

## Chapter 5

### The management and rationalisation of existing regulations

This chapter covers two areas of regulatory policy. The first is simplification of regulations. The large stock of regulations and administrative formalities accumulated over time needs regular review and updating to weed out obsolete or inefficient material. Approaches vary from consolidation, codification, recasting, repeal, *ad hoc* reviews of the regulations covering specific sectors, and sunset mechanisms for the automatic review or cancellation of regulations past a certain date.

The second area has gained considerable momentum over the last few years and concerns the reduction of administrative burdens. Government formalities are important tools to support public policies, and can help businesses by setting a level playing field for commercial activity. But they may also represent an administrative burden as well as an irritation factor for business and citizens, and one which tends to grow over time. Difficult areas include employment regulations, environmental standards, tax regulations, and planning regulations. Permits and licences can also be a major potential burden on businesses, especially SMEs. A lack of clear information about the sources of and extent of administrative burdens is the first issue for most countries. Burden measurement has been improved with the application by a growing number of countries of variants on the Standard Cost Model (SCM) analysis to information obligations imposed by laws, which also helps to sustain political momentum for regulatory reform by quantifying the burden.<sup>1</sup>

A number of governments have started to consider the issue of administrative burdens inside government, with the aim of improving the quality and efficiency of internal regulation in order to reduce costs and free up resources for improved public service delivery. Regulation inside government refers to the regulations imposed by the state on its own administrators and public service providers (for example government agencies or local government service providers). Fiscal restraints may preclude the allocation of increased resources to the bureaucracy, and a better approach is to improve the efficiency and effectiveness of the regulations imposed on administrators and public service providers.

The effective deployment of e-Government is of increasing importance as a tool for reducing the costs and burdens of regulation on businesses and citizens, as well as inside government.

### Assessment and recommendations

#### *Simplification of regulations*

*Although there are a number of useful initiatives, there is no systematic effort to consolidate or simplify the regulatory stock.* Parts of the simplification programme for reducing administrative burdens include important initiatives to simplify areas of the regulatory stock. Other initiatives such as the Legislative Reform Orders to remove unnecessary burdens in existing legislation, post-implementation reviews of regulation, and the use of sunset clauses are also helpful. The 2002 OECD report's comments have

been taken forward in part via the revised impact assessment process and post legislative scrutiny. But simplification is not the main aim of the simplification programme, and the overall approach is not systematic. The lack of any systematic effort to map and consolidate regulations in the United Kingdom's common law based structure, which also relies heavily on secondary regulations, may be of some consequence as there is a risk of significant regulation overload over time.

**Recommendation 5.1. An approach tailored to the English legal system might start with the mapping exercise that has been initiated by the Ministry of Justice, followed by an appraisal of what could usefully be done, after taking full account of the work already underway in the simplification programme, and through the other initiatives.**

#### **Box 5.1. Recommendation from the 2002 OECD report: Simplification**

*Assess and monitor cumulative impacts of the regulatory system.* Concurrent to improving impact assessment, the government should start to monitor the cumulative impact of the laws and regulations. Annual and departmentalised aggregates of estimates of costs and benefits could be one of the initial steps. This monitoring would create important guidelines for continued reforms and it would also provide a feedback to regulators, the parliament and citizens on the efforts of the administration to reduce overall burdens and raise the benefits of regulations. Some work has already been done in monitoring the effects of particular measures and regimes, particularly tax measures and public utility regulation, and the government is now committed to reviewing the impact of major pieces of regulation within three years. This latter is already a major commitment, but the government should consider expanding the scope of the review to include evaluations of entire regulatory regimes. The considerable resource costs of such review would be likely to be justified by the benefits in terms of feed back to regulators, the parliament and citizens.

#### ***Administrative burden reduction for businesses***

*The simplification programme is well-structured, has already delivered some savings and promises more.* The programme has an overall net reduction target of 25% by 2010. A wide variety of burdens is addressed, with some proposals extending to cover full compliance costs. Although savings are “backloaded” so that a large part is expected to be delivered closer to the target deadline, some departments have already delivered significant savings and the plans of some others look promising.<sup>2</sup>

*Although measurement was apparently a challenge initially for departments they now appear to be coping well.* The BRE provides good support for departments in the development and adjustment of their simplification plans, as well as an incentive to meet the target through its performance assessment measurement of departmental Better Regulation achievements. The programme is transparent, open to public scrutiny, and there are significant efforts to reach out to stakeholders so as to better identify their needs.

