



House of Commons  
Regulatory Reform Committee

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**Getting Results: the  
Better Regulation  
Executive and the  
Impact of the  
Regulatory Reform  
Agenda: Government  
Response to the  
Committee's Fifth  
Report of Session  
2007–08**

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**First Special Report of Session  
2007–08**

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## The Regulatory Reform Committee

The Regulatory Reform Committee (previously the Deregulation and Regulatory Reform Committee) is appointed to consider and report to the House on draft Legislative Reform Orders under the Legislative and Regulatory Reform Act 2006. Its full remit is set out in S.O. No. 141, which were approved on 4 July 2007.

### Current membership

Andrew Miller (*Labour, Ellesmere Port & Neston*) (Chairman)  
Gordon Banks (*Labour, Ochil and South Perthshire*)  
Lorely Burt (*Liberal Democrat, Solihull*)  
Mr Quentin Davies (*Labour, Grantham and Stamford*)  
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Mr Jamie Reed (*Labour, Copeland*)  
Mr Anthony Steen (*Conservative, Totnes*)  
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### Criteria against which the Committee considers each draft legislative reform order

Paragraph (3) of Standing Order No.141 requires us to consider any draft legislative reform order against the following criteria:

... whether the draft legislative reform order —

- (a) appears to make an inappropriate use of delegated legislation;
- (b) serves the purpose of removing or reducing a burden, or the overall burdens, resulting directly or indirectly for any person from any legislation (in respect of a draft Order under section 1 of the Act);
- (c) serves the purpose of securing that regulatory functions are exercised so as to comply with the regulatory principles, as set out in section 2(3) of the Act (in respect of a draft Order under section 2 of the Act);
- (d) secures a policy objective which could not be satisfactorily secured by non-legislative means;
- (e) has an effect which is proportionate to the policy objective;
- (f) strikes a fair balance between the public interest and the interests of any person adversely affected by it;
- (g) does not remove any necessary protection;
- (h) does not prevent any person from continuing to exercise any right or freedom which that person might reasonably expect to continue to exercise;
- (i) is not of constitutional significance;
- (j) makes the law more accessible or more easily understood (in the case of provisions restating enactments);
- (k) has been the subject of, and takes appropriate account of, adequate consultation;
- (l) gives rise to an issue under such criteria for consideration of statutory instruments laid down in paragraph (1) of Standing Order No 151 (Statutory Instruments (Joint Committee)) as are relevant;
- (m) appears to be incompatible with any obligation resulting from membership of the European Union.

## **Publications**

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/regrefcom](http://www.parliament.uk/regrefcom). A list of Reports of the Committee in the present Session of Parliament is at the back of this volume.

## **Committee staff**

The current staff of the Committee are John Whatley (Clerk), Neil Caulfield (Inquiry Manager) and Liz Booth (Secretary/Committee Assistant).

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# Report

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On 17 July 2008 the Committee published its Fifth Report of the Session 2007-08 entitled “Getting Results: the Better Regulation Executive and the Impact of the Regulatory Reform Agenda” (HC 474-I). On 6 November 2008, we received the Government’s response to that Report in the form of a memorandum. We publish the response without comment as an appendix to this Special Report.

## Government response

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**1. The pressure for regulatory reform should continue, but we recommend that the BRE should set clear priorities, together with timetables for delivery. We recommend that the BRE consider how better to co-ordinate communication of its initiatives to stakeholders. (Paragraph 16)**

The Government agrees that the pressure for regulatory reform should continue.

Communication of the successes of the regulatory reform agenda is a key objective for the Government in year 2008-09 and onwards. The Government has increased the resource available to strengthen communication with stakeholders and beneficiaries of the regulatory reform agenda. The immediate focus will be on communication with business.

Details of regulatory reform activities are available in annual Simplification Plans and Departmental Annual Reports.

**2. We urge the BRE to apply good regulatory practice and target initiatives where they will be most productive. Better regulation principles including consultation and impact assessment should be applied to regulatory reform initiatives themselves. (Paragraph 17)**

The Government agrees and constantly strives to encourage the application of good regulatory practice.

The Government focuses its regulatory reform programme where evidence suggests will be most productive for example, the Annual Survey of Small Businesses' Opinions, 2006-07 informed the need for the Government's Review of Guidance, also known as the "Anderson Review" which will publish at the end of 2008.

