



STRIKING THE  
**RIGHT BALANCE**

BRE ANNUAL REVIEW 2009

## **Contents**

**02** Foreword

**03** Introduction

**04** Overview

**09** Making life as simple as possible

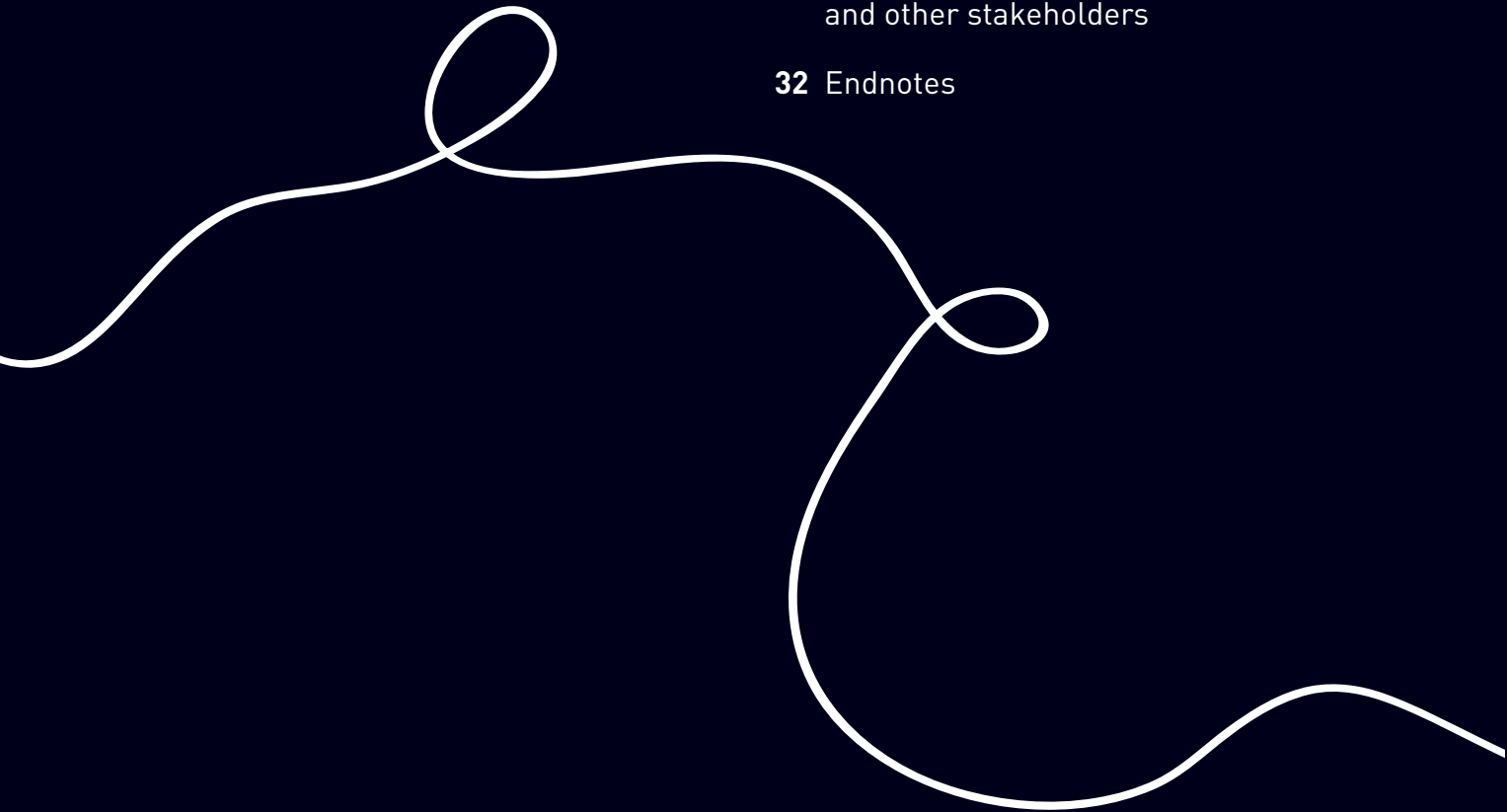
**20** Benefits of regulation

**22** Improving the way we regulate

**26** What next for regulatory reform?

**30** Communicating with businesses  
and other stakeholders

**32** Endnotes



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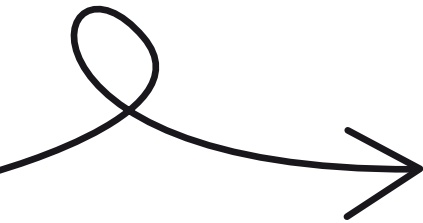
We are **transforming Government culture** to make sure that regulation is effective, targeted, proportionate and that we only regulate when absolutely necessary, delivering a regulatory framework fit for the 21st century and the right conditions for businesses to succeed. ”

Peter Mandelson  
Secretary of State for Business, Innovation and Skills, 2009



MAKING LIFE AS  
**SIMPLE**  
AS POSSIBLE

# Foreword



**Government is committed to regulating well. We strive to make life as simple as possible by reducing the costs imposed by legislation and managing carefully the flow of new regulations.**

The better regulation agenda is about striking the right balance. Regulation to protect consumers and the environment and ensure the effective functioning of the market is essential. However, we have to ensure that regulation does not hinder business growth or economic prosperity. The economic challenges of the past year have only emphasised the need to get this balance right.

