

Reversing the Drivers of Regulation Big Government



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Conservative Policy Unit

The Drivers of Regulation series

This report is the third in a series commissioned by Stephen O'Brien MP to investigate and reverse the drivers of regulation. In the first report, *The Drivers of Regulation*, published in April 2004, we identified five main drivers: the European Union, 'gold-plating', 'compensation culture', government policy, and administrative creep. This report addresses the final two drivers: government policy and administrative creep.

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I. Foreword

The new media regulator, Ofcom, recently published a set of draft regulations that the BBC claimed might have the effect of banning the children's film Bambi.¹ The handbook of the Financial Services Authority (FSA), whose budget is now greater than the Treasury's,² runs to 8,000 pages³ and stands a reported nine feet high when printed off the Web site.⁴ Between 1997 and 2004, Britain fell from 13th to 30th in the World Economic Forum's ranking of the burden of government regulation.⁵

These developments are symptoms of government policy and administrative creep – two drivers identified in our analysis of the over-regulation of business since 1997. The drivers are considered together because Labour's enthusiasm for regulating the private sector is reinforced by the natural propensity of bureaucracies to expand.

Labour has increased the cost of running government by 60% since 1996.⁶ Despite this dramatic rise in administrative spending, they do not know:

- ❖ How much regulation costs as a proportion of UK GDP each year⁷
- ❖ How many regulations are produced each year⁸
- ❖ How many regulations are repealed each year⁹
- ❖ How many regulators there are across government¹⁰

Big government that ceases to examine its structure is bound to create a dysfunctional regulatory regime, and Labour has done just that. Allied with its innate suspicion of wealth creation, Labour's over-regulation of

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business is a serious threat to this country's competitiveness and living standards.

Labour's 'better regulation' agenda has meant more regulation. More regulation has, in turn, required bigger government first to devise and then to enforce it. It is time to break this vicious cycle of over-regulation and to halt the serious harm being done to UK competitiveness and productivity growth. To this end, the Conservative Policy Unit, working closely with our Business Deregulation Panel, has devised a series of measures for a smaller government producing fewer and more proportionate regulations. I welcome this report.

Stephen O'Brien MP

Shadow Secretary of State for Industry

2. Summary

The problem

Rising regulation

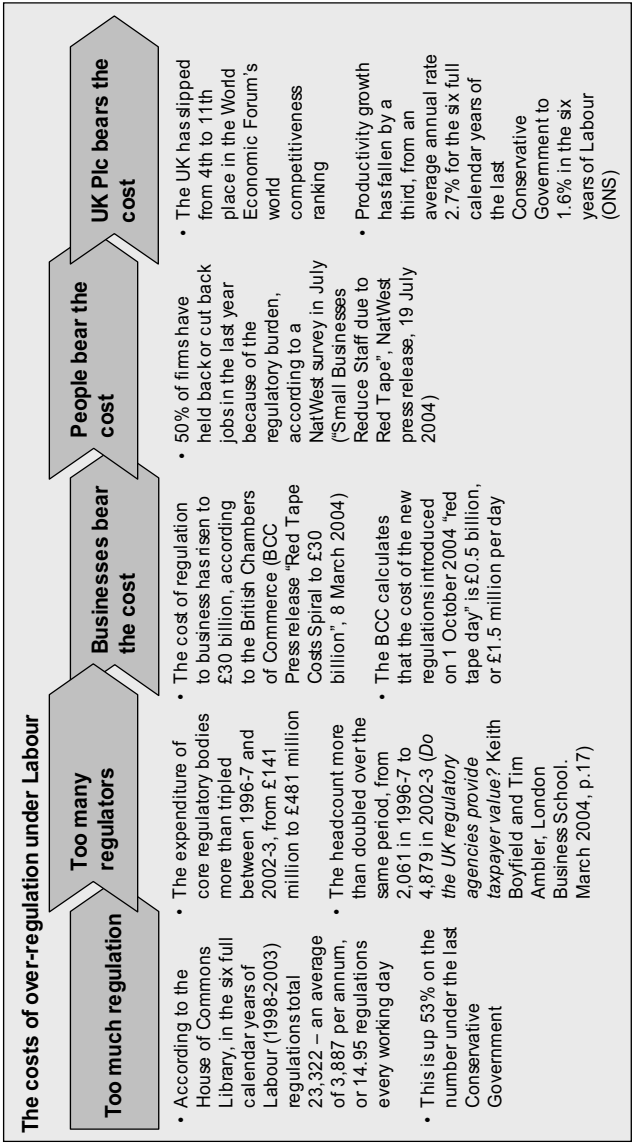
- ❖ The British Chambers of Commerce (BCC) calculates that the additional cost of regulation to British business since 1997 is £30 billion¹¹
- ❖ 50% of firms have held back or cut jobs in the last year because of the regulatory burden, according to a NatWest survey¹²

Falling competitiveness

- ❖ The UK's competitiveness ranking fell from fourth to eleventh place between 1997 and 2004, according to the World Economic Forum¹³
- ❖ The Institute for Management Development's competitiveness scoreboard puts the UK in ninth place in 1997, falling to twenty-second place in 2004¹⁴

Falling productivity growth

- ❖ Productivity growth has fallen by a third since Labour came to power¹⁵
- ❖ The UK's productivity is now growing more slowly than every other major EU economy, according to the Deloitte UK Productivity Index¹⁶



Conservative proposals

Labour's 'better' regulation has meant over-regulation, damaging our competitiveness and productivity growth. 'Better' regulation could be an appropriate emphasis, but only in the context of far less regulation than today. The following actions would ensure that the Conservative Party meets its commitment to deregulate in government.

ACTION 1 Create a DTI to champion not regulate business

Restructuring the DTI to drive deregulation and serve business better

ACTION 2 Transform RIAs into rigorous, impartial tests

Ensuring Regulatory Impact Assessments are capable of halting proposed regulation – not just validating it

ACTION 3 Subject regulation to Sunset Reviews

Checking whether a regulation's benefits outweigh its costs in practice as well as in theory

ACTION 4 Impose regulatory budgets on all departments

Blocking regulations that exceed a regulatory budget, to be reduced each year until over-regulation is tackled

ACTION 5 Second officials to the sectors they engage with

Ensuring officials gain first-hand knowledge of the businesses they engage with

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ACTION 6 Cap regulators and eliminate duplication

Limiting the budgets of regulators and eliminating duplication of government activity affecting business

ACTION 7 Repeal specific business regulations

Reducing the current stock, as well as the ‘spring’ and the ‘flow’, of regulation

ACTION 8 Reintroduce Deregulation Orders

Replacing Regulatory Reform Orders with Deregulation Orders in the DTI

ACTION 9 Grant small businesses regulatory exemptions where necessary

Recognising and responding to the specific challenges small businesses face

ACTION 10 Better scrutiny of secondary legislation

Making sure scrutiny of regulations extends beyond primary legislation and into practical implementation

3. Big government as a driver of regulation

Labour has increased spending on running government by 60% since it came to power, from £13 billion in 1996–7 to £21 billion in 2003–4.¹⁷ Much of this additional expenditure has been inefficient. By its own admission, the Government spent £4 billion more than it originally planned last year.¹⁸ The House of Commons Public Accounts Committee warned that the £61 billion increase in public spending announced by the Chancellor in 2002 is in danger of being ‘swallowed up in extra bureaucracy, red tape and inefficiency.’¹⁹ The Central Office of Information reported that government spending on advertising jumped 19% last year to £189 million, making it the second biggest UK advertiser after Procter and Gamble.²⁰

Bigger government is not just less efficient, but also more regulatory. Rising expenditure on regulation under Labour is reflected in the annual reports of the Financial Services Authority (FSA), which reveal that the number of staff engaged in financial regulation and the cost of financial regulation have both increased by approximately 20% in the last five years.