The NAO's report: "Reducing the Cost of Complying with Regulations: The Delivery of the Administrative Burdens Reduction Programme, 2007" indicates the five areas of regulation imposing the largest burdens are Company Law, Planning, Employment Law, VAT and Health and Safety. The Government has worked on each of these policy areas to assess how best to reduce the administrative burdens imposed on businesses, the public and third sectors. Extensive consultations were carried out in each case.

The Department agrees with the Committee's drive for regulatory reform principles to be applied to regulatory reform initiatives. Examples of where this has been done include the extensive consultation carried out prior to implementation of the Compliance Code and around introduction of regulatory budgets, enactment of the Regulatory Enforcement and Sanctions (RES) Act on a common commencement date and setting out the need to produce simplified guidance on new regulation 12 weeks in advance of it coming into.

**3. The Panel for Regulatory Accountability should continue to provide real-time scrutiny of impact assessments. We recommend that amendments made during the passage of legislation be referred to the PRA for post hoc analysis. (Paragraph 20)**

The Government believes that the current scrutiny provided by the Panel for Regulatory Accountability is sufficient. The Better Regulation Executive advises Ministers including

the Panel for Regulatory Accountability (PRA) on how to respond to parliamentary amendments during the passage of legislation. However, the speed of amendments being considered makes this a challenge.

The Government's current Impact Assessment (IA) scrutiny process within departments includes Chief Economist involvement and Ministerial sign-off. Better Regulation Executive Account Managers support and challenge departments' legislative proposals, generally before Impact Assessments are ready to go to PRA where PRA has the power to block any legislation.

In addition to this Government scrutiny, the requirement for all departments to publish Impact Assessments on the internet when new legislation is enacted, ongoing since April 2007, means they are more readily open to public scrutiny.

**4. We recommend that experience in the promotion of better regulation be taken into account as soon as possible in determining structures for Civil Service career development. (Paragraph 22)**

The Government agrees with the Committee's recommendation that experience in better regulation should be an integral part of the career path of Civil Servants.

The Government remains committed to communicating the importance of the regulatory reform agenda and ensuring that members of the Senior Civil Service have the necessary knowledge and skills to perform successfully in their roles.

The Professional Skills for Government (PSG) competency framework sets out the skills and expertise required by individuals in their current positions and those which they need to develop for promotion. These depend on an individual's role and department, but include:

- leadership
- core skills
- professional skills (specific to profession and role)
- broader experience (Senior Civil Service only)

Exposure to the tools of the regulatory reform agenda, for example Impact Assessments, is a mainstream activity for all civil servants, particularly those at senior levels.

**5. We believe that, for the time being at least, the BRE should remain at BERR. However, we recommend that the Government take positive steps to ensure that the BRE retains freedom to pursue a balanced regulatory reform agenda that serves the interests of all sectors, and that it is seen to do so. (Paragraph 34)**

Since moving to BERR the BRE has retained a cross-government remit and continues to support and challenge Government Departments in embedding and practising the principles of better regulation.

The Government remains committed to a regulatory reform agenda which serves the interests of all sectors. For example, the Government is committed to improving regulation

for the Third Sector and the public sector front line. Progress on delivery for these sectors will be included in 2008 Simplification Plans which are due for publication in December 2008.

**6. Although we recognise the steps that the BRE has already taken to engage a cross-section of stakeholders, we recommend that the Better Regulation Executive review its resource allocations, programmes and communications and continue to take steps toward achieving greater recognition of consumers, employees, local government, the public sector and the third sector, alongside business interests, in determining the priorities for regulatory reform. (Paragraph 35)**

At the outset of the regulatory reform agenda the Government took the decision to prioritise making quick progress on the recommendations of the Hampton and Arculus reports, which largely benefit the private sector.

With the regulatory reform agenda gaining traction, the Government has started to focus its regulatory reform resources on a broader range of issues – eg consumer information, Hampton Implementation Review lines of enquiry and the public sector.

Although the main focus of the Administrative Burden Reduction Programme is private and third sector costs, this work also benefits public sector organisations as they are also large employers within the UK economy.

The Government will also continue to deliver on the commitments made in the Public Sector strategy and the subsequent 30% target. As part of that, the Better Regulation Executive further supports and challenges departments on this agenda.

The Government has increased resources to communicate its successes to stakeholders – the immediate focus of this is the business community.