This report highlights the progress that has been made in the better regulation agenda over the past year. Businesses are already benefiting from almost £3 billion a year of savings due to the simplifications that we have made. In addition, the Government has committed

to cut the ongoing costs of regulation by a further £6.5 billion by 2015; the Forward Regulatory Programme was published for the first time, marking a step change in the culture of Government to provide transparency and certainty for businesses; and the Regulatory Policy Committee has been established as an independent body responsible for scrutinising the costs and benefits of new regulations.

The UK is the best place in Europe to do business and the fifth best in the world. This has been achieved, in part, because of the successes of the better regulation agenda. If the UK is to remain the best in Europe and improve on its position globally we must maintain the momentum that developed in 2009 and continue to improve the regulatory experience for businesses across the country.

**Ian Lucas**  
**Minister for Regulatory Reform**

# Introduction

**Good regulation plays an essential role in making Britain a prosperous, fair and safe society. It helps markets function efficiently and fairly and provides essential rights and protections for citizens, consumers, workers and businesses.** But regulation can create costs on business, with small businesses bearing a greater burden. Striking the right balance is essential when creating the best conditions for businesses to start up, invest and grow. The Government's regulatory reform agenda, led by the Better Regulation Executive, is working to improve the business environment by promoting good regulatory design that understands and takes account of the impact on business.

This report sets out the achievements that have been made as part of the Government's better regulation agenda this year. Better regulation is a key part of the Government's work to build the best conditions for business success. It is already delivering real change. But we know there is more to do and will continue to work with our stakeholders to save time and money, and strengthen the way Government thinks about regulation.

**Sir Donald Curry**  
**Non-Executive Chair,**  
**Better Regulation Executive**



# Overview



**In 2009 the global economic downturn has led to a vigorous public debate on regulation and regulatory reform.** On the one hand there have been calls for more regulation to provide greater certainty for investment and protection from the perceived dangers of market forces. On the other hand, Government has had to take account of the needs of business in challenging economic circumstances.


Creating the best conditions for business to succeed means getting the balance of regulation right, minimising costs and maximising benefits. The Better Regulation Executive has made significant progress this last year to make life as simple as possible for business and set challenging targets for Government for the future.

As reported in last year's Annual Review, Government has set an ambitious target of cutting the costs of complying with regulation for business by 25 per cent by May 2010, as well as reducing public sector information burdens by 30 per cent. We are still on track to meet these challenging targets that is expected to deliver £3.3 billion in net annual savings.

So far better regulation has helped save almost £3 billion a year for businesses through a wide range of simplifications: getting rid of unnecessary measures such as the requirement for private companies to hold AGMs and appoint company secretaries; simplifying necessary processes such as online "good enough" risk assessments; and saving firms time and money through employment law guidance and online tools. We have also sought to improve certainty over guidance for small businesses and worked with regulators to improve the effectiveness and efficiency of regulatory activity.



However Government is keenly aware of the concerns from businesses about the costs of regulation, especially in the current economic climate. It is often seen as a barrier, taking valuable time and money away from the important work of running and growing a business, and we know that we can do even more to help UK businesses, public and third sector organisations. This is why Government announced in October 2009, as part of our next steps on the regulatory reform agenda, changes to the timing of a number of planned regulations that will defer around £3.5 billion in costs to businesses. We have also committed to tackling the long-term costs as well as the short; we also announced a new target to cut the ongoing costs of regulation by a further £6.5 billion over the next five years.



### **What does the Better Regulation Executive do?**

The Better Regulation Executive (BRE), at the Department for Business leads the Government agenda on better regulation with the aim of making life as simple as possible for businesses, charities and the public sector front line. BRE works with the rest of Government to:

- improve the design of new regulations and how they are communicated;
- simplify and modernise existing regulations; and
- change attitudes and approaches to regulation to become more risk-based.

What this means is that we work with all Government Departments to ensure that regulation is transparent, accountable, proportionate, consistent and targeted. And that it gets the job done – without causing excessive cost or aggravation for businesses, public sector frontline workers and charities in the UK.

It is not all about cutting costs, however important that is. Central to the work of the BRE is changing the way the whole of Government thinks about regulation and the way it regulates. Improving accountability and transparency in the way Government regulates has been a fundamental part of this culture change.

For the first time in October 2009, the Government published a Forward Regulatory Programme of all the business related regulation planned during the next 18 months. This gives the business community and Government a much better understanding of the bigger picture. It will also give companies more time to plan and prepare for the introduction of new business laws.

