative savings £80,000	from 2006
<b>Reduced Monthly Survey into Inventories (ONS)</b> Reduced the frequency of the survey and reduced the sample size by 34%.	Annual administrative savings £632,000	from 2006
<b>Annual Survey of Hours and Earnings (ONS)</b> Reduced the sample by 20%	Annual administrative savings £640,000	from 2007
<b>Reform of the Approved Persons regime (FinSA)</b> The Approved Persons regime sets out what “controlled functions” individuals in firms are able to perform. This reform, simplifies this regime significantly – reducing the number of forms submitted by firms by 10%.	Annual administrative savings £1m	2007
<b>Anti-money laundering rules (FinSA)</b> The approved person regime sets out what ‘controlled function’ individuals in firms are able to perform reducing number of forms submitted by firms by 10%.	To be confirmed	2007
<b>Training and competence rules (FinSA)</b> A new much simpler, more principles-based Training and Competence (T&C) regime came into force on 1 November 2007, introducing a new overarching competence requirement for all UK authorised firms, removing all other T&C rules for wholesale firms, and shortening the sourcebook for retail business.	Savings will be confirmed in 2008	2007

What	Saving	Realisation date
<b>Main beneficiaries: Business general</b>		
<b>Significant management function reporting requirement (FinSA)</b> The requirement on firms to provide FSA annually with the names and job details of every individual approved to perform a significant management function was removed from May.	Annual administrative saving £2.2m	2006
<b>Reforming conduct of business rules (FinSA)</b> New rules on the way investment firms are required to conduct business came into force from 1 November 2007, as part of the move to a more principles-based approach to regulation and to implement the EC Market in Financial Instruments Directive (MiFID). They are easier for firms to understand and comply with.	Savings will be confirmed in 2008	2007
<b>Complaints handling and dispute resolution (FinSA)</b> New shorter clearer rules on how to handle customer complaints and disputes came into force from 1 November 2007 – in line with the overarching FSA principle of Treating Customer Fairly.	Annual administrative savings £4.5m	2007
<b>Pricing of collective investment schemes</b> From February 2007, fund managers have been allowed greater flexibility to adopt single or dual pricing of units in collective investment schemes.	One-off administrative saving £13m	2007
<b>Reinsurance Directive Implementation (FinSA)</b> New rules on the prudential supervision of reinsurance business, implementing the Reinsurance Directive, came into effect on 31 December 2006. Reduced capital requirements and technical provisions will release estimated capital of £730m across the industry.	Annual policy saving £25m	2006
<b>Compensation Payments (DWP)</b> No longer necessary for employers to supply DWP with information on final payments to employees. This will result in 1.7 million fewer information requests.	Saving £4m (not administrative burdens)	2007

What	Saving	Realisation date
<b>Main beneficiaries: Health and safety</b>		
<b>Sensible Risk Management – Risk Assessments (HSE)</b> Lower risk businesses need to spend significantly less time completing their assessments as a result.	Annual administrative savings £29m	2007
<b>Forms project (HSE)</b> Removing outdated unnecessary forms leading to duplication. Savings so far total £250,000 and, with the removal of the next 9, will eventually equate to £20m.	Annual administrative savings saving £250,000	2007
<b>Reporting of Injuries, Diseases and Dangerous Occurrences (HSE)</b> Businesses can now report accidents and incidents by phone through the Incident Contact Centre. For the average business, this has reduced the time taken to record and report incidents from around 2.5 hours to 30 minutes.	Annual administrative saving £16.5m	2007
<b>Construction health and safety regulations (HSE)</b> One key set of consolidated regulations restructuring, simplifying and clarifying the Regulations.	Annual administrative saving £3.62m	2007
<b>Health and safety ‘core criteria’ for electrical contractors (HSE)</b> The construction industry is benefiting from the restructure, simplification and clarification of sector-specific regulations. In addition companies can now be assessed on specific criteria and should no longer need to undertake multiple assessments delivering £170,000 annual administrative savings to date.	Annual administrative saving £170,000	2007
<b>Consolidation of asbestos regulations (HSE)</b> Companies working with textured decorative coatings – common in domestic premises – no longer need to have an asbestos licence.	Annual administrative saving £28m	2007
<b>Off-shore Installations (HSE)</b> Less time-consuming and more efficient way of reporting safety cases. Also means more time for HSE to inspect, rather than spending time on paperwork.	Annual administrative savings £3.9m	2007