The World Economic Forum, which carries out an annual competitiveness survey of over 100 economies, has recorded a significant decline in the UK’s ranking in terms of government bureaucracy, regulation, and spending efficiency – as shown in the accompanying table.

World Economic Forum

	UK ranking (1=best)	
	1997	2004–5
Efficiency of government spending	5	22
Government regulations	13	30
Bureaucracy	11	26

Source: World Economic Forum, The Global Competitiveness Report 1997 and 2004–5. Note that the names of the measures tracked have changed between 1997 and 2004; names given express the meaning in common.

Spending on regulation

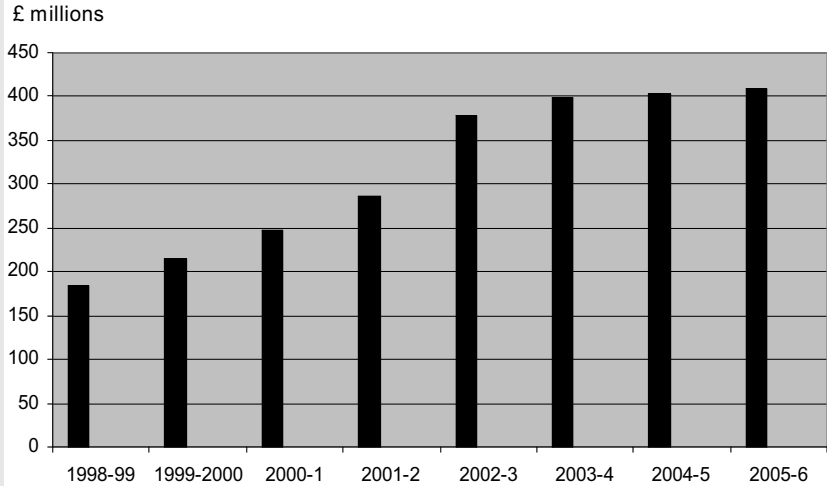
Spending on the promotion of regulation has risen significantly under Labour. According to the Department of Trade and Industry's (DTI) *2004 Business Plan*, the Department's 'Maximising potential in the workplace' budget is designed to:

*Implement and publicise the Information and Consultation Directive ... Promote partnership and union modernisation ... Finalise regulations preventing age discrimination ... Provide effective enforcement mechanisms for the National Minimum Wage, Working Time and Employment Agency Standards.*²¹

The budget to meet these aims is set to expand by 123% between 1998–9 and 2005–6, from £184 million to £409 million.²²

Predictably, the rise in the Department's employment relations budget has been matched by increases in employment regulations since 1997. Since 1997, the DTI has sponsored the implementation of more than 17 major new pieces of employment legislation.²³ The

DTI employment relations resource budget 1998–2005



Source: DTI Departmental Report 2004

Working Time Regulations 1998 alone cost businesses an estimated £2.3 billion a year.²⁴

By making such a significant resource and policy commitment to employment regulation, Labour is turning its back on the recommendations of the Small Business Council – the quango it established in May 2000 to report directly to the Secretary of State for Trade and Industry ‘on the needs of existing and potential small businesses in order to increase their opportunities for success and growth.’²⁵

In its 2004 annual report, the Small Business Council writes:

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For a long time we have argued that employment regulation is an inefficient means of achieving Government policy objectives ... In order to establish whether these concerns are widely held across the small business community, we undertook and published research earlier this year ... The key finding from the research struck a chord with small business owners on the Council: these findings were that employment legislation made no positive difference to small businesses and might actually have had a negative impact on employment practices, and that small businesses had a low awareness of employment regulations and saw complying with them as a very low priority.²⁶

John Walker, the Federation of Small Business' (FSB) Policy Chairman, argued in July this year:

Entrepreneurs have large expansion plans, positive forecasts and big ambitions but they are critical of the cumulative impact of employment regulations. They depend on regulatory stability and a flexible workforce, both of which are put at risk with every new piece of legislation.²⁷

The findings of a NatWest survey this year support Mr Walker, showing that 50% of firms have either held back or cut back jobs in the last year because of the regulatory burden.²⁸

The DTI is not just devising new regulations, it is also creating mechanisms and institutions that will generate further regulation. The mission statements of these taxpayer-funded bodies include lobbying the Government for further regulation. The Equal Opportunities Commission, for example, boasts that it 'sets the agenda for decision makers across England,

Scotland, and Wales, and runs high profile campaigns to change ... the law.²⁹

The intentions behind the creation of these new bodies are often admirable. Too often the result, though, is heavy-handed business regulation that has a disproportionate effect on small and medium sized enterprises (SMEs).

3.1 Labour's regulatory initiatives

Labour has introduced a host of regulatory reforms and initiatives that have failed to restrict the negative effects of business regulation, including the following.

Case study: Temporary Agency Workers Directive

The UK temping market employs more than 700,000 people. The EU Temporary Agency Workers Directive currently provides for a six-week period after which part-time workers will receive the same employment rights as full-time workers. The CBI has warned that, if implemented in the UK, the Directive will 'extend labour market rigidity'.³⁰

Despite this warning, the Government has recently agreed a deal with the trades unions to drop its opposition to the Directive.³¹

The Government's own Regulatory Impact Assessment (RIA) on the Directive found not only that its costs outweigh its benefits, but also that 'the private employment agency industry in the UK includes many smaller firms, therefore it is possible that the Directive may affect smaller agencies to a relatively greater extent than larger agencies.'³²

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Regulatory Impact Assessment

In August 1998, the Government announced that no policy proposal that has an impact on businesses, charities, or voluntary bodies should be considered by Ministers without a Regulatory Impact Assessment (RIA) first being carried out. RIAs are defined by the Cabinet Office as:

*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.*³³

RIAs are in theory required to estimate the costs and benefits of regulation. However, there is no indication in the Cabinet Office guidance notes that proposed regulations should be aborted if, as is increasingly the case, their costs to business are found to outweigh their benefits. According to David Frost, Director General of the BCC:

*Overall, in 2002–3 the balance of costs and benefits arising as a result of new regulations has worsened substantially, compared with the period 1998 to 2002.*³⁴

The BCC found that 23% of the RIAs it sampled in 2002–3 did not even attempt to quantify costs to business, and that 71% did not quantify benefits.³⁵ The scope of cost/benefit analysis carried out in RIAs is also drawn very widely. The former Cabinet Office Minister, Douglas Alexander MP, said that an RIA procedure:

*Requires the responsible Minister to certify that he or she is satisfied that the benefits of the proposed measure justify its costs. The Minister will consider the full range of benefits arising from the measure, including social, environmental and economic.*³⁶

Often, however, there is no objective way of measuring social or environmental benefit. RIAs can easily be reduced to subjective impressions. Further, there is little scrutiny of the extent to which the particular costs and benefits predicted by officials prove accurate once regulation comes into force. The only post-audit to which RIAs are subjected is carried out by the National Audit Office (NAO), which assesses a sample of just ten RIAs produced in a given year. In its most recent report, the NAO made clear that this sample is not ‘intended to be representative of the 200 or so RIAs undertaken across government.’³⁷ The NAO does, however, find that:

*The quality and thoroughness of the RIA process within departments varied greatly across our sample ... only half of our sample included a reasonably clear statement of policy objectives.*³⁸

The NAO acknowledges the need for a proper process of auditing RIAs, saying that:

*RIAs do not by themselves ensure that regulation achieves the Task Force’s definition (of ‘Better Regulation’), as the impact of regulation can only really be known when it has been implemented.*³⁹

A recent House of Lords report concludes:

*RIAs need to be conducted retrospectively as well as prospectively, to ensure that cost-effectiveness is constantly under review.*⁴⁰

It is clear that there are serious deficiencies both in the scope and the execution of RIAs. Tim Ambler and Francis Chittenden, who studied 165 of the 197 RIAs published between July 2002 and June 2003, found that ‘in many cases completion of RIAs remains a

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bureaucratic task to be despatched with as little effort as possible.⁴¹ This impression is reinforced by a Government Special Adviser, who told the Social Market Foundation's Regulatory Best Practice Group that:

It would not be far off the truth to say that [my Minister] would hardly remember having seen [an RIA]. They have never made any difference to our work – we've got commitments to discharge and we're not going to let procedure get in our way.⁴²

The Regulatory Impact Unit

The Regulatory Impact Unit (RIU) works with other departments, agencies, and regulators to try to ensure that government regulation is 'fair and effective'.⁴³ There are currently only three secondees from business in the RIU and no secondee has ever come from a small or medium sized enterprise (SME).⁴⁴

The lead initiative overseen by the RIU is the Regulatory Reform Action Plan (RRAP). The original version of the Plan appeared in February 2002, but was updated in December 2003 to include 'over 600 deregulatory and simplification measures'.⁴⁵ The RRAP sets no fixed implementation timetable for the 'deregulatory measures' in the document, and the latest figures suggest that only 258, or fewer than 50%, of the total of 662 measures have so far been enacted.⁴⁶

Only 92 – under one-sixth – of the measures in the RRAP relate to small business. One example of a 'deregulatory measure' highlighted in the RRAP as beneficial to SMEs, put forward by the Department for Environment, Food and Rural Affairs (Defra), relates to the Waste Electrical and Electronic Equipment (WEEE) Directive. The notes to this measure in the RRAP state

that Defra ‘attempted unsuccessfully during negotiations to exempt small retailers from provisions of the WEEE Directive.’⁴⁷ The ‘deregulatory’ measure in question, therefore, consists of Defra running a ‘series of 20 regional seminars to raise awareness amongst stakeholders’⁴⁸ and a letter from the then Minister, Brian Wilson MP, to 15,000 small businesses instructing them that they would have to comply with more regulation.⁴⁹

Other supposedly deregulatory measures in the RRAP include the introduction of more bureaucrats and regulators. One such measure is the appointment of ‘regional business crime reduction advisers’.⁵⁰ It is unclear to what extent the creation of these posts can be termed deregulatory, not least since there is already a Business Crime Team at the Home Office. The creation of Ofcom, the telecoms and media regulator, is also included in the plan as a deregulatory measure,⁵¹ despite the fact that it has greater statutory powers than the five regulators it replaced.⁵²

Gordon Brown’s 147 regulations

In his Pre-Budget Report Statement in December 2003, Gordon Brown cited ‘147 regulations for reform or removal’⁵³ to be included in the revised RRAP of December 2003. According to Ernst & Young:

*Only around 25% of these related to tax and red tape issues. Businesses have expressed scepticism of the impact of the reform of the 147.*⁵⁴

More recently, the former Financial Secretary to the Treasury, Ruth Kelly MP, conceded that although ‘none of the ... deregulatory measures announced in the Pre-Budget Report were the responsibility of HM Treasury’,⁵⁵ there were ‘several measures with direct

benefits for business'.⁵⁶ The example cited by the Minister was the raising of the statutory audit threshold to the maximum permissible under EU law. The estimated benefit to business of this measure is in the order of £94 million a year.⁵⁷

In fact, there is no reference to raising the audit threshold in the list of the 147 regulations for reform or removal. This 'deregulatory measure' was included in the original RRAP of February 2002, having first been announced in a speech to the BCC in April 2000 by Stephen Byers, the then Trade and Industry Secretary.⁵⁸

Regulatory Reform Orders

Regulatory Reform Orders (RROs) were created in 2001, replacing the Deregulation and Contracting Out Orders (DCOOs) established by the last Conservative Government in 1994. DCOOs were used to remove or reduce a regulatory burden on business. This device enabled primary legislation to be amended by secondary legislation.

In 1999, the Cabinet Office argued that 'the existing deregulation order making power is not wide enough'⁵⁹ and gave the RROs extended powers to 'improve the regulatory environment by reforming the (existing) legislation.'⁶⁰ A House of Commons Research Brief written as the Regulatory Reform Bill was going through Parliament in 2001 stated that:

Orders under the extended power, expected to be called Regulatory Reform Orders, would be capable not only of removing burdens, but of increasing or transferring burdens, under certain circumstances and subject to increased safeguards.⁶¹

The scrutiny procedure for RROs remains similar to that for DCOOs. The three stages are:

- ❖ Initial departmental consultation
- ❖ Consideration for a proposed order by a committee of MPs
- ❖ Approval of a draft order

Between 1994–5 and 1996–7, the previous Conservative Government introduced 36 DCOOs. By contrast, between 1997–8 and 2000–1, Labour introduced just 11 DCOOs, and between 2001 and 2004 it implemented only 20 RROs.⁶² The Government is on course to fall short of its own target of ‘over 60 RROs by 2005’⁶³ by a significant margin.

4. Administrative creep as a driver of regulation

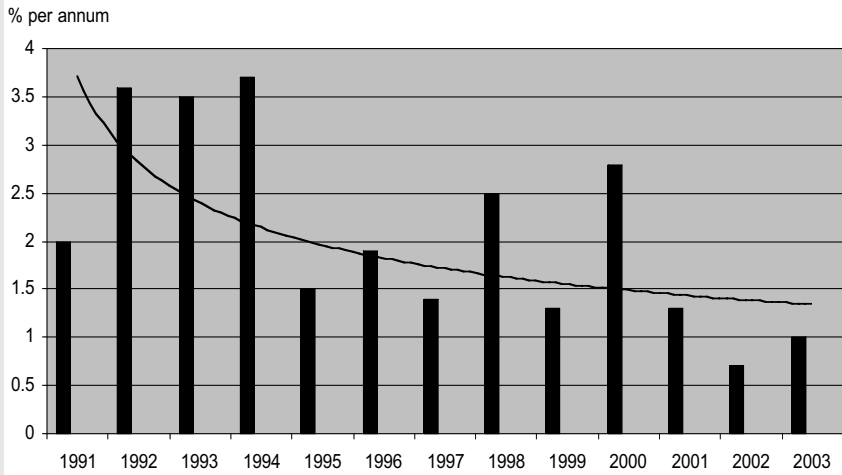
In his essay, *The Permanent Character of the Bureaucratic Machine*, Max Weber wrote that:

Once it is fully established, bureaucracy is among those social structures which are the hardest to destroy. Bureaucracy is the means of carrying 'community action' over into rationally ordered 'societal action'. Therefore, as an instrument for 'societalizing' relations of power, bureaucracy has been and is a power instrument of the first order – for one who controls the bureaucratic apparatus.⁶⁴

Weber's insight has enduring relevance. As Labour creates new units, quangos, agencies, commissions, and regulators, it has not reduced or disbanded other parts of the bureaucratic apparatus. Rather, Labour has given the new bodies increased budgetary and statutory powers, and this has led to duplication as well as to a significant growth in the power of the state.