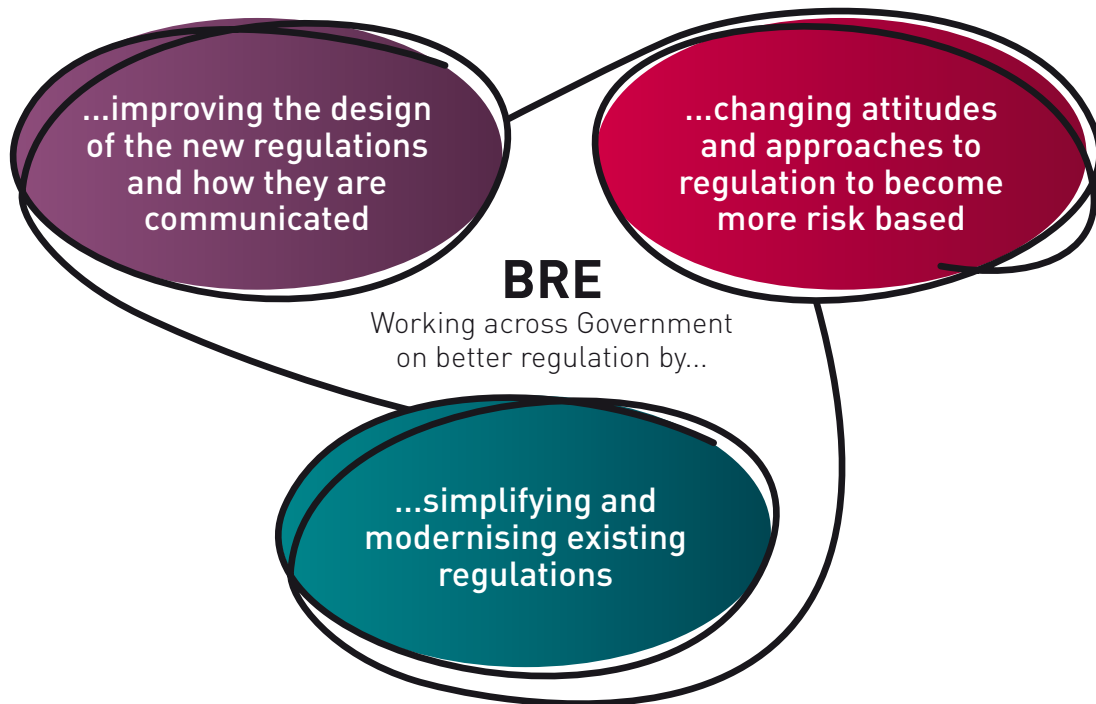
Helping to untie the myth of tangled red tape also means focusing on making the case for the benefits of regulation, which is all too often overlooked in the debate over costs. In 2009 BRE published a detailed report, along with some important new research, that examined the scope and quality of the benefits that regulation can deliver. BRE also published this year the UK's first benefit/cost ratio, showing that, for 2008–09, benefits outweighed costs by nearly two to one. The ratio will be published

annually helping to increase understanding and awareness of the impact regulation is having.

According to the World Bank, we already have the best business environment in Europe, the 5th best in the world (up from 6th last year), and are creating the right conditions to help businesses start up, grow and invest.

Helping businesses see and feel the difference, however, means that working across Government and with regulators to change the way they work, is only part of the story. To get a real understanding of how regulation impacts on businesses, the best way is to talk to business directly, to listen to what irritates them and get their ideas for changing things. This is why we have been visiting businesses across the UK – we met more than 10,000 business leaders during the last year – to get a better understanding of the issues affecting them and showing how the BRE can help. And listening to businesses and getting their feedback has already paid dividends, as the examples highlighted in this Annual Review demonstrate.

FIGURE 1: BRE WORKING ACROSS GOVERNMENT ON BETTER REGULATION BY...



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We used to talk about light touch: now it's going to be about the **right touch**. ”

Peter Mandelson

Secretary of State for Business, Innovation and Skills, 2009



**Did you know?**

Better regulation has delivered almost **£3 billion in net annual savings** and Government is on track to reduce the paperwork burden to business by 25 per cent by May 2010.

According to the World Bank the UK is the best place to do business in Europe – and **the fifth best in the world.**

Government is on track to deliver a **30 per cent reduction** in information requests from central Government to the public sector front line.

A new package of regulatory reforms announced in October included timing regulation to defer **£3.5 billion** in new costs to businesses and a commitment to cut the costs of existing regulation by a further **£6.5 billion by 2015.**

# Making life as simple as possible

## WHAT WE'VE DONE SO FAR

The UK Government has committed to a challenging and radical programme to change the way Government regulates, helping to boost the economy and benefit businesses. So far, we have:

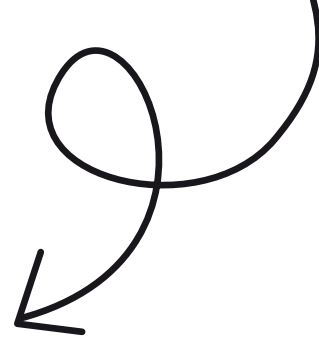
- delivered almost £3 billion in net annual savings and are on track to reduce the administrative burden to business by 25 per cent by May 2010;
- delivered a 30 per cent reduction in information requests from central Government to the public sector front line;
- deferred around £3.5 billion in costs to business and committed to a further £6.5 billion in savings by 2015; and
- reviewed 36 national regulators to ensure they are consistent, transparent, effective and accountable.