What	Saving	Realisation date
<b>Main beneficiaries: Health and safety</b>		
<b>Better and more simplified paperwork procedures for monitoring the movements of hazardous wastes</b> of greatest benefit to waste producers, the waste management industry and the Environment Agency.	£2.1m	
<b>Control of Substances Hazardous to Health Regulations (HSE)</b> Simpler, quicker access to guidance which focuses on key 'how to' information which is easily understood by non experts and SMEs.	Annual administrative saving £4m	2007

What	Saving	Realisation date
<b>Main beneficiaries: Food, farming and environment</b>		
<b>Consolidation of construction regulations (HSE)</b> Construction industry is benefiting from the restructure, simplification and clarification of sector-specific regulations.	Annual administrative savings £4m	2007
<b>CAP Single Support Scheme</b> Early indications are that the newly redesigned, pre-populated forms for the Common Agricultural Policy Single Support Scheme Regulations now take an average of 9.3 hours to complete as opposed to 43.2 hours (Defra initial snapshot survey findings).	Annual administrative savings as part of £26.5m saving by 2010	2010
<b>Whole Farm Approach (DEFRA)</b> The website went live in March 2006 and is designed to provide fast, efficient information for farmers from Defra and its agencies. By August 2007 over 11,000 farmers had signed up for WFA and more than 6,000 have used the system to complete one or more modules.	Annual administrative savings as part of £2.9m	2010
<b>Game Licensing Review (DEFRA)</b> Licensing requirements for the game trade in England and Wales have been removed.	Annual administrative savings £600,000	2007
<b>Production of UK guidance notes for Reg EC 178/2002 Traceability (FoodSA)</b> Clearer, simpler, more appropriate guidance for UK businesses. Removal of specific EC best practice recommendations.	Annual administrative savings £15.6m	2007
<b>Reduced inspection burden for farms (FoodSA)</b> Farms which are members of a recognised farm assurance scheme have a lower frequency of food hygiene inspections.	Annual administrative savings £300,000 for farms, £580,000 for local authorities	2007
<b>New registration regime for farms (FoodSA)</b> Reducing burden of registration on approximately 107,000 farms in England and those 150 local authorities in England containing farms.	One-off saving of £1,465,900 for farms; £213,108 for local authorities.	2007
<b>Consolidation of bottled water regulations (FoodSA)</b> Consolidation of legislation, along with new guidance for industry and enforcement authorities have made regulations easier to interpret and comply with.	Annual administrative saving £80,000	2006
<b>Safer Food Better Business guidance.</b> Proportionate implementation of the requirement for businesses to keep records of their food safety management system.	Annual policy savings £128m	2006
<b>Discontinuation of butchers' licensing (FoodSA)</b> Butchers no longer need to apply for a butcher's licence. Also save £100 on licenses fee.	Annual administrative saving £1.3m	2006
<b>Using a derogation (elimination of rule) to allow removal of Specified Risk Material (SRM) in butcher shops (FoodSA)</b> Benefits to traditional butchers, farm shops and on-line sales – allows butchers to hang carcasses on premises to achieve traditional matured beef flavour.	Annual administrative saving £5,000	2006

