

Implementing
regulatory
reform

The UK Regulatory Impact Assessment System

Faisal Naru

**Better
Regulation
Executive**

**Cabinet Office
UK**



Agenda

Implementing
regulatory
reform

- 1. History and Context**
- 2. Better Regulation tools**
- 3. Regulatory Impact Assessments**
- 4. Consultation**
- 5. Changes, developments and challenges**

A “Potted History”

Implementing
regulatory
reform

- De-regulation to better regulation
- Regulatory Impact Unit moved from DTI to **Cabinet Office**
- **Regulatory Impact Assessments** introduced in 1998
- **Consultation** moved to RIU in 2003
- RIU became the Better Regulation Executive in May 2005

- **Ensuring government only regulates when necessary**
- **Reducing bureaucracy in both private and public sectors**
- **Evidence-based policy making**
- **Informed decision-making**
- **Keeping adverse impacts to a minimum**

Principles of Better Regulation

Implementing
regulatory
reform

- **Proportionality**
- **Accountability**
- **Consistency**
- **Transparency**
- **Targeting**

BRE: What We Do

Implementing
regulatory
reform

- **Actively promote evidence-based policy making and effective consultation**
- **Encourage thorough impact analysis of policy proposals**
- **Work with business to identify unnecessary burdens**
- **Reduce bureaucracy in the public sector**
- **Co-ordinate and work with networks of departmental contacts**

Implementing
regulatory
reform



Key Tools

Implementing
regulatory
reform

- Regulatory Impact Assessments
 - **web-based guidance**
 - **www.cabinetoffice.gov.uk/regulation/ria-guidance**
- Effective consultation
 - **12 week consultation periods**
 - **www.cabinetoffice.gov.uk/regulation/consultation**
- Networks across government
 - **Ministers**
 - **senior officials**
 - **practitioners**

What is in an RIA?

“....a tool which informs policy decisions. It is an assessment of the impact of policy options in terms of the costs, benefits and risks of a proposal.”

Stages of RIA

- **Policy idea & development** (*Initial*)

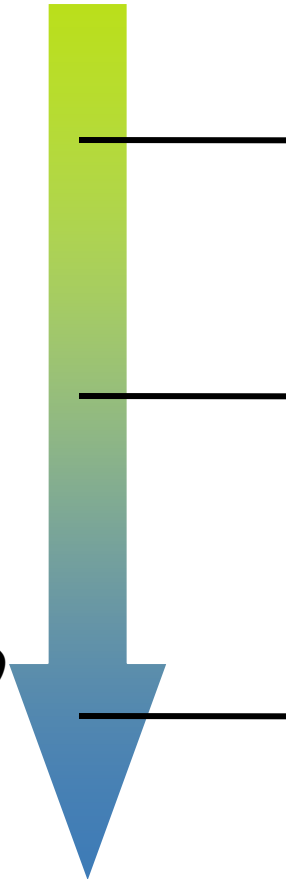
Winners and losers, risks, broad estimates of costs and benefits

- **Consultation** (*Partial*)

Ideas fleshed out, quantitative assessments

- **Policy agreement** (*Final*)

Final recommendation, costs and benefits confirmed following consultation



Regulatory Impact Assessment

Implementing
regulatory
reform

- **All proposals affecting business, charities, voluntary sector, including EU proposals**
- **Alternatives, including 'do nothing'**
- **Costs and benefits**
- **Plans for delivery & implementation**
- **Final version signed by Minister to confirm that costs are justified by benefits**

Why Do Consultation?

- Promotes **transparency & accountability**
- **Listening to stakeholders** shapes policies and provides **better outcomes**
- Identifies **unintended consequences** and **alternatives** to regulation
- Aids **implementation**
- Improves **management of risk**
- **Government does not have all the answers**

Greater Participation...

...by citizens and interest groups can:

- raise the **quality** of policy-making
- reinforce the **legitimacy** of the decision-making process and outcomes
- increase chances of **successful implementation**
- increase potential for **voluntary compliance**

Key Elements of Code of Practice

Implementing
regulatory
reform

- Commitment to **12 week consultations**
- Emphasises need for:
 - **early** and **informal** consultation
 - effective engagement with **wide range of stakeholders throughout** policy process
 - focus on **outcomes** and **implementation** options
 - thorough **analysis** of responses
 - good **feedback** to respondents
- Sets out role of **consultation co-ordinators**



Regulatory Impact Unit

Promoting Better Regulation

Continuous Improvements

Implementing
regulatory
reform

- **High compliance and strong branding**
- **Networks across government**
- **Focus on quality**
- **Web-based guidance**
- **Rolling out beyond Whitehall**
- **Culture Change**

Recent Developments

- **Rationalisation of tools**
- **Panel for Regulatory Accountability**
- **Administrative burdens**
- **1 in 1 out**
- **Business proposals**
- **Simplification and deregulation**
- **Effective enforcement**

Problems of Implementation

- **Still too many “limited” consultations**
- **Inconsistent top-level support**
- **Poor feedback to respondees**
- **Insufficient evaluation of consultation process**
- **Lack of experience and creativity**

Benefits of Better Regulation

Implementing
regulatory
reform

- **Informed policy making**
- **Evidence based solutions**
- **Buy in from stakeholders**
- **Better compliance**
- **Effective delivery**

A Consultation which has Influenced the Policy Outcome

Implementing
regulatory
reform

- **Government consulted on replacing 8 current tax schemes for pensions with a single lifetime limit on the amount of tax-free pension savings**
- **Listened to business concerns – now allowing more time for implementation and lifetime allowance increased**

“Daylight Robbery!”



Regulatory Impact Unit

Promoting Better Regulation

Contact Details

Implementing
regulatory
reform

Better Regulation Executive:

www.cabinet-office.gov.uk/regulation

Faisal Naru:

Tel: +44 (20) 7276 2191

Faisal.Naru@Cabinet-Office.x.gsi.gov.uk