## SIMPLIFYING ADMINISTRATIVE BURDENS

The Government is continuing progress towards our ambitious simplification targets, reducing the administrative burden of complying with regulations. Administrative burdens on business will be reduced by 25 per cent and public sector burdens by 30 per cent by 2010.

This year's simplification plans<sup>1</sup> reveal that Government to date has delivered 280 measures to simplify regulation, taking total net annual savings to almost £3 billion, which translates to £8 million of savings to the UK economy per day.

As we enter the final year of this programme we are hearing more stories of success from business and embedding the culture of simplifying administrative burdens across Government. Government will continue to work to hit targets for 2010 and beyond.



**FIGURE 2: PROGRESS IN REDUCING ADMINISTRATIVE BURDENS**

£m ANNUAL ADMIN BURDEN SAVINGS	DELIVERY TO DATE (£m)						PLANNED DELIVERY
	BASELINE AS AT DEC 2009						
£13,141.0	MAY 2006	MAY 2007	MAY 2008	DEC 2008	MAY 2009	DEC 2009	MAY 2010
Net reductions	348	674	1,664	1,950	2,378	2,927	£3,290
% Reduction	2.65	5.13	12.67	14.84	18.10	22.27	25.04

### Don't just take our word for it...

For the second year running Government called in an independent panel of experts from business and trade organisations to test the value of our work. After examining our numbers and our case studies they have confirmed that these savings are being realised and felt on the ground. In May 2009 **over 75 per cent** of claimed savings had been externally validated.

FIGURE 3: TOP NEW ADMINISTRATIVE BURDEN SIMPLIFICATION MEASURES DELIVERED IN 2009

MEASURE	PRACTICAL CHANGES TO BUSINESSES	TOTAL ANNUAL GROSS ADMINISTRATIVE SAVINGS AS AT DECEMBER 2009
<b>Business to consumer advertising and marketing rules: Transposition of the Unfair Commercial Practices Directive (Competition Policy and Consumer Law) (BIS)</b>	Introduction of a general duty not to mislead consumers and establishment of a single set of rules against unfair sales and marketing practices directed at consumers.	<b>£309m</b>
<b>Dispute Resolution (Employment Law) (BIS)</b>	Employees and employers now have greater flexibility to undertake early resolution by dealing with workplace discipline and grievance issues in a way which suits them best. They can now follow the Acas Code of Practice, which sets out the principles that should be followed to address disputes.	<b>£115m</b>
<b>Better regulation measures for the asset management sector (Paperless Settlement) (HMT)</b>	Lifts the previous requirement for paper settlement and transfer of title for fund managers, stockbrokers, financial advisers and other intermediaries by allowing electronic settlement.	<b>£77m</b>
<b>Electronic prescription service (DH)</b>	<p>Reduced transportation of paper prescriptions from prescriber to dispenser as well as to agent for reimbursement.</p> <p>Reduced information having to be rekeyed by the dispenser and reimbursement agent.</p>	<b>£37.9m</b>
<b>Manual handling operations regulations (HSE)</b>	Guidance available to businesses to decide when to label loads to avoid manual handling injuries to workers.	<b>£32.5m</b>

MEASURE	PRACTICAL CHANGES TO BUSINESSES	TOTAL ANNUAL GROSS ADMINISTRATIVE SAVINGS AS AT DECEMBER 2009
Other Companies Act Measures (Company Law and Accounting) (BIS)	Allows companies greater flexibility in keeping a register of directors and members.	£30.5m
Electronic Risk Assessment Template (HSE)	The electronic template for recording risk assessment saves business time and encourages compliance with the requirement.	£27m
Written Health and Safety Policy Statement (HSE)	By combining the need for a written policy statement and to record a risk assessment the measurement has reduced duplicated paperwork for businesses.	£26.5m
Legal Aid – Various Provisions under the Civil and Crimes Contract (MOJ)	These measures have been delivered following the introduction of the Civil Unified Contract 2007 and the Unified Contract (Crime) 2008. Reduced burdens include improving systems such as replacing paper based systems with on-line systems and improving guidance.	£26.1m
Forms project (HSE)	Removal of requirements on businesses to fill out a form to notify HSE or their local authority before employing staff in their premises and keeping registers.	£21m

**SIMPLER FOR BUSINESS**

Government Departments are making life as simple as possible for business through a combination of measures; these include providing online guidance and reporting, stripping out low impact or redundant regulations, improving certainty and clarity of guidance, encouraging a risk-based approach to regulation, and by improving inspection and enforcement.

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Government Departments are **making life as simple as possible** for business through a combination of measures.