*Some aspects need further attention.* There is a need to find ways of engaging local governments in administrative burden reduction, as some other countries are already doing with their programmes. Local governments are the main interface with the large majority of businesses. Developing an approach to take more effective account of the impact of major new EU-origin regulations is also important, as the roots of some burdens predate the start of the simplification programme.

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**Recommendation 5.2. Consideration should be given to how local authorities can be encouraged into contributing to the burden reduction effort. Efforts should be stepped up to encourage the stronger control of new EU regulations to avoid new burdens from this level.**

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*Business is fundamentally supportive of the initiative, but finds it hard to put up with delays in the delivery of promised savings.* The OECD peer review team heard that business is supportive but in a hurry, and needs encouragement to sustain its support via results that will be delivered within a relatively short timescale. There is, however, often an important time lag between the plans and their delivery, including some important initiatives which might be expected to make a big impact, such as company law rationalisation. The fact that a large part of the savings under the programme will only be delivered nearer to the end date of 2010 is not helpful when expectations appear to have been fuelled for quicker results.<sup>3</sup> Machinery of government changes (adjusting responsibilities across departments) also needs careful handling. To complicate matters further, the 2007 departmental plans now include policy costs and irritants. This is for the best of reasons but makes it a challenge to track real achievements, and may in fact understate achievements if new elements are included.

*Business perceptions of achievements appear relatively poor compared with the objective progress being made.* Business appears to be unfair on the government. This is a complex issue, not unique to the United Kingdom. Part of the problem appears to be that business does not distinguish between different costs or policies and, for example, may react angrily if corporation tax or the road congestion charge goes up, linking this to a failure in Better Regulation. Also, the benefits that flow through are quickly taken for granted, and attention turns to the next wave of regulations or irritants. It suits some (larger and more established) businesses to keep regulation as a barrier to entry, and trade associations (as well as business advisers) may want to keep their advisory work by exaggerating the difficulties that still exist. One challenge is to show a meaningful impact for individual businesses. Presenting total cost savings in government publicity (which can run into millions of pounds) is meaningless for individual businesses, especially SMEs, whose share will by definition be only a small proportion of the whole. There is an inherent difficulty in the fact that part of the argument for the programme rests on a counterfactual – it could have been worse without the efforts. There are some UK-specific elements to the situation. The popular media may exaggerate difficulties compared with the reality, which is often more positive. There are some important underlying differences compared with other European countries, in terms of the traditional relationship between the government and the business community, which is largely in private hands and does not consider itself to have any special ties of loyalty to the state.

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**Recommendation 5.3. Further efforts should be made to structure communication on the programme around business types, rather than departmental plans. This approach would also help in the dissemination of information to the right businesses. Communication should also take account of the potential confusion and irritation caused by changing baselines and departmental structures.**

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*Negative business perceptions have roots in substance as well.* It is important to focus on what business actually wants, and to distinguish between the needs of different types

of business. The OECD peer review team heard that businesses are worried about the flow of new regulations and their quality. The National Audit Office (NAO)'s recent review of the programme found that burdens appear to have increased. It has also highlighted the importance for departments to develop a thorough understanding of business concerns as the key to delivering real impacts on business, by working more directly with businesses. The programme has been adapting to the fact that the business community is not a homogeneous mass. This is helpful, as there is a gulf between the micro business offering a local service and the large multinational, as well as important differences between firms operating in different sectors.

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**Recommendation 5.4. Departmental efforts to address the burdens that really matter to different kinds of business should be sustained. Broader policies to address the flow of new regulations (*ex ante* impact assessment, and possibly regulatory budgets) are also relevant.**

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*The licensing system appears complex and in need of attention.* Despite individual initiatives on the part of some agencies and local authorities (for example, the initiative launched by the Medicine and Healthcare Products Regulatory Agency (MHRA) which seeks to streamline burdens and reduce waiting times for licence approvals) this is an issue that requires a more coherent and structured approach. The OECD's 2007 economic survey considered that restrictive planning regulations hindered productivity growth by limiting new firm entry (OECD, 2007).<sup>4</sup> The public actors can be different, with different public interests to be protected, but the firm which wants to start up a business, or the citizen wishing to complete an administrative procedure, sees it as just one issue and is not interested in the number of authorities or public interests involved behind this.