**7. We recommend that the BRE consider whether its procedures and practices for retaining and sharing institutional knowledge are adequate in light of the policy of relatively high staff turnover. (Paragraph 38)**

The Department agrees with the Committee's recommendation and is constantly looking at this area, seeking feedback from staff when their contracts come to an end in order to mitigate the risk that institutional knowledge is lost.

As a result of keeping institutional knowledge under review the Better Regulation Executive has in place a number of measures to ensure institutional knowledge is retained and shared.

Firstly, the Better Regulation Executive has an extensive induction programme for new starters which cements core knowledge of the organisation and ensures that knowledge is routinely passed on.

Secondly, the Department maintains a robust briefing mechanism which ensures that regulatory reform policies and issues are retained as institutional knowledge both within the Better Regulation Executive and more widely within Department as a whole.

Finally, the Department runs a comprehensive range of seminars and lectures for staff. These are specifically designed to share knowledge, best practice and lessons learned among all staff at the Department.

**8. We recommend that the BRE strengthen its channels for obtaining grass roots information from the level of individual businesses and individual local authorities, as well as individual organisations in the third sector. The BRE should use its contact with the new Local Better Regulation Office as one means of achieving that objective. The BRE should take steps to advertise its existence at all levels, including trade associations. (Paragraph 41)**

The Government has increased its resources dedicated to communication of the successes of the better regulation agenda, with an immediate focus on the business community.

The Department works closely with and will continue to approach trade associations to listen to their views and the views of their constituents as part of its heightened awareness of the need for dialogue with stakeholders.

The Department has strengthened and better coordinated the resources dedicated to its communications approach. The strategy involves working with and through others to deliver pro-active engagement with business stakeholders and audiences, including those at 'grass roots' level.

The Department has begun a national and regional drive to refresh engagement and dialogue with stakeholders and their representatives, including trade associations. The immediate focus of this engagement includes listening to the views and perceptions of the business community.

The Department will continue to run its programme of visits to businesses and continue to elicit grass roots information through this channel.

The Department will work closely with Local Better Regulation Office (LBRO) to ensure that it effectively utilises its knowledge and understanding of individual businesses and businesses sectors, as well as its expertise in local authority regulatory services. LBRO's work such as: its business engagement strategy, business survey, the Retail Enforcement Pilot, Beacons, and the 'Trading Places' business-local authority officer exchange scheme all provide specific instances where LBRO will be gathering evidence or "grass roots" information about local authorities and business perceptions.

**9. We recommend that the BRE become more actively involved in facilitating greater sharing of best practice among regulators and Government Departments. The new Local Better Regulation Office should be involved in articulating the local authority perspective in that exchange. (Paragraph 43)**

The Government agrees that there should be greater sharing of best practice among regulators and Government Departments.

The Government is currently conducting a series of reviews of regulators, assessing their work against the principles of good practice identified by the Hampton Report. The Hampton Implementation Reviews will also identify examples of good regulatory practice which the Better Regulation Executive will seek to disseminate. In a similar vein, LBRO is

developing a common excellence standard for local authority regulatory services and is testing potential assessment models with specific local authorities. The statutory Regulators Compliance Code, which builds upon the Hampton principles, also sets out the standards of regulatory best practice to which regulators must have regard.

LBRO will share best practice amongst local authorities, as well as innovative approaches to the provision of regulatory services, including through the provision of financial support and assistance. LBRO are currently operating a programme to systematically identify and disseminate best practice and is involved in the current Beacons 'cutting red tape' theme.

In addition LBRO are working with a coalition of national regulators, professional bodies and Government Departments to develop a world class local authority regulatory system. This includes developing a common standard of excellence and common frameworks to address issues such as competence, data sharing and risk assessment, which will draw on the best elements of practice across regulatory functions. LBRO are currently operating a Best Practice Programme and working with national regulators and Government Departments on a programme designed to develop a world class regulatory system within the United Kingdom.

LBRO will have an important role in advising Government regarding local regulatory enforcement and best practice in relation to the implementation of regulation at the local level.

The Government recognises that the Local Authority Coordinators of Regulatory Services (LACoRS), as part of the Local Government Association and as a representative of local authorities, will continue to articulate the perspective of local authorities. The Government welcomes this.

In addition the Department leads and participates in a number of networks involving Government Department and regulators at which sharing knowledge and best practice is routine.