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**DISPUTE RESOLUTION PROCEDURES**

Changes recommended by the Dispute Resolution Review were implemented via the Employment Act 2008 and the new procedures came into force in April 2009. The new framework for resolving employment disputes in Great Britain emphasises the importance of the early resolution of workplace matters in the workplace. This was a key irritant for businesses and as a result of these changes, employees and employers have greater flexibility to deal with workplace discipline and grievance issues in a way which suits them best.

The new Acas helpline and pre-claim conciliation services was also launched in April 2009 and is projected to deliver a total of £35 million savings, £6 million of which has been delivered to date.

## USING A STATISTICAL SAMPLE TO TEST PRODUCTS

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Previously, regulations required each individual alcoholic spirit measuring instrument (optic) to be tested to ensure it met the legal requirements. Improvements in manufacturing techniques now mean that some manufacturers can produce instruments in consistent 'batches' – if one instrument passed the test then it was probable that all the instruments in the batch would pass the test.

Following consultation, the National Measurement Office amended the legislation to allow the option of testing samples of the batch as opposed to testing every instrument.

David House, Technical Advisor of Beaumont TM Ltd commented: "We are a small company and these changes are really welcome, particularly during the current economic downturn. We anticipate the new policy will save our business approximately £15,000 every year, a significant and very welcome benefit."

## **SIMPLER FOR THE PUBLIC SECTOR**

Government has made real progress this year on reducing data burdens on frontline public sector workers. We have already delivered more than 30 per cent net reduction of the amount of information requests from central Government to frontline public sector workers, such as nurses and police. In addition we have cut more than £1.3 billion of the wider costs of complying with regulation.



## **SIMPLER PLANNING APPLICATIONS**

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“At Teesdale we have worked hard to encourage electronic submission because it’s a real help to the administration team. It cuts out the time-consuming process of scanning plans and linking drawings to files and eliminates the need for data entry because the information drops automatically into our back office systems.

“More than 65 per cent of our applications are now submitted electronically and the team can process ten a day compared to three paper forms. We are a small authority with limited resources and that makes a massive difference.”

**Maria Ferguson, former Development Control Manager at Teesdale District Council.**

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By May 2010, the ability to submit applications electronically and increased consistency in the Planning System will be saving local authorities an estimated £85 million in addition to private sector savings of £137 million.

### **SIMPLER FOR THE THIRD SECTOR**

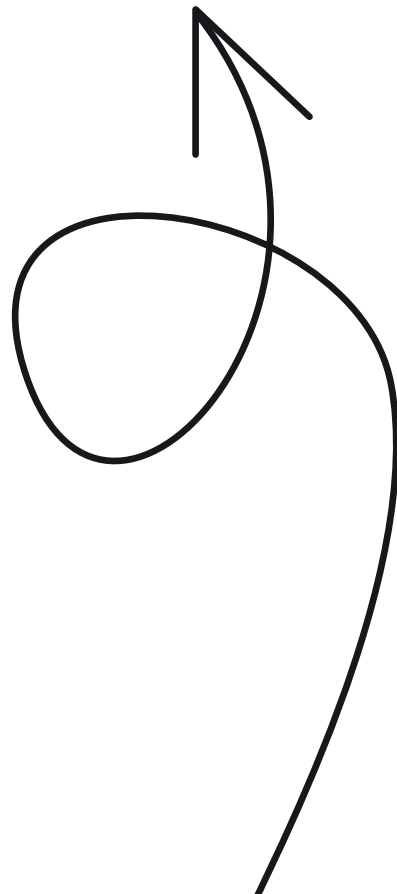
The third sector is included in the Government's strategy to reduce administrative burdens by 25 per cent by May 2010. Many simplification measures, particularly those benefitting small business, also benefit charities and Government has also made good progress in addressing specific administrative burdens on the third sector.

### **IT'S VERY VALUABLE FOR US**

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"Many children who have transplants are fit and healthy but a transplant doesn't always guarantee life," explains Carol Olley, from Transplant Sport, a charity that raises awareness of organ donation.

Transplant Sport currently receives a grant from the Children, Young People & Families grant programme. Part of Carol's role is to oversee finance reporting on how the grant is used.





## CUTTING PAPERWORK FOR DRIVERS AND MAKING OUR ROADS SAFER

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European legislation has changed many of the rules on drivers' hours and how they should be recorded to help make our roads safer, while making it less burdensome for those affected to comply with the law.

One of the biggest changes is a new requirement to equip all new large commercial vehicles (mostly trucks and coaches) with digital tachographs. A tachograph is a device that records time and distance travelled, and digital tachographs significantly reduce the average time needed to record this information. The Department for Transport has estimated that this change to EU law could save UK operators £15 million in 2009, £14.4 million of which has already been validated by an independent panel of business organisations. This is set to rise as an increasing number of new vehicles installed with digital tachographs come onto our roads.



## BETTER REGULATION AWARD AT NATIONAL BUSINESS AWARD

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In 2009, the Better Regulation Executive sponsored a Better Regulation Category at the National Business Awards, which was won by the Waste Protocols Project. This is a joint initiative between the Environment Agency and WRAP (Waste & Resources Action Programme), which aims to provide regulatory certainty to business about when specific waste types cease to be waste.