Businesses, meanwhile, suffer from the burgeoning cost of complying with an increasing – and increasingly inchoate – body of regulation, all of which has to be paid for. UK competitiveness and productivity growth are in turn falling (as shown in the accompanying graphs).

UK productivity growth 1991–2003



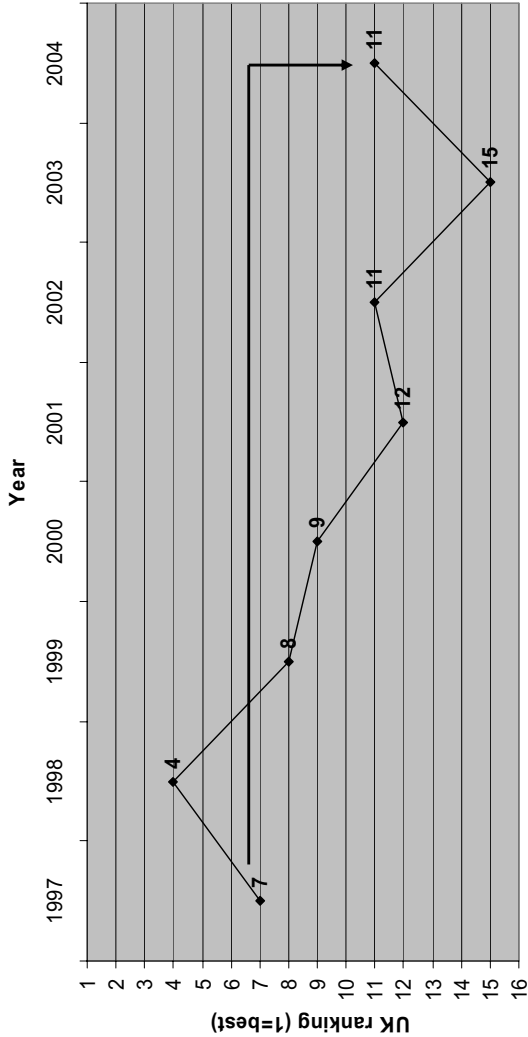
Source: ONS

4.1 The extent of administrative creep

The total tax take has increased by nearly 50% since 1997, equivalent to about £5,000 per household. According to the *Wall Street Journal*, Chancellor Gordon Brown has presided over ‘the largest peace time increase in taxation ever witnessed in the United Kingdom.’⁶⁵ Much of this additional revenue has been consumed in expanding government administration.

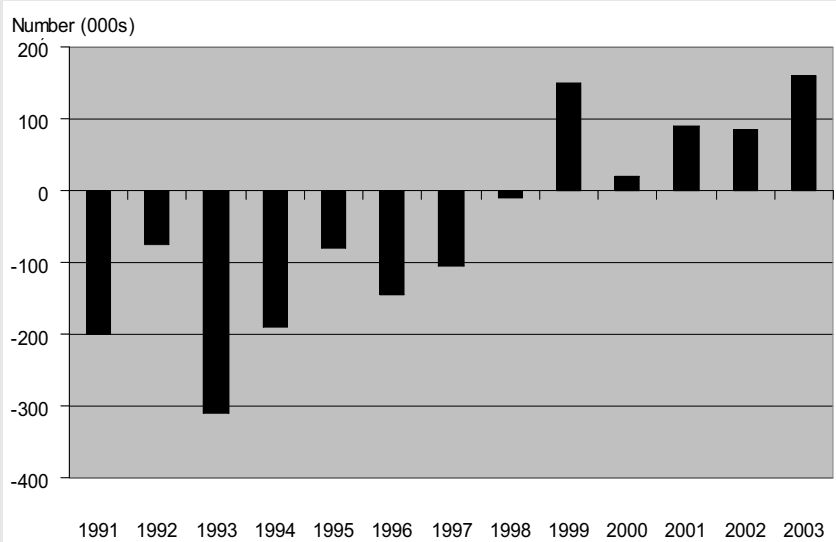
Figures provided by the Office for National Statistics (ONS) show that employment in the public sector is now 10% higher than in 1998. This is due to the creation of an additional 509,000 public sector jobs under Labour, of which over half have not been in the front line.⁶⁶

UK competitiveness has fallen under Labour
(Ranking in year released)



Source: World Economic Forum

Annual changes in UK public sector employment



Source: ONS

The growth in public sector jobs since 1997 appears to have been at the expense of the private sector. As the accompanying table indicates, annual private sector employment growth fell from an average of 2.6% between 1994 and 1996 to an average of 0.9% between 1997 and 2002.⁶⁷

In August 2003, the Government asked Sir Peter Gershon to review public sector efficiency and make recommendations on how it could be improved. A consultation on ‘private policy, funding and regulation’ was conducted as part of this review, which found that:

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Year	Number of public and private sector jobs in the UK, 1994–2002		Annual change (millions)		Annual percentage change %	
	Public	Private	Public	Private	Public	Private
1994	5.3	21.2	–185	438	–3.4	2.7
1995	5.2	22.0	–81	766	–1.5	3.6
1996	5.1	22.3	–142	312	–2.7	1.4
1997	5.0	22.8	–115	504	–2.3	2.3
1998	4.9	23.1	–10	272	–0.2	1.2
1999	5.1	23.3	150	189	3.0	0.8
2000	5.1	23.5	0	265	0.0	1.1
2001	5.2	23.5	118	–16	2.3	–0.1
2002	5.3	23.6	86	89	1.7	0.4

Source: Labour Force Survey and administrative returns from public bodies.

There was a perception of a large number of regulators and delivery bodies with often overlapping functions or interests; overlaps between regulators and delivery needed to be reviewed with the potential for rationalisation; and ... there was general support for the view that there should be a more horizontal approach to government in this area and a more joined-up approach between departments.⁶⁸

The increase in the number of government ‘regulators and delivery bodies’ has also led to a proliferation of bureaucratic target-setting. In evidence to the House of Commons Trade and Industry Select Committee, the Advantage West Midlands Regional Development Agency reported that:

Targets defined by the DTI differ from similar targets as defined with respect to European Structural Funds, whilst the Small Business Service (SBS) have another set of targets for measuring Business Link performance.⁶⁹

Case Study: Small Business Service

The Small Business Service (SBS) was established by the Government in April 2000. Its programme costs in 2001 were £275 million. By 2002, these had risen by 41% to £389 million.⁷⁰

The NAO is currently undertaking a 'value for money' examination of the SBS. As part of its consultation, SBS users were asked to 'describe whether you think SBS has made a difference to the way government regulations, policies and services are delivered.' The Forum of Private Business (FPB) responded that:

There is a lack of clarity in demarcation between DTI and SBS – and duplication. Structures are still excessively complex. ... Far more money is still spent to less effect than was by the DTI in the 1980s.⁷¹

Only a minority of companies actually use the business support services for which the SBS has oversight. An FSB survey of over 18,000 members found, for example, that only 17% of respondents used government funded business support services.⁷²

In the most recent sample of RIAs conducted by the NAO, four out of the ten RIAs examined had not 'formally consulted with the SBS' about the regulatory compliance cost for small business.⁷³ This was in spite of the fact that in two of these cases the RIAs covered regulations expected to have a 'disproportionate impact on small businesses.'⁷⁴

Judged on the experience of private business and on the Government's own criteria, there is little evidence of the SBS adding value. A Conservative government would disband the SBS.