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**Recommendation 5.5. A review of licensing should be considered. Action might also include specific initiatives to review and simplify regulations requiring interventions from multiple authorities, as well as non-regulatory measures aimed at reengineering back-office procedures, making greater use of ICT and e-Government processes.**

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### ***Administrative burden reduction for citizens***

*The Service Transformation Agreement Action Plan to promote public services that are more personalised to the needs of citizens and businesses is a step in the direction of a more citizen-oriented Better Regulation agenda.* Developing specific initiatives aimed at citizens, as some other OECD countries have done, would help to redress the balance of a business oriented agenda. It would also have the advantage of engaging local governments – a key interface for citizens – further into Better Regulation.

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**Recommendation 5.6. Consider whether there is a need to reinforce and further develop initiatives aimed at making life easier for citizens.**

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### ***Administrative burden reduction inside the administration***

*Cutting bureaucracy for public services is an important and ambitious initiative which ensures that Better Regulation has one foot planted in the non-business camp.* This project, which has survived the BRE's move from the Cabinet Office to the BERR, helps to redress an otherwise highly business-oriented Better Regulation agenda. It may also shed some light on the sources of unnecessary regulations emanating from a range of

different regulatory agencies and central government departments. There is an ambitious commitment to reduce by a net 30% by 2010 the data that central departments and agencies request from frontline public sector workers.

**Recommendation 5.7. Take steps to ensure that the programme can be effectively evaluated, and that departments are well-supported and encouraged to help meet the target, given the absence of a measured baseline and a looser requirement on departments to deliver than is the case for the programme to reduce burdens on business.**

#### Box 5.2. Comments from the 2002 OECD report: Public sector reforms

A central feature of the recent United Kingdom experience has been public sector reforms to assure the quality, effectiveness and homogeneity of public service delivery. These reforms include a comprehensive “agencification” of public service delivery organisations with the purpose of focusing and specialising services and to improve efficiency and accountability. The creation of an array of new agencies was accompanied by a number of complementary quality assurance initiatives such as the “Citizens Charter”, “Charter Mark” and “Service First” and the introduction of Public Service Agreements.

The establishment of arms-length agencies subject to agreements setting quantitative targets and agency responsibilities for the improvement of their services has been matched by the establishment of mechanisms to police, guide and monitor the provision of these services. Consequently, the United Kingdom has experienced a marked growth of “regulation inside government” over the last two decades.

## Background

### *Simplification of regulations*

There is no centralised or systematic process underway to consolidate and codify the stock of regulations. A few formal consolidations have been carried out by departments on an *ad hoc* basis, including some linked to the administrative simplification programme (see below). A number of departments have also carried out informal consolidations.<sup>5</sup>

### *Legislative and Regulatory Reform Act*

The lack of legislative capacity in the parliament was identified some time ago as a barrier to reviewing existing regulations which raise problems. The issue was first addressed under the 1994 Deregulation and Contracting-Out Act, which proved inadequate and was followed by the 2001 Regulatory Reform Act. This act gave ministers a considerably more effective tool to remove unnecessary burdens in primary legislation by amending or repealing secondary regulations.<sup>6</sup> The Regulatory Reform Act was in turn replaced by the 2006 Legislative and Regulatory Reform Act. The current act strengthens the powers of the previous act, as well as extending the safeguards against its misuse. It confirms the main objective of supporting the government’s Better Regulation policy. At the same time it gives the parliament the power to oppose a draft order.

### Box 5.3. Legislative reform orders

Amendments under the act are known as legislative reform orders. These orders can be used to:

- make and re-enact statutory provision;
- impose additional burdens provided they are proportionate;
- remove inconsistencies and anomalies in legislation;
- deal with burdensome situations caused by a lack of statutory provision to do something;
- apply to all legislation that has not been amended in substance during the last two years;
- relieve burdens from anyone, except government departments where only they would benefit; and
- allow administrative and minor detail to be further amended by subordinate provisions orders.

#### *Post implementation reviews and sunset clauses*

The new impact assessment form requires officials to commit to a date when they will review the actual costs and benefits of any new proposal, and establish whether the policy has achieved the desired effects. This post implementation review should typically occur within three years of implementation, depending on the nature of the policy. The review should establish a baseline and include the success criteria against which the effectiveness of the policy will be judged. Departments are also asked to consider the scope for simplification, including revisiting EU directives as part of the EU programme of simplification where relevant.