“The Environment Agency stood out as a clear winner of The Better Regulation Award. Although it was a close call between three other organisations in the end a unanimous decision was made. The judges stated that the clear strategic approach and execution of strategy was the key differentiator and factor that earned The Environment Agency the accolade,” said Philip Forrest, Chairman of Judges, The National Business Awards.

## **DELIVERING BETTER REGULATION IN EUROPE AND INTERNATIONALLY**

2009 has been a year of progress for the European and international better regulation agenda.

In September the World Bank's Doing Business Report showed that the UK is now number one in Europe and rose to 5th from 6th in the world (out of over 180 countries). This ranking reflects the significant effort by the UK Government to create a business-friendly environment and is echoed by the OECD Review of Better Regulation in the UK that said "progress over recent years [in the field of better regulation] ... has been especially significant and ground-breaking, by international standards".

In Europe, a new Commission under re-appointed José-Manuel Barroso, and a new European Parliament present new opportunities for fostering better regulation at European level over the coming year. In October, the Commission circulated

a communication on the work it has done to reach its target of reducing administrative burdens by 25 per cent by 2012. The UK Government continues to play a key role in encouraging the EU institutions to deliver tangible results and supports the next steps identified by the new Commission.

The UK warmly welcomes President Barroso's commitment to better regulation. In a September speech to the Parliament he committed to leading a Commission that will "remove unnecessary administrative burdens... seek new ways of giving new dynamism to small and medium sized enterprises" and apply "the concept of smart regulation to ensure that it is effective, proportionate, and comprehensive". The UK will continue to work with the new Barroso Commission to implement these commitments and to encourage both the new European Parliament and the Council to deliver evidence-based policy underpinned by robust impact assessments.



# Benefits of regulation

**Regulation has an important role to play in Britain's economic growth and prosperity.** It protects our environment and the health and opportunities of our citizens. Well-designed and implemented regulation helps support innovation and has other beneficial outcomes.

Better regulation also seeks to maximise the 'net benefit', benefit minus costs. Each regulation is intended to deliver benefits and though there is a price attached, well-designed regulation will always have a positive net impact for society. For example, competitive markets create benefits like extra trade and reduced prices. Regulation means cleaner air and water, safer workplaces and food, and the safety net created by the minimum wage.

Over the past year BRE have carried out work across Government with regulators, policy-

makers and groups representing business, employees and consumers to better understand the benefits of regulation. The research showed that nearly two thirds of people in Britain agreed that they benefit from regulation in their everyday lives and more than 70 per cent think that the benefits of regulation outweigh the burdens.

This work led to the publication of the report **Better Regulation, Better Benefits: Getting the Balance Right**<sup>2</sup> and a joint statement on better regulation and benefits, which was signed up to by business groups and key stakeholders. By studying six case studies we identified the key ingredients of successful regulation that delivers effective benefits. This work showed how approaches to better regulation not only minimised the costs of regulation but also maximised the benefits.

## **BENEFITS / COST RATIO**

We know the costs of regulation are a very real concern to businesses, especially in a challenging economic climate. That is why we recently published a ratio of benefits versus costs of regulation. The total benefit/cost ratio of new regulations, published in October 2009<sup>3</sup>, showed that the benefits of regulation are nearly double the cost. This is an important step in trying to be clear of our aims in regulating and allows you to scrutinise how government is implementing policies more closely.

**The case studies found that the regulations were able to deliver key intended benefits by using 3 Cs:**

- **Clarity** – focus on the problem being tackled throughout;
- **Commitment** – of time and resources to getting the design and implementation right; and
- **Compliance** – securing improvements through a good understanding of regulated businesses.

# Improving the way we regulate

## **PROVIDING CERTAINTY AROUND GUIDANCE**

The Government has continued its push to ensure that businesses and third sector organisations have effective advice and guidance to comply with rules and regulations. The independent **Anderson Review of Guidance** published in January 2009<sup>4</sup> set out recommendations to improve certainty and clarity for small businesses. The Government's response committed to offering businesses certainty through guidance wherever that is possible.

Since then we have updated the **Code of Practice on Guidance**<sup>5</sup> so that updated and new guidance should include "Quick-start Guides" and replace disclaimers with positive statements. The Government has also started the pilot for the insured advice helpline on employment and health and safety law, as recommended in the Review. These pilots will test the key drivers of businesses using insured advice.

## **IMPROVING EXISTING REGULATION**

Over the past year we have also continued to look at opportunities to improve existing regulation. As part of the Low Carbon Industrial strategy, a BRE team considered whether regulations were acting as a barrier to small businesses becoming more resource and energy efficient. This work concluded that regulation was not a primary barrier facing businesses but that there were opportunities for simplification in the fields of waste and planning.