4.2 The rise of ‘super regulators’

The accompanying table gives details of the annual budgets of 12 regulators between 1996–7 and 2002–3. The expenditure of these regulators more than tripled in this period, from £141 million to £481 million. Headcount more than doubled, from 2,061 in 1996–7 to 4,879 in 2002–3.⁷⁵

The original role of many regulators was, principally, to protect the interests of the consumer following the transition of nationalised industries to the private sector. As Ian Lang, the former Conservative Secretary of State for Trade and Industry, put it:

It is sometimes assumed that the regulators are a permanent part of the infrastructure. I do not see them in that context. I see them as policing the industries and regulating them in the interests of the consumer whilst the market develops and competition takes root. Some of the functions they now perform will become redundant in a relatively short period of time.⁷⁶

Labour, by contrast, has used regulators as permanent ‘power instruments’, in Weber’s phrase. According to Clare Spottiswoode, the Former Director General of Ofgas, the gas regulator that preceded Ofgem:

Ministers no longer looked on the regulator’s job as economic regulation, they viewed it as a public policy job. It was no longer apolitical, it was part of government.⁷⁷

Or as the *Financial Times* put it:

When New Labour scrapped Clause Four of the party constitution, it renounced nationalisation as

Regulatory budgets and headcount 1997–2003

Regulatory Agency	Expenditure Budget £ million		Change in Budget %	Payroll Numbers		Change in Payroll %
	1996–7	2002–3	1996–7 – 2002–3	1996–7	2002–3	1996–7 – 2002–3
Competition Commission	7.9	16.3	106	97	155	60
OFT (Office of Fair Trading)	19.5	54.2	178	402	631	57
FSA (Financial Services Authority)	N/A	221.0	21 (over 3 yrs)	N/A	2,313	13 (over 3 yrs)
OFTTEL (Office of Telecommunications)	9.5	19.5	105	172	236	37
Radiocommunications Agency	42.3	71.5	69	514	580	13
Radio Authority	3.4	4.8	41	33	47	42
ITC (Independent Television Commission)	16.9	20.1	19	186	180	3
BSC (Broadcasting Standards Commission)	1.3	3.9	200	24	20	–17
OFGEM (Office of Gas and Electricity Markets)	23.1	38.5	67	357	320	10
OFWAT (Office of the Water Regulator)	9.6	11.5	20	190	233	23
POSTCOMM (Postal Services Commission)	N/A	6.5	67 (over 3 yrs)	N/A	40	38 (over 3 yrs)
ORR (Office of the Rail Regulator)	8	13.3	66	86	124	44
Total	141.5	481.1	240	2,061	4,879	136.7

Source: Keith Boyfield and Tim Ambler, 'Do the UK regulatory agencies provide taxpayer value?' Centre for Marketing Working Paper, March 2004.

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an instrument of policy. But Old Labour habits die hard, and ministers continue to interfere in every corner of national life through the mechanism of regulation. Regulators have proliferated since 1997, expanded into new sectors and widened their policy remit.⁷⁸

The Government's Better Regulation Task Force (BRTF) has admitted that, such is the proliferation of regulators under Labour, 'no one knows how many'⁷⁹ independent regulators there are.⁸⁰ The BTRF argues:

If regulators cannot be identified, it is impossible to say whether they are doing their job effectively or whether they should exist at all. In some sectors there appear to be so many, that there must be scope for some rationalisation.⁸¹

Under Labour, then, regulators have not only multiplied, they have become tools to achieve broader political objectives that go far beyond protecting consumers and bolstering competitive markets. The effect has been to reduce the efficiency of the public and private sectors alike.

4.3 Quangos

In 1997, the Cabinet Office produced a consultation paper on the future of quangos.⁸² The following year, it published a response to the consultation entitled *Quangos: opening the doors*, in which it was agreed that the Government would 'undertake rigorous financial management and policy reviews of Non-Departmental Public Bodies (NDPBs) at least every five years'⁸³ as part of its commitment to 'reducing the number of NDPBs'.⁸⁴ To guarantee the objectivity of the reviews,

the report states ‘it has also been suggested that reviews should be conducted by a team under the Cabinet Office, not the sponsoring department.’⁸⁵

In the event, it was quangos’ parent departments and not the Cabinet Office that carried out the quinquennial reviews. The entire review requirement was abandoned in 2002 and the Cabinet Office has conceded that it does not hold ‘information about the number and timing of reviews of public bodies by (other) Departments.’⁸⁶ In 2003, there was a net increase in the number of public bodies for the first time in a quarter of a century.⁸⁷

Written Parliamentary Answers reveal that over 100 new NDPBs have been established by central Whitehall departments under Labour.⁸⁸ This is in stark contrast to Tony Blair’s pledge in 1994 that ‘we will not run the quango state of the Conservatives.’⁸⁹

Accountability

The reversal by Labour of the long-term decline in the number of quangos has implications for the democratic accountability of government. According to Professor Stuart Weir of the University of Essex:

*Contempt for democratic principles is ... evident in the shadowy realm of the new quangocracy. Blair once promised to abolish the quango state. Instead it has grown. Blair and his ministers have created a new type of quango – the task force – that wholly escapes the weak controls that the Nolan Committee on Standards in Public Life imposed on conventional quangos.*⁹⁰

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Labour has established at least 54 Task Forces since 1997, according to the Cabinet Office, of which 37 were still active at the end of March 2003.⁹¹ That total does not include the BRTF, which is defined by the Cabinet Office as an ‘advisory non-departmental public body’.⁹²

Task forces are ‘created to give expert advice to the Government on a specific issue.’⁹³ Task forces are not obliged to hold public meetings, provide public minutes, or produce an annual report. They are also outside the jurisdiction of the Commissioner for Public Appointments established under the previous Conservative Government.⁹⁴

5. Conservative proposals

Labour's 'better' regulation has meant over-regulation, damaging our competitiveness and productivity growth. 'Better' regulation could be an appropriate emphasis, but only in the context of far less regulation than today. The following actions would ensure that the Conservative Party meets its commitment to deregulate in government.

ACTION 1 Create a DTI to champion not regulate business

Restructuring the DTI to drive deregulation and serve business better

The James Review of Taxpayer Value, commissioned by the Conservative Party and led by David James and Tony Caplin, found that a total of 850 civil servants at the DTI central department were capable of carrying out the DTI's core objectives, as opposed to the 4,167 core staff employed as at 31 March 2003.⁹⁵

A Conservative government would transform the DTI into an efficient champion of business. A small team would be assigned to reducing the overall regulatory burden. Part of this team would identify overlapping regulations and regulations where costs exceed benefits. A small second team would have a 'watching brief' on European measures, ensuring that – amongst other things – they are transposed without elaboration (gold-plating). This team would enforce the action 'Minimum implementation of EU directives' detailed in our previous report, *Reversing the Drivers of Regulation: The European Union*.

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Currently, the DTI regulates more than any other department of state.⁹⁶ DTI administration costs have increased 44% since 1998–9 to £446 million.⁹⁷ Total spending on the DTI has increased more than two and a half times in the same period, from £3,166 million in 1998–9 to £8,229 million in 2003–4.⁹⁸ As its total staff numbers have increased from 9,415 in 1998–9 to an estimated 11,583 in 2003–4,⁹⁹ the DTI's claims to efficiency have grown less and less credible.