What	Saving	Realisation date
<b>Main beneficiaries: Food, farming and environment</b>		
<b>Development of a central database (GRAIL)</b> Database to store legislation and guidance on UK food imports. Tool which provides Public Health Authorities with comprehensive and up to date guidance on import controls.	Annual administrative saving £18,000	2006
<b>The Environmental Impact Assessment (Agriculture) (England)(No 2) Regulations 2006 (DEFRA)</b> Simplifies existing EIA rules on farming on semi-natural land, cutting red tape and inspections, and introducing thresholds below which the rules will not apply.	Annual administrative saving £85,000	2006
<b>Milk Quotas producer record keeping &amp; inspections (DEFRA)</b> Training for purchasers following new legislation. Training for inspectors so revised procedures work smoothly and areas covered are compliant with regulations.	Annual administrative savings £200,000	2007
<b>Rules for export licences and export refunds in the dairy sector (DEFRA)</b> Consolidation of Regulation detailing rules for export licences and export refunds of milk and milk products.	Annual administrative saving £200,000	2007
<b>PSD Business Decisions (DEFRA)</b> Fast-track scheme for companies seeking product authorisation.	Annual administrative saving £1m	2007
<b>PSD Risk Envelope (DEFRA)</b> Extrapolation of regulatory risk assessment across range of product issues.	Annual administrative saving £20,000	2007
<b>Implementation of EC Regulation 2003/2003 concerning EC Designated fertilisers. (DEFRA)</b> Repealed EC designated part SI, the fertiliser Regulations 1991 and Fertiliser (Sampling and Analysis) Regulations 1996 and replaced them by one new SI.	Annual administrative saving £200,000	2007
<b>Packaging regulations (DEFRA)</b> Amends the regulations to reduce the number of Operational Plans from 215 to approx 115 in 2007.	Annual administrative saving £100,000	2007
<b>Welfare of Animals (Transport) Order 2006 (DEFRA)</b> Provides for administration and enforcement of Community controls on the welfare of animals during transport.	Annual administrative saving £3.25m	2007
<b>June Agricultural Survey (DEFRA)</b> Enablement of Whole Farm Approach to allow farmers to complete the June Agricultural Survey and waste exemptions.	Annual administrative saving £35,000	2007
<b>The Tuberculosis (England) Order 2007 (DEFRA)</b> Evokes and remakes 2006/394, simplified movement controls.	Annual administrative saving £12m	2006
<b>Cattle Identification Order 2007 (DEFRA)</b> Consolidates and updates nine SIs, including Reg ID 2107, 2108, 2105, 2109, taking on burden of 2107. Abolishes temporary calf passports and allowing "late" registration of births.	Annual administrative burden £13m	2007
<b>Simplify notifications to HSE &amp; EA for ionising radiation (DEFRA)</b> Reducing administrative burden as a result of EA notifying HSE when a permit issues, rather than the operator doing so.	Annual administrative saving £10,000	2007
<b>Weights and Measures (Packaged Goods) Regulations 1986(DIUS)</b> Consolidates 5 sets of regulations into 1, creating a far simpler regime and greater freedom over the measuring equipment used in a number of sectors – primarily food. Reduces information obligations as a result .	Annual administrative savings £119m	2006
<b>Wood Packaging (Forestry)</b> UK Wood Packaging Material Marking Programme has reduced exporters' certificates from 20,000 per year to 200.	Annual administrative saving £35,000	2005
<b>Felling Licences (Forestry)</b> No longer any need to secure a conviction in order to enforce a restocking notice.	Annual administrative saving £9,000	2007

What	Saving	Realisation date
<b>Main beneficiaries: Food, farming and environment</b>		
<b>Electronic timber sales (Forestry)</b> Replacement of manual system with e-Sales auction/bid system.	Annual administrative saving £210,000	2006
<b>Introduction of automated process to reduce costs to timber industry including electronic contract documentation (Forestry)</b> Timber customers can now negotiate timber sales electronically through eSales, resulting in reduced administration, a faster service and less paperwork. New system can accept and use despatch and invoice data and automatically update sales recording system.	Annual administrative saving £1m	2006
<b>Automated system for despatch approval (Forestry)</b> Automated system which enables Hauler/Customer to request despatch via a mobile phone.	Annual administrative saving £10,000	2007
<b>TSE Regulations 2006 (DEFRA)</b> Updates and consolidates regulations including repeal of record keeping obligations. Savings delivered for retailers by lifting a prescriptive record-keeping requirement.	Annual administrative savings £44.6m	2006
<b>Water abstractors (DEFRA)</b> Simplified the arrangements for applications for abstraction licenses. Reduced the burden and cost of the advertising process.	Annual administrative saving £120,000	2007
<b>Review of National List testing of new plant varieties (DEFRA)</b> The coordination of most statutory testing for Value for Cultivation and Use (VCU) is being transferred to an industry representative organisation (BSPB) to be done under official supervision.	Saving of £500,000	2006
<b>Replacement of the Over Thirty Month Scheme (DEFRA)</b> Cattle born after 01/08/96 will be allowed back in to the food chain subject to testing negative for BSE. Farmers will be able to take advantage of market prices or receive compensation on those animals born before 01/08/96 who will be permanently excluded from the food chain.	Annual administrative saving £3.49m	2005