The impact assessment guidance also recommends that opportunities to use sunset clauses should be explored where appropriate.<sup>7</sup>

#### *Administrative burden reduction for businesses*

##### *Policy on administrative burden reduction for businesses*

The government has set up a simplification programme to reduce burdens on business, based on the Standard Cost Model (SCM) methodology developed by the Netherlands. This was used to establish a May 2005 baseline of GBP 13.2 billion of annual administrative burdens on the private and third (voluntary and community) sectors. The government announced in autumn 2006 an overall net reduction target of 25% by 2010, to be achieved across most central government departments and some agencies (35% for the Cabinet Office).<sup>8</sup> There are separate targets for Her Majesty's Revenues and Customs (HMRC), which has a tax simplification programme, and the Financial Services Authority, which conducted their own exercises. Reduction targets vary across departments but are, with a couple of exceptions, at least 25%.<sup>9</sup>

##### *Institutional framework, guidance and support*

Departments are supported and challenged by the BRE, which seeks to ensure credible and deliverable plans. The BRE has established a range of tools, guidance and training for departments (Box 5.4).

### Box 5.4. Tools, guidance and training support for departmental simplification plans

#### Tools

*Administrative burdens calculator.* A web-based tool to model the administrative burden of new regulations, or the impact of simplification measures. This also acts as the “public face” of the programme.

*Administrative burdens database.* Provides access to the information gathered during the administrative burdens exercise. Will also be used as an audit trail of changes as a result of the programme.

*Administrative burdens spreadsheet.* Provides officials with an alternative method for presenting data on new regulations, which can then be imported into the database.

#### Training

*Standard Cost Model (SCM) online training.* Provides an overview of the SCM and explains its key components. Includes two case studies, for a new regulation, and for simplification of an existing regulation. Modular so that the user can come back to it at any time.

#### Guidance

*Standard Cost Manual.* Explanation of the SCM.

*How to simplify regulations.* Short report that highlights key areas for simplification, including some real life examples already implemented.

*Simplification guidance.* Guidance to help departments update their simplification plans.

*PwC Technical Summary.* A technical summary by the consultants who measured the baseline burdens on how they applied the SCM to do this.

#### *Methodology and process*

Within the framework of the UK SCM Manual and a programme of annual rolling simplification plans, departments are free to set up their own approach to meeting their target. This means that they continue to measure the administrative burdens of regulations introduced since 2005, and each year’s plan therefore reflects the administrative burdens of any regulations introduced since the last plan. If the burdens go up they have to work harder to meet their target. As the United Kingdom has a net reduction target, departments are required to report any new burdens that are introduced. These are reported in the annual simplification plans, and have also been integrated into the impact assessment process. Administrative burdens stemming from new regulations are estimated and reported on the front page of the new impact assessment template. The measurement of new burdens is consistent with the SCM methodology and the BRE has developed the Admin Burdens Calculator, a web-based tool used to model the administrative burden of new regulations or the impact of simplification measures. This also acts as the public face of the United Kingdom’s administrative burden data.

There is a wide variety in the type of burdens addressed. The specific targets range from larger measures affecting many businesses across sectors (for example abolishing the need for private companies to hold an annual general meeting), to smaller measures which are sector specific (for example enabling sales of timber to be negotiated electronically). The means of delivery also vary from reducing burdens by making forms

simpler; creating exemptions from regulatory requirements; or consolidating law by bringing different regulations into a more manageable form.

#### Box 5.5. Calculation of administrative burden reductions<sup>1</sup>

Administrative costs are defined as the annual recurring costs of administrative activities that businesses (and the third sector) are required to perform in order to comply with central government obligations.

The SCM methodology was used. This is a systematic approach to measurement that provides indicative data on the administrative costs of regulation. Administrative burdens were then calculated by making a Business As Usual (BAU) adjustment (BAU is activities that businesses would do anyway). Regulations are broken down into manageable components in order to calculate the baseline.

Measurement was a very significant exercise. It cost approximately GBP 10 million excluding government internal costs, and involved over 8 500 interviews, and over 200 expert panels and focus groups, who helped determine what business would do in the absence of regulation. These engaged individual businesses, charities and voluntary sector organisations. For BAU, the estimate was via an independent panel (representatives from the Better Regulation Commission, Confederation of British Industry (CBI), Forum of Private Business, Federation of Small Businesses, Small Business Council, British Property Federation, House Builders Federation, Royal Institute of Chartered Engineers, National Farmers Union and others).

All central government regulations were mapped. The responsible department and the origin of the regulation were then identified, the obligations defined, and the costs measured.

The plans published in December 2007 go further than administrative burdens. They set out proposals for the reduction of the policy costs of existing regulations, defined as “the costs inherent in meeting the aims of a regulation, for example the direct cash cost of installing a filter on a factory chimney as prescribed by the regulation, or indirect cost such as necessary changes in working practices”. They also address regulatory irritants (factors which are burdensome to business but not necessarily costly).