**10. We recommend that the BRE play an active role in holding Government Departments to account for their performance in the area of regulatory reform and that the BRE develop a system for monitoring and evaluating Departmental performance and reporting the results publicly. It should work with Government Departments to develop suitable evaluation criteria with appropriate weighting of those criteria and agreed evidential sources for assessing performance. Agencies should be included in such evaluation when relevant. (Paragraph 46)**

The Government is satisfied that its current role supporting and challenging Government Departments through the regulatory reform agenda is yielding the required results. The annual publication of Simplification Plans publicly holds Departments to account on their delivery against the 25% administrative burden reduction target, and Impact Assessments are published on the internet increasing the transparency of Government's rationale behind its policy-making and regulation. Departmental Annual Reports also provide a vehicle for public reporting on better regulation.

The Department's performance in ensuring that all Government Departments and agencies deliver better regulation for the private, public and third sectors is monitored and

evaluated through the existing Capability Review mechanism as well as through the Public Service Agreements and Departmental Strategic Objectives.

**11. We recommend continued strong interaction between HMRC and the BRE on the implementation of regulatory reform, reinforced by an established pattern of regular meetings, and that HMRC should operate under the same initiatives and principles as all Government Departments with respect to the regulatory reform agenda. (Paragraph 51)**

The Government welcomes the Committee's acknowledgement of the strong and productive interaction between HMRC and the Better Regulation Executive. There is an Account Management relationship between the Better Regulation Executive and HMRC which provides the framework for regular contact and liaison between the two Departments and for BRE to provide appropriate support and challenge to HMRC on better regulation issues.

However, HMRC operates in a parallel but separate track from other departments because HMRC is a tax authority and not a regulator. Tax is controlled through the financial budget process, ensuring that government can fairly and flexibly finance public services.

HMRC works in step with Better Regulation Executive and other Departments, following the Impact Assessment process and Government Code of Practice on consultation and is also targeting its own administrative burden reduction. Since 2006, HMRC has delivered, or is committed to, measures which will reduce administrative burdens on business by up to £400 million pa.

**12. We recommend that the Risk and Regulation Advisory Council should be given a clear role in providing independent challenge in the regulatory reform area. (Paragraph 53)**

The Government does not accept this recommendation. The Better Regulation Commission was asked by Government to report on the future function of the Commission and the Government accepted its recommendations on the formation of the Risk and Regulation Advisory Council (RRAC) and the RRAC's role.

The Government is, of course, subject to scrutiny by Parliament on the regulatory reform agenda. The Government also welcomes challenge from external stakeholders and key reforms, for example to the impact assessment process, have been introduced to make that challenge easier for external stakeholders to exercise.

As a result of the Committee's recommendations in this report, the Government is currently implementing plans to extend the independent challenge it currently receives from external stakeholders

**13. We recommend that, in order to provide greater accountability and a measure of independent review, the BRE submit an annual report to Parliament, addressing performance against its clearly defined objectives. The report should distinguish between the work of Government Departments and the work of the BRE itself. (Paragraph 55)**

The Government agrees with the Committee's recommendation. The formal Annual Report of the Department for Business Enterprise and Regulatory Reform incorporates the Better Regulation Executive's performance against its objectives. This is publicly available.

In addition to this Annual Report the Better Regulation Executive will in future publish an annual overview of the achievements of the regulatory reform agenda as a whole.

**14. We recommend that given the high importance attached to the regulatory reform agenda the Government give serious consideration to including the position of Executive Chair of the BRE on the list of senior posts which should be subject to future pre-appointment hearing. (Paragraph 56)**

The Government rejects this recommendation as the post of Executive Chair at the Better Regulation Executive is a civil service post.

**15. We believe that the credibility of the Administrative Burdens Reduction Programme savings figures and the achievement of meaningful results are more important than preoccupation with avoiding, say, a 2% or 3% shortfall on the 25% target. We therefore recommend careful scrutiny of all savings figures, but at the same time call for recognition that the shortcomings of the standard cost model require acceptance of flexibility around targets. The ABRP should not be considered to have failed if, for instance, 22% of real burdens reduction has a discernible impact. (Paragraph 66)**

The Government welcomes the Committee's comments and agrees that careful scrutiny of all savings figures should be carried out. As a result of this recommendation the Government is currently implementing a plan to extend the independent scrutiny of the Administrative Burden Reduction Programme's savings figures. For December 2008 Simplification plans the Government is implementing extended independent scrutiny of Departments' claimed savings

The Department will continue to be involved in the monitoring of Departmental claimed savings.