What	Saving	Realisation date
<b>Main beneficiaries: Planning and building sector</b>		
<b>Electronic Planning Applications (Communities)</b> Nearly half a million planning applications from business stand to benefit from new, e-enabled processes. Savings are delivered through lower costs (at least £120 per application) and reduced waiting times (11-13 days).	Annual administrative savings £7.2m	2007
<b>New Competent Persons Scheme for Electrical Work (Communities)</b> New Competent Persons Scheme for Electrical Work 1.2 million pieces of electrical work a year are now certified by "competent persons", rather than having to go through building control inspection, saving around £110 per check.	Annual administrative savings £65m	2007
<b>Consolidation of Building Regulations (Communities)</b> Making it simpler for companies to access and interpret the regulations.	Annual administrative savings £1.2m	2007
<b>User Centred Building Regulation Guidance (Communities)</b> Guidance has been overhauled and targeted to make it much easier to access and locate relevant information.	Annual administrative saving £9m	2006
<b>Fire Safety Regulatory Reform Order (Communities)</b> Created single sample risk-based fire safety scheme for any buildings that the public might visit. The reform removed 79 overlapping fire safety regimes. In future relevant premises will have only one Authority to deal with in England and Wales.	Annual administrative savings £53m	2005

What	Saving	Realisation date
<b>Main beneficiaries: Planning and building sector transport</b>		
<b>Reduced burden for some landlords of houses in multiple occupation (HMOs) (Communities)</b> Replacement of old provisions for control of HMOs means tighter controls for high risk properties, but 100,000 fewer landlords subject to control.	Annual administrative saving £120m	2007
<b>Reduced burden on Residential Social Landlords (RSLs) (Communities)</b> Housing Corporation review has led to more risk based regulation and compliance which reduces the burden on RSL's.	Annual administrative savings £1m, rising to £2m in 2008	2007
<b>Changes to Approved Document B (Fire Safety) (Communities)</b> Since April 2007 it is no longer necessary to fit door closers to internal doors to the stair in 3 or more storey houses and within individual flats.	Policy savings £8m	2007
<b>Satellite dishes (Communities)</b> Planning regulations on fixing external antennas on buildings have been revised. Changes are having a positive impact for telecommunications companies. Has reduced admin burden and planning fees for all, and extended the permitted development of all types of antenna.	Annual administrative saving £540,000	2005

What	Saving	Realisation date
<b>Main beneficiaries: Transport</b>		
<b>Online vehicle licensing (DfT)</b> Owners can now license their cars online or on the telephone, saving time, effort and queuing.	Estimated administrative savings £13.9m annually	2007
<b>Online portal launched for vehicle dealerships and hire companies, Heavy Goods and Passenger Service Vehicle operators (DfT)</b> Access to many services and information has been made available on a single website. One element, Online Vehicle Test Bookings has been costed for administrative savings.	£3m annual administrative savings	2007
<b>Better targeted safety inspection requirements for Heavy Goods and Passenger Service Vehicle operators (DfT)</b> 25% of estimated 400,000 vehicles are benefiting from changes to safety inspection, resulting in an average two fewer inspections a year. Reduction in lost productivity associated with inspections, each costing £500 in downtime.	Savings to the industry. £100m policy savings	2006
<b>Improved targeting of enforcement action (DfT)</b> Improved enforcement of excise duty evasion, HGV/PSV operator licensing, roadworthiness and drivers' hours. Targets high risk HGV/PSV operators.	Savings to compliant hauliers. £1m annual policy savings	2007
<b>New electronic services for Heavy Goods Vehicle operators (DfT)</b> HGV operators can now carry out most licensing transactions on line, using the transport office portal.	£1.4m annual administrative savings delivered	2007
<b>Revision of the passenger rail franchise map (DfT)</b> 25 passenger franchises reduced to 19, saving train operators both time and money in the bidding process.	Administrative savings of £32.7m per year for the rail industry	2007
<b>Standardising all rail franchise agreements (DfT)</b> Changes will eliminate unnecessary information requests and substantially reduce admin burden for train operating companies. Overall admin cost savings of approximately £2m per year across the supply chain, and approx £1m per year for DfT.	Annual administrative savings of £2m	2007