#### *Public consultation and communication*

The 19 participating departments publish their annual simplification plans on line.<sup>10</sup> BRE also publishes summary documentation.<sup>11</sup> The first annual departmental simplification plans were published in December 2006.

The government has established a website which encourages stakeholders and their representatives to submit ideas for simplifying regulation or reducing administrative burdens. Departments must respond to these ideas within 90 days. Those ideas that are adopted feed into departmental simplification plans. The government considers that the website has been successful. Out of 375 ideas received and considered by government, 74 ideas have been taken forward.

#### *Achievements so far*

The plans published in December 2008 showed more than 500 initiatives, with GBP 3.4 billion identified for delivery by 2010 (26% of the 2005 baseline), of which over GBP 1.9 billion had already been delivered.

The 2008 BRE report on the programme (BRE, 2008b) shows that the net burden reduction will accelerate up to 2010. Net annual savings delivered to date as a percentage

of the baseline range from 0% for 4 of the 19 departments, to 1% - 45% for the rest. Her Majesty's Revenue and Customs (HMRC) had delivered net annual reductions of GBP 174 million, as well as a net reduction in the wider administrative burdens of the tax system of GBP 1 134 million.

**Table 5.1. Simplification programmes: Net burden reductions**

	2005-06	2006-07	2007-08	2008-09	2009-10
Net reduction (GBP million)	321	633	1 485	2 635	3 353

Source: Better Regulation Executive, United Kingdom government.

When asked about the BERR's relative slowness of achieving results, the BRE explained that several of BERR's planned changes that are expected to have a big impact require changes in legislation and then time for implementation.<sup>12</sup>

The NAO has published a report on the programme.<sup>13</sup> Their findings are that there is a perception that burdens have increased (regulatory creep). It is hard for departments to deliver. The government would do better to focus on outcomes and the programme should not just address administrative burdens. There is a cost to the government of the programme, even if it is hard to disentangle and quantify that a particular amount of resource has been used to take the programme forward within departments. Simplification plans have evolved in response to this to address more than administrative burdens, and the BRE has introduced an external validation panel to validate the savings that departments claim.

Business perceptions of the United Kingdom's regulatory management agenda and achievements are an issue. The NAO carry out an annual survey of business perceptions of the programme (based on a random sample of 2 000 firms). Part of the perception problem seems to be that the impact of the programme on individual businesses is very small, but the "population" benefits. The 2007 survey also showed that although the majority of respondents understand the purpose of regulation, 60% agreed that the overall level of regulation is an obstacle to their success, and nearly half rated a reduction in costs as very important. Business concerns focused on the complexity of regulations and 67% did not believe that the government understands business well enough to regulate. The NAO found that general perceptions had improved since 2006, but business reported no change in the amount of time spent on administration. This suggest that efforts to engage more directly with businesses since the programme started, rather than to take a civil servant's view of what matters, has borne some fruit, even if there is further progress to be made. The OECD team were told that business likes to feel that it has been heard (even if their view is not taken up).

#### *Other simplification measures for businesses*

##### **Small firms**

The government committed itself in its 2007 budget to consider flexibilities in the approach to regulating SMEs, given that they are disproportionately affected by regulations. The policy consists of examining whether SMEs can be exempted from new regulatory requirements or be the subject of simplified enforcement. Departments are now required to undertake a more rigorous assessment of whether SMEs need to be covered by new regulations or could benefit from simpler enforcement procedures or guidance, where this can be done without affecting essential protections. Where this is not

possible departments are asked to work with small firms to design specific approaches for them. When laying legislation (both primary and secondary) before the parliament, the aim is to include in the accompanying memorandum an explanation of the approach adopted towards small firms. The approach has already been effective in areas like company law and the transposition of the Information and Consultation Directive. The BERR has made a proposal to the European Commission that it too should consider flexibilities (exemptions being one of several options).

### Licensing and planning

The interpretation of national planning policy (land-use, building, etc.) is with local authorities, via local development plans. Planning applications must be consistent with the local development plan. Types of planning application vary from listed building and conservation area consents, to permissions to display advertisements. Local authorities have some discretion over whether to allocate a licence, so long as they stay within the rules. The decision is taken by elected officers.