The Government agrees with the Committee's conclusion that the Administrative Burden Reduction Programme should not be considered to have failed if significant real burden reductions have a discernible impact. However, the Government remains committed to driving forward the planned delivery of 25% reduction in administrative burdens.

**16. We recommend that there be constant scrutiny both of ongoing progress on the ABRP and of the robustness of claimed Departmental savings. The BRE should play a continuous role in such monitoring, which should cover burdens reduction indicators beyond that of the 25% target, such as irritation factors to businesses and others. (Paragraph 67)**

The Government accepts the Committee's recommendation that there be constant scrutiny both of ongoing progress on the Administrative Burden Reduction Programme and of the robustness of claimed Departmental savings. The Government scrutinises savings claimed by Departments.

As a result of the Committee's recommendation, for December 2008 Simplification plans the Department is implementing extended independent scrutiny of Departments' claimed savings

The Better Regulation Executive will continue to be involved in the monitoring of Departmental claimed savings.

The Government agrees that it is important that the Administrative Burden Reduction Programme addresses irritation factors. The successful removal of such irritations is a key element of communicating the programme's success.

**17. We recommend that Government Departments and Executive Agencies include in their Annual Reports their progress against simplification plans, and that there be greater measurement of actual take-up of savings proposals. We recommend that the BRE to continue to look for ways to make greater impacts on burdens reduction. (Paragraphs 68, 69 and 71)**

The Government agrees with the Committee that Government Departments and Executive Agencies report on their delivery progress against their Simplification Plans for Administrative Burden Reduction Programme. However, the Government rejects the recommendation that this be done through the vehicle of Annual Reports. The current mechanism for reporting the Departments' progress against Simplification Plans provides a greater level of detailed reporting than would be possible in Annual Reports.

The Government accepts the Committee's recommendation that there be greater validation of actual take-up of savings proposals and, as a result, will heighten scrutiny of Departments' Simplification Plans in 2008, particularly for large savings claims.

**18. We recommend that the BRE consider setting up a body in this country analogous to the Stevens and Wientjes Committees in the Netherlands. (Paragraph 73)**

The Government is committed to continuous improvement and will keep considering ways to improve the UK model, but at present the Government does not accept the Committee's recommendation that the UK regulatory reform agenda needs a Committee which carries out the functions of the Stevens or Wientjes Committees in the Netherlands. The Government believes these functions are carried out in the following ways:

Firstly, the National Audit Office<sup>1</sup> has identified the top five regulatory burdens using the standard cost model and conducted research<sup>2</sup> to ascertain the perspective of the business community about which elements of each of these five regulatory burdens should be simplified and the Government continues to consult with and extract from the business community its perceptions on these regulations, which have the highest burden on business.

Secondly, the Government actively engages with stakeholders in a coordinated and measured way. Business stakeholders support the need for regulatory reform and are keen that it should make good progress.

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<sup>1</sup> *Reducing the Cost of Complying with Regulations: The Delivery of the Administrative Burdens Reduction Programme, 2007* Report by the Comptroller and Auditor General, HC 615 Session 2006-07, 25 July 2007

<sup>2</sup> National Audit Office/Ipsos MORI survey of 2,000 businesses conducted in 2007

Finally, the Government remains committed to communicating to stakeholders the results and successes of the regulatory reform agenda. Its immediate focus is on the business community.

**19. We recommend that the BRE focus on the issue of customising communications to individual business sectors. (Paragraph 74)**

The Government agrees with this recommendation. The Better Regulation Executive is currently assessing the most effective way of communicating with business audiences; be that by sector or by focussing on the key issues that cut across all sectors, or a combination of both.

Where relevant, Better Regulation Executive will be involving other Government Departments and agencies in this work and will be testing its findings on business in order to refine its approach.

**20. We recommend renewed focus on the target of reducing public sector data requests by 30%. We recommend that progress in reducing public sector and third sector burdens—and their measurement—be given equal emphasis to that of the business sector programme. (Paragraph 75)**

The Government agrees with the Committee's recommendation and is committed to its focus on delivery of the public sector strategy. The regulatory reform agenda already benefits public and third sectors as well as businesses.

The Government's Public Sector Strategy is part of a wider Government agenda to reform the public sector, including reducing barriers to innovation for frontline workers.