What	Saving	Realisation date
<b>Main beneficiaries: Transport</b>		
<b>Improved rail franchise bidding procedure (DfT)</b> Simplifying the tendering process by eliminating unnecessary information and focusing the bids on pertinent information. This significantly reduces the admin burden for train operating companies and in the DfT evaluation.	Administrative burden savings of £2m	2007
<b>Reduced frequency of medical and associated investigations of pilots (DfT)</b> For pilots aged between 40-59 years flying multi-pilot commercial air transport operations. Unanimous support from industry.	Annual policy savings of £1m	2006
<b>Changes to the Air Travel Organisers Licence (DfT)</b> 1,290 businesses can now apply for a Small Business Air Travel Organisers Licence, enjoying a £330 discount on renewal fees and exempted from paying per passenger charges.	Policy savings savings £500,000	2006

What	Saving	Realisation date
<b>Main beneficiaries: Pensions</b>		
<b>The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996(DWP)</b> The Minimum Funding Requirement regulations required pension scheme trustees to obtain an actuarial valuation and a Minimum Funding Requirement valuation. The new regulations removed the requirement to obtain a Minimum Funding Requirement valuation.	Annual administrative saving £36m	2006 and on-going delivery
<b>Compensation Payments (DWP)</b> No longer necessary for employers to supply DWP with information on final payments to employees. This will result in 1.7 million fewer information requests.	Saving £4m (not administrative burdens)	2007
<b>Alterations made to bulk transfer of protected pensions rights (DWP)</b> Employees can now consolidate schemes which have protected rights.	Saving £3m for three years (not administrative)	2007

What	Saving	Realisation date
<b>Main beneficiaries: Education providers</b>		
<b>School Milk Subsidy (DEFRA)</b> Simpler guidance for LEAs, schools to understand the scheme and apply for subsidies. Streamlined inspections.	Annual administrative savings £30,000	2005
<b>Further Education: Financial Arrangements in Further Education (DIUS)</b> Learning and Skills Council (LSC) has simplified its arrangements for auditing Further Education sector funding.	Annual administrative saving £11m	2007
<b>Further Education: Streamlining the relationship with Further Education providers (DIUS)</b> Streamlined responsibilities at national, regional and local levels between DIUS, LSC and the Quality Improvement Agency will deliver savings through reduced number of contacts and information obligations on providers.	Public sector administrative saving £40m	2007
<b>Further Education: Streamlining and rationalising FE data (DIUS)</b> Further Education information authority will act as a single gatekeeper for data standards and reporting in the sector – reducing bureaucracy and enabling data sharing across various bodies.	Savings will be confirmed in 2008	2007
<b>Further Education: Quality – Launch of Excellence Gateway (DIUS)</b> Single online gateway for post-16 providers to share / disseminate good practice across the sector.	Savings will be confirmed in 2008	2007
<b>Further Education / Higher Education: Cross-cutting simplification plan measure – Managing Information Across Partners (MIAP) (DIUS)</b> Online learner registration and register of providers to enable data sharing between providers including schools, will result in better services for learners.	Savings will be confirmed in 2008	2007