The OECD's 2007 economic survey of the United Kingdom (OECD, 2007) considered that restrictive planning regulations hindered productivity growth by limiting new firm entry, and that they should be simplified. An effective planning system is part of the reforms envisaged by the government to increase productivity. Following the Barker Review of Land Use Planning, and subsequent Planning White Paper, a planning bill is currently before the parliament. It includes reforms to increase the efficiency of the planning process to reduce the burden on business (and individuals), by reducing the number of minor applications to planning authorities, streamlining information requirements for all applications, and improving the speed and efficiency of the appeals process.

Licensing is also an activity largely carried out at local level, based on national regulations. There is no general project aimed at the licensing regime. Some departments, regulatory agencies and local authorities have launched their own initiatives to simplify licensing for businesses.<sup>14</sup>

#### **Box 5.6. The Better Regulation of Over the Counter Medicines Initiative (BROMI)**

This initiative, launched by the Medicine and Healthcare products Regulatory Agency (MHRA), seeks to streamline burdens and reduce waiting times for licence approvals. The agency notes that regulations in this area have grown incrementally over the last four decades, and now constitute a veritable “regulatory mountain”. Every year brings 2 500 new licences, and 25 000 licence updates. The BROMI initiative is part of the Department of Health's simplification plan. The agency received a National Business Award for Better Regulation for its initiative.

The aim is to encourage regulation in this area toward a more risk-based and proportional approach. The range of regulatory options runs from full assessment, to third party approval, to self certification (the least onerous). The initiative among other issues has led to changes in the licensing regime, based on risk assessment. A pilot is underway to assess the feasibility of licence holders working together to produce a common safety update report for the same medicine.

The institutional aspects are a useful example of co-operation between the different parties involved. There is good co-operation between the relevant trade association, the agency and the parent department's Better Regulation Unit.

The EU and international aspects are important. There is the need to work within the context of strict EU guidelines on updating safety warnings. Simplification models are also being explored in US/EU co-operation discussions.

### ***Administrative burden reduction for citizens***

“Service transformation” and “transformational government” are the terms used to denote e-Government and ICT initiatives in support of citizens. The aim is to ensure that ICT is used both in the back-office and in service delivery, and becomes an integral part of the way that government works. Departments each have a “service transformation agreement” which together form a programme of action to promote public services that are more personalised to the needs of citizens and businesses,<sup>15</sup> and an integral part of government plans for public service delivery. The plans include:

- *Information service for citizens.* Piloting a “Tell Us Once” service that enables citizens to inform public services just once about changes of circumstances, about birth, bereavement and change of address.
- *Website rationalisation.* Rationalising government websites by closing down the majority and moving their citizen and business content to the government’s two single access websites,<sup>16</sup> aimed at streamlining access to information and services.
- *Accreditation of public call centres.* Requiring all publicly funded call-centres to undergo formal published accreditation to promote more efficient services for citizens and businesses.
- *Streamlining contacts with officials.* Reducing avoidable or duplicated contacts with call centres and local offices.
- *Giving a voice to individuals.* Empowering individuals to influence their services, with greater opportunities and direct involvement to influence the way they are designed and delivered.
- *Information management.* Improving management of information and identity across the government’s delivery systems to reduce wasted time and inconvenience for citizens, businesses and frontline workers.
- *An interactive internet portal* that gathers up all citizen-facing government services in one place has been established.<sup>17</sup>

### ***Administrative burden reduction for the administration***

The cutting bureaucracy for public services initiative, which is also being carried forward with the support of the BRE, is part of public sector reforms aimed at improving public services, against a background of tighter public sector budgets which demand efforts to work in more efficient and productive ways, and a concern about rising burdens on frontline public sector workers.<sup>18</sup> The BRE note that there are some synergies with business programmes. For example, more efficient management of paperwork for immigrants helps businesses which may want to recruit them. Inspections, targets and performance management systems aimed at better public services have been in place for several years.<sup>19</sup> The initiative is aimed, as its name implies, specifically at removing unnecessary bureaucracy and empowering frontline public sector workers (such as teachers, police and health professionals who are in direct contact with citizens for the provision of public services) to better respond to the public. The strategy was published in June 2007 by the BRE. The centrepiece is a commitment to reduce by a net 30% by 2010

the data and information that central departments and agencies request from frontline workers.

### *Institutional framework*

Departments are required to produce action plans under the guidance of BRE, which will form part of their simplification plans. There is a link to public service agreements (PSAs) and departments' work on meeting value for money targets, as well as to local authority performance indicators. In several instances the reduction of burdens on public sector front-line staff forms part of departments' over-arching objectives, agreed with the Treasury in their PSAs.