The DTI has three strategic objectives:¹⁰⁰

- ❖ Supporting successful business
- ❖ Ensuring fair markets
- ❖ Making grants to science and innovation

Overall, a Conservative government would adopt the James Review's proposals for a smaller core department of approximately 850 civil servants. The core responsibilities of these staff would be:

- ❖ Championing business
- ❖ Business deregulation
- ❖ Science and innovation research agencies (though removing the addition layer of bureaucracy currently imposed)
- ❖ Energy
- ❖ Boosting skills
- ❖ Royal Mail
- ❖ Facilitating small business finance
- ❖ Manufacturing advisory services
- ❖ Phasing out 'legacy' obligations and liabilities

A Conservative government would subject remaining programmes to a rigorous cost effectiveness review, scrapping or reducing those that fail.¹⁰¹ The SBS would, as discussed, be scrapped altogether.

ACTION 2 Transform RIAs into rigorous, impartial tests

Ensuring Regulatory Impact Assessments are capable of halting proposed regulation – not just validating it

Current RIAs fall far short of being the rigorous, impartial tests of proposed regulation that they ought to be. Various analyses have shown them to be shallow and slavishly validating.

Ministers use RIAs as validation exercises because present structures allow them to. The department that proposes a regulation also conducts that regulation's RIA. The Regulatory Impact Unit (RIU) provides only advice, claiming that RIA content is not its responsibility (apart from a limited auditing function that it began recently).

A Conservative government would make the RIU responsible for the content of RIAs. New, more rigorous quality control standards would be enforced. A leading authority on the RIA procedure, Tim Ambler of the London Business School, proposes that a five-point test be used to assess the quality of an RIA. A Conservative government would enforce this five-point test, ensuring that an RIA would fail if it:

1. Does not comply with RIU guidelines (subject to point 2)
2. Does not explain adequately why it does not comply with RIU guidelines – e.g., why it does not contain a sunset clause, or why it does not consider alternatives including 'do nothing'
3. Constitutes a 'box ticking exercise', without any analysis of why the regulation is necessary or how it could be implemented more cost effectively

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4. Has costs falling almost entirely on business – e.g., if all of a regulation’s cost falls on business and all its benefits flow to the Government
5. Does not engage in an analysis of cost effectiveness

Points ‘4’ and ‘5’ are particularly significant. To ensure a cost distribution more favourable to wealth creation, a Conservative government would insist that, wherever possible, the Government covers costs to businesses to the extent that it gains from the regulation in question.

A Conservative government would also insist that analysis of cost effectiveness becomes a standard feature of RIAs. The objective of regulation is very often a political matter and is not, as such, within the ambit of an RIA itself. An RIA should, however, establish how the political objective can be met most cost effectively.

Finally, a Conservative government would require the RIU to keep a comprehensive database of all regulators, regulations, Deregulation Orders, and RIAs. The RIU would be required to produce an annual report tracking these items. This report would be submitted to Parliament, along with the RIU’s mission statement, for approval.

ACTION 3 Subject regulation to Sunset Reviews

Checking whether a regulation’s benefits outweigh its costs in practice as well as in theory

In our previous report, *Reversing the Drivers of Regulation: The European Union*, we argued for these Reviews at an EU-level. Sunset Reviews are also necessary for domestic regulation.

When new regulation is proposed, estimates of its benefits and costs are inexact. Regulations with only a small benefit can turn out to be very expensive for businesses to implement. It is important, therefore, that the case for regulation is re-examined in the light of its actual performance.

A Conservative government would insert Sunset Review clauses into new regulations wherever possible, specifying a date at which they must be re-evaluated with reference to their original RIA. This exercise will not only expose failing regulation, but increase the onus on those drafting RIAs to make them as accurate as possible, and to resist pressure simply to validate politicians' hopes or claims. Further, they will allow an assessment of how regulations are working in combination with other legislation and how they are being enforced on the ground. This should allow identification and elimination of conflicting, overlapping, and unclear guidance.

In response to a recommendation by the Treasury Select Committee, the Government has said that it supports post-implementation reviews.

*The Government agrees with the Committee that post-implementation reviews are an important part of the Regulatory Impact Assessment process. It notes the Committee's recommendation and will be considering how best to publish the results of post-implementation reviews.*¹⁰²

Despite this statement, the Industry Minister, Jacqui Smith, has rejected post-implementation reviews. The Minister described the reviews as constituting 'regulatory impact assessments on regulatory impact assessments', saying that this 'would neither deregulate, nor cut bureaucracy'.¹⁰³

The Government’s position on sunset clauses is equally confused: welcoming at first, but then hostile. For three years the Cabinet Office has issued guidelines on RIAs advising that sunset clauses be used. Despite this guidance, the BCC found ‘no examples of sunset clauses’ in 2002–3.¹⁰⁴ The Parliamentary Under-Secretary of State for Trade and Industry, Nigel Griffiths, even contradicted the Cabinet Office by describing sunset clauses as ‘the quack cure for regulations, freshly imported from Florida – sunset clauses from the sunshine state.’¹⁰⁵

ACTION 4 **Impose regulatory budgets on all departments**

Blocking regulations that exceed a regulatory budget, to be reduced each year until over-regulation is tackled

A Conservative government would instruct each department to estimate the impact cost of the regulations for which it is responsible. Costings contained within Regulatory Impact Assessments (RIAs) would form the basis of this exercise. Where, contrary to Cabinet Office guidelines, RIAs do not contain adequate costings, or where a regulation predates the RIA procedure, departments would have to work with the RIU to devise new costings – consulting affected businesses and their representatives, many of whom have generated their own estimates.

Departments would be required to generate their estimates within six months. While these estimates would be approximate and need only account for the bulk of the cost of regulations (not their number), they would nonetheless provide a baseline figure to track and

reduce. Departments would be instructed to reduce regulatory cost by a set percentage each year. Any department that exhausted its regulatory budget would not be permitted to implement regulation unless it could first identify and delete a balancing quantity. A prominent section of the Chancellor's Budget would be devoted to detailing that year's regulatory budget performance.

The Treasury has rejected regulatory budgets, claiming that they:

Could easily be used up by the need to implement European rules. This would leave no space in the budget for legislation proposed by British politicians.¹⁰⁶

The implication of this objection is that the UK should pass more domestic regulations to make up for those derived from EU law. The Treasury's view is at best myopic; at worst absurd. A Conservative government would reverse the flow of European regulations, not pass more domestic ones in a misguided attempt to compensate for them. A Conservative government would ensure:

- ❖ Minimum implementation of EU directives (without elaboration or 'gold-plating')
- ❖ Earlier action to amend or forestall directives and regulations that are not in the UK's national interest
- ❖ Renegotiation of many of the most burdensome EU measures, including withdrawing from the Social Chapter and the Common Fisheries Policy

Regulatory budgets also have political momentum at EU level, as promoted by the Dutch Government. The

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successful operation of a form of regulatory budgeting in the Netherlands is perhaps the best answer to the Treasury's objection. The Dutch Government reports that:

The administrative burden for companies in the Netherlands is estimated at 16.4 billion euros, which equals 3.6% of GDP. In its national programme the Dutch Government will reduce the net burden by 25% before the end of its term in 2007. Together with the business community our government has identified legislation to be improved. A package of 130 measures was submitted to and agreed by Parliament in June 2004. This first proposed package of measures is expected to reduce the administrative burden by 18%. A second batch of possible measures (also on the EU level) will be sent to Parliament in early 2005. This second batch will allow us to reach the targeted 25% reduction of the total burden.¹⁰⁷

An independent agency, the Dutch Advisory Board on Administrative Burden (ACTAL), advises the Netherlands Government on regulations that can be removed. As the World Bank wrote in its report, *Doing Business in 2004*:

ACTAL has only nine staff members [and] is empowered to advise on all proposed laws and regulations. To date, simplification of administrative procedures has been achieved in the areas of corporate taxation, social security, environmental regulations, and statistical requirements. The estimated savings are US \$600 million in streamlining of the tax requirements alone.¹⁰⁸

A Conservative government would seek to replicate and extend the success that regulatory budgeting has had in the Netherlands, as well as encouraging its adoption across the EU. If an effective system of regulatory budgeting were adopted at EU level, then EU measures could be exempted from regulatory budgets in Whitehall.