Another independent review will examine the consents require for development (other than planning). The Government recognises the unique challenges faced by some of the UK's smallest businesses, which is why we initiated a review to look at the cumulative burden on these businesses in late 2009. Both these reviews have the potential to simplify existing regulation and improve business experience on the ground.



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The Government's response committed to **offering businesses certainty** through guidance wherever that is possible.

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The Hampton Implementation Reviews<sup>6</sup> assess how well regulators are following the principles of better regulation and the characteristics of effective sanctions. They promote more effective and efficient regulatory activity by helping regulators:

- increase openness and transparency;
- highlight areas for development and continuous improvement;
- spread good practice to other regulators; and
- improve the perception of regulators among those being regulated, and so encourage better cooperation.



After an excellent trading year without any enforcement issues of significance, we **are delighted with the agreement** and look forward to extending it to further share learning and experience. We now make changes with confidence, knowing that they will be supported by our partner.



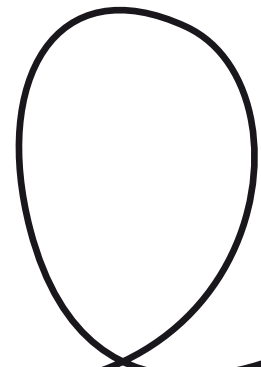
Jonathan Hayes, Head of Risk Management, Moto

## **IMPROVING THE WAY WE REGULATE**

Working with regulators we are transforming businesses' experience of inspection and enforcement. We have rationalised the regulatory landscape for businesses through the merger of 21 business-facing regulators. We introduced a statutory code of practice for regulators, the Regulators' Compliance Code, to ensure that inspection and enforcement is efficient both for the regulators and those they regulate. The Code covers all major private sector regulators, and has recently been extended to cover the devolved regions as well as public sector regulators. Finally, we have completed a review process of the work of 36 major national private sector regulators against the principles of better regulation.

## **BETTER REGULATION LOCALLY**

At a local level, we established the Local Better Regulation Office with statutory powers to improve the quality and consistency of local authority regulatory enforcement. LBRO is already delivering improvements through the introduction of the Primary Authority scheme – where one local authority becomes a single point for advice and guidance for businesses that operate across council boundaries. The scheme will ensure regulatory consistency for businesses and will give greater confidence that the compliance advice provided by local authority regulators is robust and reliable – regardless of where it is given. Currently LBRO has established 79 partnerships, which cover some 14,500 premises nationwide, including Asda, Boots, B&Q and Ladbrokes.



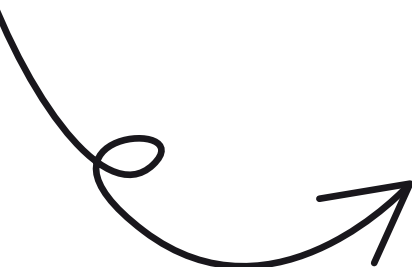
## What next for regulatory reform?

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The better regulation agenda is more important now than ever; in current economic conditions businesses are concerned with **maximising productivity and minimising the administrative burdens** on them. The evidence we collected tells us that the principles of the agenda still hold good; proportionate and risk-based regulation, if properly applied, can deliver the vital protection of regulation without creating unnecessary burdens on business.

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Regulatory Reform Committee Report 2009



**The fundamentals of the Government's approach to regulatory reform remain constant in 2009, as does its importance as an agenda.** Although it is important to draw lessons from the financial crisis and adapt to the current economic climate, the better regulation principles such as proportionality, accountability and transparency are still right, and will continue to be in 2010.

We recognise that regulation can bring benefits but has costs to the economy and therefore needs to be introduced in an informed and prioritised way. The practical design and implementation of regulation should seek to minimise the unnecessary costs to the economy and remove barriers to growth so we have the right business environment in the UK to take advantage of the upturn. This is why Government announced in Autumn 2009 a series of measures to strengthen regulatory management.

## **DEFERRING PLANNED REGULATIONS**

We know the ongoing costs of regulation are a real concern to businesses, especially during an economic downturn. That is why in 2009 Government changing the time of the introduction of 26 regulations planned over the next 18 months.

This will defer costs of nearly £3.5 billion to businesses, nearly one third of the new costs that we planned to introduce over the next 18 months. This package meets our commitment, in the current economic environment, to consider the timing of when we introduce new regulation; striking the best balance between deferring costs and ensuring we introduce measures that will deliver the greatest benefit for everyone.

### **NEW SIMPLIFICATION TARGETS**


Tackling the existing costs is also a key priority. That is why we have set another challenging target to cut the ongoing costs by a further £6.5 billion over the next five years<sup>7</sup>. This will help save businesses, charities and the public sector front-line time and money by continuing Government's work to break down the cumulative burden of regulation. And ensure that the difference is felt on the ground.

### **PUBLICATION OF A FORWARD PROGRAMME OF PLANNED REGULATIONS**

Striking the right balance between the benefits that regulation delivers to society, and the costs it imposes on businesses is vital to ensure a healthy economy. We will ensure the UK Government takes even greater account of the cumulative burden of measures, through greater prioritisation and scrutiny of the measures it introduces.