### *Methodology and process*

The approach is to eliminate or simplify data requests, and promote more efficient data collection in some instances through the increased use of ICT. However, unlike the programme to reduce administrative burdens on business, there has been no single, systematic attempt to establish a quantified baseline. The BRE explain that there are methodological difficulties in making a precise calculation, and it is best to leave some leeway for a tailored approach, so that departments can judge what is necessary and unnecessary bureaucracy (justice and accountability, for example, require that the police keep some forms). Instead, the BRE has agreed approaches with each relevant department for reducing the data burdens. It has produced a paper, shared with departments, which outlined approaches that could be taken to measure and implement the data reduction exercise (the paper was not formally published). Departments have committed to reduce data stream requests on the public sector front line by 30% by 2010. Progress is covered in departments' 2008 simplification plans. Each department has established a measurement system. Some departments are calculating their burden reduction in numeric terms, whereas others are assessing their reductions on the basis of burden (*i.e.* cost or time saved rather than numbers of data-streams).

There is no single definition of the frontline, but government papers on the strategy explain that those falling within the scope are likely to have some or all of the following characteristics: providing a service direct to the public through a staff to customer transaction; subject to independent inspection by bodies other than the NAO; recognised as an arms-length public body, executive agency or local public sector body. This means that the strategy reaches down to local levels, and affects inspection and enforcement activities. Departments make the final judgment on coverage, aided by the BRE to ensure consistency.

The approach emphasises the need to work closely and directly with frontline workers ("giving a voice to the frontline"), in efforts to address irritants, that is issues that particularly bother frontline workers and stand in the way of doing their job more effectively, not necessarily the most costly requirements or those that are hardest to comply with. Departments have established groups for this purpose, or are making use of existing ones to highlight the issue of bureaucracy in the workplace.<sup>20</sup> Frontline staff has told the BRE that they spend some 12.5% of their time on bureaucracy they consider unnecessary. They are encouraged to send BRE their suggestions for reducing bureaucracy.<sup>21</sup> "Insight" or "gateway" groups were formed with the participation of frontline workers to discuss workplace bureaucracy and how to tackle it. BRE will also be organising regular research on the views of bureaucracy by frontline workers. The BRE

will also be working with bodies in the public service delivery chain who play a key role in managing the delivery of local services.<sup>22</sup>

Departments have published lists of the data that they request of the public sector frontline; many were published in the 2007 simplification plans. Departments will also publish details of frontline irritants in their simplification plans, together with ideas on how the issues should be addressed.

### *Achievements so far*

Departments identified over 800 data burdens in their 2007 simplification plans. Although the picture is not fully complete, steps are being taken to comply with this requirement; 9 departments identified 133 datastreams for removal in their 2008 simplification plans. Some departments are more active than others, with some viewing the target as an “aspirational” one.

#### **Box 5.7. The Police Annual Data Requirement**

The Annual Data Requirement (ADR) is a list of all the routine requests for data made to all police forces in England and Wales. The aim of ADR is to reduce bureaucracy on frontline officers and to ensure that the value of the data collected outweighs the cost. It brings all requests for police data across central government together, reducing unco-ordinated or duplicate requests for information in slightly different formats. The process has evolved to challenge existing data as well as consider proposals for new data.

*Source:* Cutting Bureaucracy from our Public Services, June 2007.

### *Use of e-Government*

ICT will be used to streamline data collection and share it through a new reporting mechanism – the Data Interchange Hub – which has recently been developed by the Department for Communities and Local Government in partnership with other departments and the Audit Commission (the audit body for local authorities). The aim is to provide secure and centralised data collection, storage and interchange for the local authority national indicator set, making it easier for local authorities to report against indicators, and ensuring that data only needs to be collected once for multiple uses by interested parties. The BRE note that ICT/data sharing is more sensitive for citizens and the public sector than it is for business in the UK culture. The Data Interchange Hub has been introduced with two main aims: to reduce the burden on collecting data for local authorities, and to ensure that local authorities have the information that they need to gauge their own performance against the national indicators. It is funded by the Department for Communities and Local Government. The Ministry of Justice is responsible for the data sharing rules.<sup>23</sup>