What	Saving	Realisation date
<b>Main beneficiaries: Education providers</b>		
<b>Further Education: Reducing the impact and burden of inspection on FE providers (DIUS)</b> Single inspectorate created through merger of Adult Learning Inspectorate (ALI) into Ofsted from April 2007. The regime is now more risk based and less time consuming for providers.	Savings will be confirmed in 2008	2007
<b>Higher Education: Concordat on Data Collection &amp; Quality Assurance (DIUS)</b> Signatories accept principle that Higher Education Statistics Authority should be single collector of data and the Quality Assurance Agency the principal provider of quality assurance in the sector – reducing bureaucracy and facilitating data sharing across various bodies.	Savings will be confirmed in 2008	2007
<b>Education (Student Loans) (Repayment) Regulations 2000 (DIUS)</b> Education (Supply of Student Information to Governing Bodies) Regulations 2006 enable the Student Loans Company to share data with providers, to reduce bureaucracy for providers delivering bursaries and scholarships.	Savings will be confirmed in 2008	2007

What	Saving	Realisation date
<b>Main beneficiaries: Health</b>		
<b>Healthcare Commissions and its risk-based inspections (DH)</b> Delivering targeted, proportionate inspections.	£1m annual administrative savings	2007
<b>BROMI company “name changes” (DH)</b> Manufacturers and suppliers of over the counter medicines will benefit from relaxation of the time for organisational name changes following a company merger.	£12m savings per company merger	2007
<b>Single regulator for health and adult social care (DH)</b> Creation of the new Care Quality Commission.	£3m annual administrative savings	2007
<b>Human Fertilisation and Embryology Authority (DH)</b> The HFEA has implemented a number of initiatives to reduce the burden of regulation.	Annual administrative savings £0.4m	2006

What	Saving	Realisation date
<b>Main beneficiaries: Public sector</b>		
<b>Local Authority food data simplification (FoodSA)</b> Simplifying the method by which local authorities submit monitoring data on food law enforcement to the FSA in the UK.	Precise saving to be estimated	2007
<b>Simplify the national Jobcentre Plus Accreditation System (DWP)</b> Organisations now undergo the accreditation process only once for procurement – and only if they are selected as preferred bidders.	One off administrative saving £200,000	2005
<b>Simplify the bidding process for contracting with Jobcentre Plus (DWP)</b> Jobcentre Plus is moving towards fewer, larger contracts. Larger providers will enter into direct contracts with smaller organisations on normal commercial basis with certain safeguards.	Annual administrative saving £4m	2005
<b>Introduction of Fraud Referral and Intervention Management System (DWP)</b> This will provide a single national database of fraud/compliance cases.	Public sector £6m savings	2007
<b>Removing requirement for Housing Benefit / Council Tax Benefit claims and reports of circumstance changes to be made in writing (DWP)</b> To give local authorities/DWP the option of streamlining processes by accepting claims for HB/CTB, or reports of changes of circumstances, by telephone or electronically.	Precise saving to be estimated	2006

What	Saving	Realisation date
<b>Main beneficiaries: Third sector</b>		
<b>Compact Plus and the Commissioner for the Compact (CO)</b> The Compact will strengthen and simplify relationships between Government and the voluntary sector. The Commission is being set up to highlight and encourage good practice, and to review issues that cause problems. Simplifying the method by which local authorities submit monitoring data on food law enforcement to the FSA in the UK.	Precise saving to be estimated	2007
<b>Charities Bill: Mergers (Cabinet Office)</b> Provisions to facilitate charity restructuring and merger commenced in November 2007.	Precise saving to be estimated	2007
<b>Relaunch of Civil Contingencies website: UK Resilience (Cabinet Office)</b>	Annual administrative savings £4.8m	2006
<b>Relaunch of the Preparing for emergencies website (Cabinet Office)</b> Project to identify and disseminate good practice on newer duties of Civil Contingencies Act 2004.	Precise saving to be estimated	2007
<b>Annual Returns (Charity Commission)</b> Changes have been made to reduce the information requirements in the Annual Return for 65,000 charities.	Annual administrative savings £5.35m	2007
<b>Charity Audit Threshold (Charity Commission)</b>	Annual administrative savings £355,000	2007
<b>Changes to registration threshold (Charity Commission)</b> Savings from both registration and Trustees Annual Report preparation costs.	Annual administrative savings £1.8m	2007
<b>Enhancement and Redesign of online services (Charity Commission)</b> Introduction of a range of online services to provide charities with an easier and more convenient way of changing their register details and submitting reports and accounts.	Precise saving to be estimated	2007
<b>National Lottery (DCMS)</b> Joint schemes and rationalisation of scheme.	Policy savings £9m	2007