The publication of a Forward Programme<sup>8</sup> of all planned business regulations over the next 18 months will give Government and businesses a better understanding of the bigger picture and help them make, and influence, decisions. And it will help businesses plan and prepare better for the introduction of new measures.

We have set another challenging target to cut the ongoing costs by a further **£6.5 billion** over the next five years.



## INDEPENDENT SCRUTINY AND CHALLENGE

We have already delivered real change to the way Government regulates. And we welcome further challenge and scrutiny to help strengthen the way we regulate.

This is why we have set up a new, independent body, the Regulatory Policy Committee, chaired by Michael Gibbons. The RPC challenges the way Government designs regulations, ensuring that policy decisions are based on strong evidence, helping to ensure the Government is doing all it can so that benefits of regulations justify the costs.

“

I am looking forward to working with my Committee colleagues to bring independent and external scrutiny to the policymaking process. **We want to see the bar raised** and achieve a further improvement in the quality of regulation. ”

**Michael Gibbons**

# Communicating with business and other stakeholders

**A core part of our success relies not only on changing the way we regulate, but how we communicate with our key stakeholders to demonstrate the benefits of regulation, and the simplifications that affect them.** This ensures businesses are in a position to benefit from these changes, and know where to access guidance so they can be felt on the ground.

The NAO report on business perceptions of regulation, shows that, compared with the last report in 2008, fewer businesses are finding completing paperwork a burden and similarly fewer businesses are reporting that finding guidance and advice about the regulations a burden. Also, the survey shows that the improvement in perceptions of regulation between 2007 and 2008 has been maintained and 45 per cent of businesses responding to the survey feel that most regulation is fair and proportionate.

The Government will continue to invest time and resources to further understand perceptions of regulation and the different drivers of these perceptions as the basis for continuing to develop the better regulation agenda.

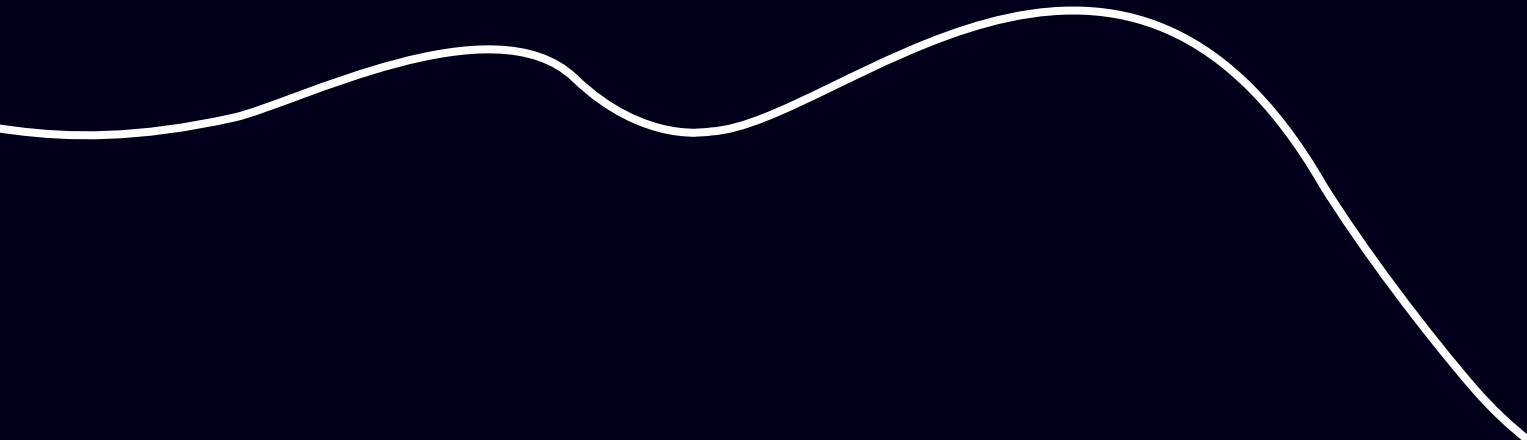
We also want to hear from businesses what more Government could do to simplify, improve or even scrap unnecessary regulation. Our programme of events and visits actively encourages suggestions to improve regulation for business success and to remove unnecessary burdens and costs. In 2009 we have had contact with over 10,000 business leaders across the UK to listen to their concerns, suggestions and feedback. Businesses can also provide their suggestions for simplifications at [www.betterregulation.gov.uk](http://www.betterregulation.gov.uk), and we commit to responding within 90 days. The ideas provided by business are invaluable to help us ensure that the UK continues to lead the world in regulatory reform.



## ENDNOTES

1. [www.berr.gov.uk/whatwedo/bre/policy/simplifying-existing-regulation/simplification-plans/page44063.html](http://www.berr.gov.uk/whatwedo/bre/policy/simplifying-existing-regulation/simplification-plans/page44063.html)
2. [www.berr.gov.uk/files/file53252.pdf](http://www.berr.gov.uk/files/file53252.pdf)
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