ACTION 5 Second officials to the sectors they engage with

Ensuring officials gain first-hand knowledge of the businesses they engage with

Currently, some senior DTI officials undertake a one-week attachment with one of their Department's 'stakeholders'. In the last year, 85 DTI officials 'completed or made firm arrangements to undertake'¹⁰⁹ a secondment in:

A range of organizations, from micro-businesses with a handful of employees to multinationals, unions, regional development agencies [and] the BBC.¹¹⁰

A Conservative government would ensure that all DTI officials involved in deregulating business undertake a minimum three-month secondment to a relevant business. A significant proportion of secondees would go into SMEs. The practice of sending officials to DTI 'stakeholders' such as Regional Development Agencies would be ended.

ACTION 6 Cap regulators and eliminate duplication

Limiting the budgets of regulators and eliminating duplication of government activity affecting business

Many countries have specific, quantified plans to reduce the regulatory burden on business. The World Bank study *Doing Business in 2005* found that:

In 2002 the Dutch Government set a goal of cutting expenditures on administrative burdens by 25% by 2006. The Belgian Government has set the same 25% reduction as a goal. Denmark, France, Italy and Norway have also set quantitative goals for reducing red tape.¹¹¹

The Labour Government has set no such target. Instead, the expenditure of regulators more than tripled between 1996–7 and 2002–3, from £141 million to £481 million.¹¹² A Conservative government would review the functions of all government agencies and eliminate instances of duplication of government activity affecting business. As well as introducing regulatory budgets (Action 4), a Conservative government would cap the budgets of regulators beneath present levels.

The Conservative Party will publish a Deregulation Bill in the New Year specifying specific regulators to abolish or reduce (see Action 7). This work will be informed by the Party's forthcoming Value for Money Action Plan.

Example: the Environment Agency

The Environment Agency received £177 million in government grants in 2001–2. By 2004–5, this amount is estimated to rise to £503 million.¹¹³

The next Conservative government would reduce the Environment Agency's headcount by 12%, from 10,982 to 9,696.¹¹⁴ Not only will this reduce the degree of bureaucratic intrusiveness in enforcement, but it will release savings to the Exchequer of £47 million.¹¹⁵

ACTION 7 Repeal specific business regulations

Reducing the current stock, as well as the 'spring' and the 'flow', of regulation

Whilst a Conservative government would tackle the spring and the flow of regulation, it will also tackle the stock: deleting and modifying specific regulations as part of a Deregulation Bill early in its first parliamentary session (see Action 6).

A Conservative government would, for example, engage in a review of problematic regulatory issues including:

- ❖ New regulations on money laundering, which disrupt the operations of various companies including solicitors
- ❖ Data protection regulation
- ❖ Food labelling regulation
- ❖ The Environmental Agency permit processes, which companies find too costly, expensive, and time consuming

Example: employment disputes

An example of a regulation that a Conservative government would abolish outright is the '1,2,3' dispute resolution procedure that the Government has imposed on all businesses regardless of their size. The new regulation, which came into force on 1 October this year, states that:

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All employers and employees must follow the minimum 3-step process when dealing with most dismissals, disciplinary actions or grievances. If they don't, they could face a financial penalty should a dispute reach a tribunal.¹¹⁶

This new regulation makes mandatory a form of dispute resolution that includes written grievances and responses, a formal meeting, and an appeals process. Whatever the Government's intentions, the regulation is in essence a Whitehall blueprint for handling employment disputes.

Common commencement

Any new regulations that a Conservative government had to impose would, wherever possible, have common commencement dates. We welcome the DTI's announcement that employment regulations will be introduced on only two set days each year, making it easier for employers to monitor and adjust to them. The Treasury Select Committee has recommended that other departments introduce common commencement dates for the regulations they issue.¹¹⁷ The Government is now conducting public consultation on this proposal. We hope that this consultation will lead to a clear new assumption that all departments adopt common commencement dates.

ACTION 8 Reintroduce Deregulation Orders

*Replacing Regulatory Reform Orders with
Deregulation Orders in the DTI*

Labour created Regulatory Reform Orders to replace the Deregulation and Contracting Out Orders (DCOOs) established by the last Conservative Government in 1994. Deregulation Orders could be used to remove or reduce a burden on business – allowing primary legislation to be amended by secondary legislation.

The Government hardly used DCOOs during its first term, before transforming them in 2001 into Regulatory Reform Orders. The Government argued that the existing power was not wide enough,¹¹⁸ and gave the new RROs extended reach to ‘reform entire regulatory regimes’.¹¹⁹

The Government hardly ever uses RROs, however. While the last Conservative Government issued an average of 12 DCOOs a year between 1994 and 1996, Labour has used an average of just 5 RROs a year between 2001 and 2003.¹²⁰ Just four RROs have been introduced in 2004 at the time of writing.¹²¹

The use of DCOOs under the next Conservative government would be reinforced by the approximately 100-strong deregulatory team in the DTI. This team would have responsibility for drafting the Orders, subject to scrutiny by a special committee of MPs. The present power of the RROs to impose ‘additional burdens where necessary’¹²² will be removed.

ACTION 9 Grant small businesses regulatory exemptions where necessary

Recognising and responding to the specific challenges small businesses face

A Conservative government would end the Government's hostility towards granting regulatory exemptions to small businesses. This hostility has been evident on a number of occasions. In one example, involving parental leave, the Government admitted to being:

Heavily lobbied to exclude small businesses, à la the United States, à la Greece, à la lots of other countries. We rejected that representation. We said we were not going to have ghettos of bad employment practices in small businesses.¹²³

Far from seeing exemptions as an occasionally necessary means of ensuring that small businesses are not affected disproportionately by regulation, the Government sees them as a divisive two-tier approach. Never mind that a small business might have its productivity eroded, even if temporarily, when forced to grant an extended absence, whereas a larger one may hardly suffer at all – differential treatment is not allowed.

In another case, involving government standards for care homes, the NAO reported that:

Small business care providers expressed concern that the additional costs of improving their standard of care would drive them out of business; for example, the costs of accommodation improvements and providing their estimates of these additional costs to back up their views.

In the event, reported the NAO, despite the clear warning given by small care home businesses:

*The RIA [for the new standards] did not include reasoned arguments against these concerns or why the Department chose to reject the respondents' estimated costs.*¹²⁴

The Government's failure to listen to the small business care homes, still less to grant them any form of exemption, contributed to the closure of 745 homes and the loss of 15,100 beds.¹²⁵ As the National Care Home Association (NCHA) reported:

*The new national minimum standards have added a financial burden on care home owners, especially those with 20 beds or less, with increased requirements relating to policies, procedures and files, criminal record checks and a significantly increased standard for the training of care staff. ... Many owners simply cannot meet – or pay for – the proposed new care standards on top of other business costs and so are leaving the industry altogether.*¹²⁶

Sheila Scott of the NCHA added that:

*Government should exempt small business care homes wherever their viability is threatened by new regulation, such as on the percentage of shared rooms in smaller homes.*¹²⁷

A Conservative government would heed this call, both for care homes and wherever else a pressing need to exempt small businesses is identified.