There is cross-government collaboration on the achievement of the 30% data-request reduction target. As with the Administrative Burden Reduction Programme, Government Departments will be required to provide an update on their performance in their Simplification Plans.

**21. We recommend that the BRE should have a role in scrutiny of impact assessments, selected on the basis of financial thresholds, including in support of any introduction of regulatory budgets. (Paragraph 81)**

The Better Regulation Executive is currently involved in the scrutiny of Impact Assessments and will continue to support and challenge Departments to deliver policy-making and legislation which are informed by early, robust Impact Assessments.

The current structure for this support and challenge includes the Better Regulation Executive's 'Account Manager' structure. Each Department has a dedicated point of contact whose role it is to work in collaboration with Departments to ensure Impact Assessments are robust, that alternative policy solutions are explored and to encourage better regulation principles in decision-making.

In addition, each Department has a Better Regulation Unit which acts as the regulatory reform 'champion' for their home Department. These teams play an active and consistent role in challenging and scrutinising Impact Assessments whilst in development at their home Department.

The Better Regulation Executive will have involvement in the scrutiny of Impact Assessments in the context of the proposed system of regulatory budgets.

**22. Any proposed system for setting and publicising regulatory budgets should take into account the fact that desirable regulation, not least in the environmental and health and safety areas, carries with it certain inevitable costs. Similarly, there should be safeguards against undue pressure to remove necessary regulation merely as a means of meeting budgetary targets. (Paragraph 85)**

The Government agrees that good regulation should provide essential protections and benefits for the public, consumers, employees and the environment. Any system of regulatory budgets would need to ensure that the benefits of regulation were taken into account when setting budget levels and budgets would be announced alongside anticipated benefits.

The Government's consultation on regulatory budgets proposes that cost savings from new simplification measures should be taken into account in meeting departments' budgets. Any such simplification measures would be subject to the Impact Assessment process, which requires departments to set out the estimated costs and benefits of proposed measures and ensures that those interested in policies can understand and challenge the Government's proposals.

In relation to regulations enforced locally, the Government recognises that LBRO has relevant expertise and that it should draw on this expertise when applicable.

**23. We recommend that, if regulatory budgets are adopted, and subject to the outcome of any review on independent scrutiny, Government Departments provide relevant data in their Annual Reports as a means of providing proper scrutiny. We recommend that Departments begin already to focus on their plans for post-2010. Whatever the nature of the then Government, there will be a need for further progress in regulatory reform. (Paragraph 86)**

The Government's consultation on regulatory budgets proposes that departments and relevant regulators could report on progress against their regulatory budgets in their Annual Reports, and via a central report published at the end of the period. Reporting could cover the costs and benefits of regulations imposed during that period and whether costs were within budget. This consultation closes on 12 November, and the Government will publish its response within 8 weeks.

With the consultation on the proposed system of regulatory budgets, the Government's planning and focus for the regulatory reform agenda goes beyond 2010.

**24. In November 2006, the Davidson review reported on the issue of gold-plating and other over-implementation of EU legislation, and concluded that although instances of gold-plating could be identified, its overall incidence was not substantial. We welcome the fact that it is now a requirement of impact assessments that they contain an indication of whether gold-plating is occurring, and require it to be fully justified. We welcome the Minister's confirmation that, if regulatory budgets are adopted, they will include EU legislation. (Paragraphs 87 and 88)**

The Government has confirmed this during the oral evidence session.

**25. We recommend that the BRE prioritise how to increase its influence in achieving regulatory reform at the EU level. We recommend that the BRE undertake a feasibility study of where it would like EU regulatory reform to be from the UK perspective, where the resource gaps are in getting there, and how to remedy them. Subject to the outcome of any such study, it might wish to consider having permanent independent representation in Brussels. (Paragraph 91)**

The Government is committed to achieving regulatory reform at the EU level. The UK successfully led the call for a programme to measure and reduce EU administrative burdens, and continues to work to achieve more evidence-based policy-formation in the European institutions. The Better Regulation Executive leads on this agenda across Government, providing the resources necessary to update and implement the UK's strategy.

The Better Regulation Executive, as part of Government, carries out this work through the UK's Permanent Representation to the EU (UKRep). This ensures that better regulation messages can be presented across all Council formations as appropriate.