## APPENDIX B

# TECHNICAL SUMMARY

**The measurement of administrative burdens was a substantial and complex undertaking involving departments and regulators across government, co-ordinated by the Better Regulation Executive<sup>2</sup>. The original measurement was carried out from May 2005 and completed in May 2006 and the results form the administrative burdens baseline as of May 2005. It was against this baseline that each participating organisation agreed to a net administrative burden reduction target of 25%, to be achieved by 2010 (except for Cabinet Office, who chose a 35% target).**

There were two key stages to reaching the original administrative burdens baseline:

- the initial measurement of administrative costs;
- from which the administrative burden was calculated by applying a business as usual adjustment.

Machinery of Government changes and technical adjustments were made subsequently as appropriate.

### Stage 1 – Measurement

Administrative costs are the annual reoccurring costs of administrative activities that businesses and the third sector are required to perform, in order to comply with the obligations that are

imposed through central government regulation. These include, for example, form filling, keeping records or responding to information requests.

The measurement of administrative costs of regulation impacting business and the third sector was undertaken using the Standard Cost Model methodology, as recommended by the Better Regulation Task Force. The Standard Cost Model methodology does not set out to achieve a statistically robust estimate of administrative costs, as this requires a huge sample size, incurring disproportionate expense.

Instead, it provides a systematic approach to measurement that provides indicative data on the administrative costs of regulation. International experience has shown this approach to be valuable in understanding the regulatory landscape and focus simplification activity.

The Standard Cost Model methodology breaks down regulations into a range of manageable components. This enables the systematic measurement of the cost of regulation across government through extensive interviews and focus groups with individual businesses, charities and voluntary sector organisations.

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<sup>2</sup> The Financial Services Authority and HM Revenues and Customs have conducted separate, parallel exercises to measure administrative burdens.

These components are called **obligations**. An obligation is the specific requirement that must be undertaken in order to comply with a regulation.

All central government regulations were mapped. The responsible government department and the origin of the regulation was then identified<sup>3</sup>, the required obligations defined, and the costs measured.

The Standard Cost Model calculates the administrative costs arising from a regulation by measuring four key factors:

1. how long it takes to comply with the obligation (Time);
2. the wage rate of the person who undertakes this (Wage Rate);
3. how many organisations carry out the obligation (Population); and
4. how frequently (each year) the obligation is carried out (Frequency)

Multiplying the Time and Wage Rate provides the Unit Cost of the obligation. Multiplying the Population and Frequency provides the Quantity.

The Unit Cost and the Quantity are then multiplied to establish the administrative cost. This has been illustrated below:

Administrative Cost		
(Unit Cost	X	Quantity)
(Time X Wage Rate)	X	(Population X Frequency)

The Unit Costs also includes any overheads or external goods or services required in order to comply with the obligation within the regulation.

The cost, quantity, population and frequency elements of the calculation was estimated using input from businesses or business associations. This was done through extensive face-to-face interviews, telephone interviews, expert panels, virtual panels and assessment<sup>4</sup> with consistent

validation through Monitoring Groups consisting of key stakeholders to advise and challenge the results. Government departments commissioned PricewaterhouseCoopers to carry out this measurement, which involved over 8,500 interviews and over 200 expert panels. All of the regulation that was in force as of May 2005 represented the original administrative burden baseline.

Departments have continued to measure the administrative burden of regulations introduced since May 2005 using the same approaches outlined above in order to report progress on their net reduction targets. This year’s plans reflect the administrative burden of any regulations introduced between June 2005 and May 2007.

**Stage 2 – Adjusting for business as usual**

Once the measurement exercise had established the administrative costs of regulation, the government applied a pragmatic and credible process to estimate the percentage of the total administrative costs that consist of activities that business would do anyway. This is termed the **business as usual cost**. Subtracting the business as usual cost from the total administrative cost estimate gives an estimate of the administrative burden.