## Notes

1. Programmes to reduce administrative burdens may include the review and simplification of whole regulatory frameworks or laws, so there can be some overlap with policies aimed at simplification via consolidation etc. There may also be some overlap with the previous chapter on the development of new regulations, as administrative burden reduction programmes are often conducted on a net basis, *i.e.* taking account of the impact of new regulations in meeting target reductions.
2. For example the Department of Culture Media and Sport has simplified multiple licensing regimes under one Act, removing need for regular reapplication for same licence. This has delivered net savings of GBP 99 million. The Competent Persons Scheme of the Department for Communities and Local Government allows self-certification of building work by qualified persons, cutting out the need for local authority or private sector inspectors (annual net saving of GBP 129 million).
3. The BRE notes that baselines need updating if the target errors were found in the original baseline such as double counting or missing issues. In any event, is a net one, to take account of new burdens.
4. The recommendations of an independent review on planning regulations are now being taken forward [www.berr.gov.uk/whatwedo/bre/reviewing-regulation/Planning%20Review/page45190.html](http://www.berr.gov.uk/whatwedo/bre/reviewing-regulation/Planning%20Review/page45190.html).
5. For example social security legislation, which is updated every three months, and immigration rules. A BERR company law initiative seeks to rationalise an important part for business.
6. It is a mechanism similar to the “*delegislazione*” mechanism used in Italy.
7. [www.berr.gov.uk/bre/policy/scrutinising-new-regulations/preparing-impact-assessments/toolkit/page44269.html](http://www.berr.gov.uk/bre/policy/scrutinising-new-regulations/preparing-impact-assessments/toolkit/page44269.html).
8. Having a net target means that the programme is not just about the stock of existing regulation. It also seeks to take account of the flow of new regulations. For convenience and because much of the effort in practice goes on the stock, the programme is reviewed under the “stock” section of this report.
9. For example, BERR: 25%; Cabinet Office: 32%; Department for Environment, Food and Rural Affairs: 29%; Department for Innovation, Universities and Skills: 32%; Government Equalities Office: 56%; HM Treasury: 72%.
10. Department for Business, Enterprise and Regulatory Reform (BERR); Cabinet Office; Charity Commission; Department for Children, Schools and Families (DCSF); Department for Communities and Local government (DCLG); Department for Culture, Media and Sport (DCMS); Department for Environment, Food and Rural Affairs (DEFRA); Department of Health; Department for Innovation, Universities and Skills (DIUS) ; Department for Transport (DfT) ; Department for Work and Pensions; Food Standards Agency (FSA) ; Forestry Commission; Government Equality Office; Health and Safety Executive (HSE);

HM Treasury; Home Office ; Ministry of Justice ; Office for National Statistics; Financial Services Authority; Foreign & Commonwealth Office (FCO).

11. [www.berr.gov.uk/bre/policy/simplifying-existing-regulation/simplification-plans/page44063.html](http://www.berr.gov.uk/bre/policy/simplifying-existing-regulation/simplification-plans/page44063.html).
12. The bulk of BERR savings will come from five major initiatives: implementation of the Companies Act 2006; Implementation of the Unfair Commercial Practices Directive; the Employment Law Guidance Project; the Employment Bill which will implement recommendations of the Gibbons Review of the dispute resolution system and the Consumer Law Review. 2007 BERR Simplification Plan [www.berr.gov.uk/files/file42767.pdf](http://www.berr.gov.uk/files/file42767.pdf).
13. Reducing the cost of complying with regulation: the delivery of the administrative burden reduction programme, 2007.
14. As well as the BROMI initiative in the main box, Coventry City Council explained its efforts to streamline the paperwork involved in licensing to the OECD team.
15. [www.cio.gov.uk/transformational\\_government/strategy/index.asp](http://www.cio.gov.uk/transformational_government/strategy/index.asp).
16. *Directgov* and *Businesslink.gov.uk*.
17. Directgov ([www.direct.gov.uk](http://www.direct.gov.uk)).
18. Cutting Bureaucracy for our Public Services, June 2007.
19. For example, targets to reduce waiting times at doctors' surgeries, inspections to highlight better and worse performing schools.
20. For example, the National Policing Improvement Agency (an arms-length body funded by Home Office) has established a group of frontline officers that meets regularly to discuss bureaucracy in the workplace; an interim report was published in February 2009. BRE and HM Treasury held *ad hoc* focus groups with officials from leading public sector organisations in summer 2008 to discuss, amongst other matters, ways of delivering services more effectively.
21. [www.betterregulation.gov.uk](http://www.betterregulation.gov.uk) is the website.
22. For example, Strategic Health Authorities and Local Education Authorities.
23. There was a recent independent review. [www.justice.gov.uk/guidance/datasharing.htm](http://www.justice.gov.uk/guidance/datasharing.htm).