**26. We recommend that Better Regulation Ministers within Government Departments keep the flow of legislative reform orders under review and take every opportunity to use them to their fullest extent. We recommend that legislative reform orders be used primarily for their intended purpose of reducing burdens and improving regulation, and that steps be taken to improve the preparation of primary and secondary legislation to avoid the need for corrective legislation shortly after the passage of an originating measure. We further recommend that the Government establish proper mechanisms for prioritising and managing the flow of legislative reform orders. In addition, we recommend that we receive periodic updates of the measures that are intended to be reviewed via primary legislation, by way of a copy of the BRE's schedule of such information. (Paragraphs 93 and 94)**

The Government agrees that Legislative Reform Orders (LROs) should be used to reduce regulatory burdens at every appropriate opportunity.

However, the number of LROs should not be seen as a measure of the success of the regulatory reform agenda as a whole since LROs are just one of the many tools for simplifying regulations or reducing the administrative burden of regulations.

The Government will continue to train civil servants (including Departmental legal personnel) how to draft effective legislation.

The Government will continue endeavouring to manage the flow of LROs resulting from the flow policy commitments driven by Ministers. There may be some peaks and troughs in the throughput of LROs particularly where departments attempt to use common commencement dates in October and April of each year.

**27. We recommend that a cost/benefit analysis of the retail enforcement pilot be undertaken. We further recommend that the BRE and the Department of Work and Pensions consider conducting a pilot study on simplification of processes to consider**

**where and how decisions on benefit awards might be capable of delegation to local offices without the need for data collection, and that the results of that study be shared with other Departments as a potential model for rationalising data collection. (Paragraph 98)**

The Government agrees that a cost benefit analysis of the Retail Enforcement Pilot should be carried out. It should focus on identifying the 'lessons learned' to establish the broader benefits of the pilot, and disseminating those lessons in order to optimise the value of the investment in the REP pilot.

The Government does not agree with the recommendation that the Better Regulation Executive and the Department for Work and Pensions consider conducting a pilot study on simplification of processes to consider where and how decisions on benefit awards might be capable of delegation to local offices without the need for data collection and the results of that study be shared with other Departments as a potential model for rationalising data collection.

The Government supports the need for data sharing and shares information with other public bodies, as the law permits, to make it easier for the citizen to receive services or benefits to which they are entitled, for example by providing information to Local Authorities to verify entitlement to free school meals and sharing information with the BBC and its contractors for the administration of the free TV licence scheme for pensioners 75 & over.

By 2011, through its cross-Government IT programme Government Connect, the Government plans to further improve services by enabling local authorities and central government to share sensitive data in a highly secure way. This will ensure central government and local authorities have the most up-to-date and synchronised information when they need it.

A network of benefit processing and contact centres provides access for customers to Jobcentre Plus' services. The current approach provides quality and consistency in decision-making, efficiency in use of resources and a high standard of service.

## **Conclusions**

**28. We agree that the challenge for the BRE is in better measurement of progress and accountability and in showing how activities are contributing to major desirable changes. We recommend that the BRE focus its attention on delivery of current objectives and on setting clear future objectives and measuring against them. (Paragraph 100)**

The Government agrees that focus on delivery of objectives is essential for the progress of the regulatory reform agenda. The Department will continue strive for delivery of its current Departmental Strategic Objective (DSO) to: "Ensure that all Government Departments and agencies deliver better regulation for the private, public and third sectors." The Department remains focused on delivery of its current objectives and setting future measurable objectives to drive delivery of the regulatory reform agenda.

Over the coming year, the Better Regulation Executive will be pursuing a pro-active engagement strategy with business stakeholders and audiences and will be undertaking more face-to-face and direct activity. The Better Regulation Executive Communications Team is currently researching the most effective way to communicate effectively with businesses and is facilitating a more cohesive and coherent government-wide approach to communicating on better regulation.

**29. We believe that, in its short lifetime, the BRE has made a significant contribution to improving the UK's regulatory environment on the basis of a demanding agenda. Its major challenges are to maintain strategic focus-particularly if the new programme of regulatory budgets is adopted-and to ensure that there is proper quality control and measurement of deliverables against clear targets, including in relation to burdens reduction figures. It needs, too, to be rigorous in assessing its own performance, to focus on improving perceptions, and to look at improving some of its internal operating procedures as we have suggested. (Paragraph 101)**

The Government agrees with the Committee's conclusions and appreciates the focus the Committee and this Inquiry have provided.

*November 2008*