The **administrative burden** is defined as the costs of administrative activities over and above what a business would choose to do in the absence of the regulation. The business as usual approach is about focusing government’s reduction effort on the burdens that are of real concern to business. There is little benefit to business from simplifying activities that business has indicated they would choose to undertake even if the regulation did not exist.

The process to estimate suitable business as usual adjustments was carried out with the full support and assistance of the business community and the third sector. An independent Panel agreed the business as usual process and

<sup>3</sup> See Cost by Origin in the Glossary at Annex C.

<sup>4</sup> Very low cost obligations were estimated using an assessment by consultants.

methodology and determined what activity business would do in the absence of regulation. Data from the measurement exercise was used as a basis to calculate indicative estimates for this activity for all information obligations. The Panel then considered and challenged data for the information obligations that made up 70% of the total administrative cost.

### Business endorsement of the business-as-usual process

The business as usual panel consisted of representatives from the: Better Regulation Commission, Confederation of British Industry, Forum of Private Business, Federation of Small Businesses, Institute of Directors, Small Business Council, British Property Federation, House Builders Federation, Royal Institute of Chartered Surveyors, Royal Town Planning Institute, Planning Officers' Society, Charity Finance Directors Group and the National Farmers Union.

*"The Government has taken the Dutch model, and made sensible adjustments for Business as Usual costs, to deliver a measure that works."*

Rick Haythornthwaite, Chair of the Better Regulation Commission

### Subsequent changes

#### Machinery of Government Changes

The baseline for the measurement exercise was the position as of May 2005. As a result, the first stages of the measurement reflected the configuration of government departments at that point. However, there have been a number of changes since then. These are called Machinery of Government changes. The figures have been adjusted to reflect this, with individual regulations transferring between departments.

#### Technical adjustments

After the measurement and business as usual stages were completed, departments analysed their data and a small number of anomalies were found and corrected in agreement with the Better Regulation Executive. Examples of anomalies include:

- population over or under estimates;
- areas of administrative burden which were captured or not captured in error; and
- areas where external cost estimates were too high.

The Departments that have made machinery of government or technical adjustments are outlined below include:

Department	Baseline at December 2006	Machinery of Government changes	Technical Adjustments	Baseline at December 2007
DTI	£5,274m	−£5,274m (1)	£0m	£0m
BERR	£0m	£4,752m	−£564m (2)	£4,188m
DIUS	£0m	£543m (1 & 3)		£543m
DFES	£234m	−£234m (3)		£0m
DCFS	£0m	£210m (3)		£210m
HSE	£2,039m	−£1m (4)		£2,038m
DfT	£487m	£1m (4)	£91m (5)	£579m
Home Office	£85m		−£1m (6)	£84m
Food SA	£86m		£5m (7)	£91m
HMT	£44m		£115m (8)	£159m
CLG	£2,492m	−£5m (9)		£2,487m
GEO	£0m	£6m		£6m

- 1 DTI's administrative burden was transferred to BERR and DIUS as relevant.
- 2 BERR's baseline was subsequently adjusted to reflect a duplicated measurement of Consumer Protection Act 1987. Incorrect external costs for Office of Fair Trading – Vehicle Builders and Repairers Association Ltd and Trading Schemes Regulations 1997 were also adjusted.
- 3 DfES administrative burdens were transferred to DCSF and DIUS as relevant.
- 4 Rail Safety regulations were transferred from HSE to DfT.
- 5 Rail Safety regulation were re-measured and increased by £1.6m to £3.1m. Rail passenger franchise map was not originally measured.
- 6 More comprehensive data in relation to the Private Security Industry Act 2001.
- 7 The Food (Lot Marking) Regulations 1996, Commission Regulation (EC) No 2065/2001 laying down rules for Council Regulation (EC) No 104/2000 (Fish Labelling Regulations 2003), The Food (Hot chilli and Hot chilli products) (Emergency control) (England) Regulations 2003, and Council Regulation No.2991/94 laying down standards for spreadable fats were not originally measured.
- 8 Aspects of the Law of Property Act 1925 applying to the financial services transactions were not measured.
- 9 A new department was created called the Government Equality Office that took responsibility for Equality legislation from CLG.