ACTION 10 Better scrutiny of secondary legislation

Making sure scrutiny of regulations extends beyond primary legislation and into practical implementation

A growing number of Statutory Instruments (SIs) – now around four thousand a year – determine the practical application of regulations. While many SIs deal with relatively minor administrative orders, even important SIs get little scrutiny.

In the light of the experience of the new House of Lords Select Committee on the Merits of SIs, established a year ago, we will explore the possibility of establishing a joint Commons and Lords Committee to scrutinise secondary legislation on a similar basis of merit.

In relying less often on regulation in general, a Conservative government would cut the number of SIs passed each year. It would also improve Parliament's ability to scrutinise those SIs that are proposed. In particular, as Professor Baldwin has proposed on behalf of the FSB, secondary RIAs would be conducted whenever the substance of an important regulatory initiative would be provided by the exercise of secondary powers by ministers or agencies.¹²⁸ We further agree with the FSB that, when ministers approve framework primary legislation, they should identify areas where secondary legislation will require RIAs. Ministers of a Conservative government would adopt this approach.

6. Conclusion

We have set out in this report the specific actions that the Conservative Party would take to honour its commitment to deregulate in government. However, while specific process and institutional changes would reduce the flow and the stock of regulation, only a change in culture could tackle the origin or ‘spring’ of regulation. Moving away from a culture of regulation means always including ‘do nothing’ and ‘no policy change’ as starting options when responding to calls for action – not always responding with legislation. Self-regulation, consumer information, and other less regulatory solutions must then be examined before regulation is considered. In short, formal regulation must become a last resort.

Current government guidelines already call for this approach. It is just that the cultural change required amongst ministers and officials to observe this call has not occurred. Regulatory Impact Assessments, for example, rarely contain any in-depth analysis of cost effectiveness or non-regulatory alternatives.

Conservatives are determined to effect the cultural change that must accompany the actions in this report. Only then will Labour’s over-regulation be reversed.

Annex

British Chambers of Commerce Burdens Barometer 2004

No.	Measure	RIA date	Regulation introduced	One-off cost, £m	Recurring cost, £m	Total cost by July 2004, £m
1	The Data Protection Bill (Implementing the Data Protection Directive)	Nov-98	Dec-98	956	667	4,625
2	The Groundwater Regulations 1998	Nov-98	Dec-98	120	17	215
3	Employment Relations Bill*	Feb-99	Jan-00	2	60	325
4	The Working Time Regulations 1999	Jul-99	Aug-99	–	2,300	11,142
5	The Fire Precautions (Workplace) (Amendment) Regulations 1999	Jul-99	Aug-99	–	15	75
6	National Insurance: Service Provision through Intermediaries (IR 35)	Oct-99	Apr-00	18	226	973
7	The Tax Credits Act 1999 and Accompanying Regulations (Working Families Tax Credit)	Dec-99	Apr-00	40	100	465
8	The Transnational Information and Consultation of Employees Regulation 1999 (European Works Councils)	Dec-99	Jan-00	7	15	72
9	The Education (Student Loans) (Repayment) Regulations 2000	Mar-00	Apr-00	64	17	115

No.	Measure	RIA date	Regulation introduced	One-off cost, £m	Recurring cost, £m	Total cost by July 2004, £m
10	The Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000	May-00	Jun-00	–	27	112
11	The Stakeholder Pension Schemes Regulation 2000	May-00	Apr-01	100	76	404
12	The Wireless Telegraphy (License Charges) (Amendment) Regulations 2000	Jun-00	Jul-00	–	75	300
13	The Regulation of Investigatory Powers Bill: Parts 1 and 3	Jul-00	Aug-00	–	20	78
14	The Vehicle Excise Duty (Reduced Pollution) (Amendment) Regulations 2000 (EU Pollution Directive 98/69/EC)	Dec-00	Jan-01	–	1,225	4,288
15	The Water Supply (Water Quality) Regulations 2000	Dec-00	Jan-01	490	22	567
16	The Criminal Justice and Police Bill – Police Powers to close Disorderly Licensed Premises	Jan-01	Jun-01	–	31	88
17	The Biocidal Products Regulations 2001	Mar-01	Apr-01	203	107	239
18	The Processed Animal Proteins (England) Regulations 2001	Jul-01	Aug-01	20	34	119
19	The Disability Discrimination (Providers of Services) (Adjustments of Premises) Regulations 2001	Sep-01	Oct-99	203	£162m from 1999, £211m from 2004	997

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No.	Measure	RIA date	Regulation introduced	One-off cost, £m	Recurring cost, £m	Total cost by July 2004, £m
20	Proceeds of Crime Bill	Oct-01	Aug-02	–	54	99
21	The Maternity and Parental Leave (Amendment) Regulations 2001	Oct-01	Nov-01	–	24	64
22	The Building (Amendment) Regulations 2001 and the Building (Approved Inspectors etc) (Amendment) Regulations 2001	Oct-01	Nov-01	62	32	148
23	The Electricity and Gas (Energy Efficiency Obligations) Order 2001	Nov-01	Apr-02	–	162	324
24	The Undertakings on Supermarket/Supplier Relations (Code of Practice)	Dec-01	Jan-02	7	22	62
25	The Public Service Vehicles (Conditions of Fitness, Equipment, Use and Certification) (Amendment) Regulations 2002	Feb-02	Mar-02	760	124	401
26	The Occupational Pension Schemes (Minimum Funding Requirement and Miscellaneous Amendments) Regulations 2002	Feb-02	Apr-02	–	50	112
27	The Industrial Training Levy (Construction Board) Order 2002	Feb-02	Apr-02	74	–	74
28	The Aggregates Levy (General) Regulations 2002	Mar-02	Apr-02	–	63	141
29	Employment Act 2002	Jul-02	Aug-02	115	450 (1)	565
30	Control of Asbestos at Work Regulations 2002	Nov-02	Dec-02	1,359	13	1,380

No.	Measure	RIA date	Regulation introduced	One-off cost, £m	Recurring cost, £m	Total cost by July 2004, £m
31	The Flexible Working (Procedural Requirements) Regulations 2002	Nov-02	Apr-03	34	296	404
32	Dangerous Substances and Explosives Atmospheres Regulations 2002	Dec-02	Dec-02	200	15	224
33	The Sale and Supply of Goods to Consumers Regulations 2002	Dec-02	Apr-03	0	285	356
34	The Control of Substances Hazardous to Health (Amendment) Regulations 2003	Mar-03	May-03	260	42	309
35	The Animal By-Products Regulations 2003	Jun-03	Jul-03	40	100	140
Total						30,002

Notes

The total figure of £30bn excludes the cost to business of the National Minimum Wage Regulations 1999 and subsequent amendments to the rate, estimated in the RIAs to have cost £13.5bn by July 2004.

Where government RIAs have given a range of costs the Barometer has taken the mid-point figure. In those cases where certain provisions come into force later than the regulation itself, the reduction in compliance cost has been ignored.

Source: http://www.chamberonline.co.uk/press_centre/press_08032004_2.

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