
Better Regulation in the UK

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Rationale for UK better regulation agenda

Addressing business concerns – we had to act on feedback from businesses that regulation required constant administration and led to excessive costs.

Promote growth – a continuous better regulation agenda can create the right conditions for business to grow, innovate and create jobs.

Foster investment - in a ever increasingly global environment, a balanced approach to regulation helps promote the UK as a good place to start, finance and develop a business.

Culture change in government – we wanted to utilise a better regulation agenda to help ensure regulation was only used as a last resort.

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How does the UK approach better regulation

Put simply our better regulation approach is underpinned by five key principles

- **Proportionality** – Regulators should intervene only when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised.
- **Accountability** – Regulators should be able to justify decisions and be subject to public scrutiny.
- **Consistency** – Government rules and standards must be joined up and implemented fairly.
- **Transparency** – Regulators should be open and keep regulations simple and user friendly.
- **Targeted** – Regulation should be focused on the problem and minimise the side effects.

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How does the UK approach better regulation

To implement the principles we have a standardised better regulation process (in line with OECD requirements) that all UK government departments must follow:



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How does the UK approach better regulation

Consultation and stakeholder engagement

The UK has a **long established culture of open consultations** aimed at maximising transparency in the process and seeking the views from stakeholders at an early stage. Aside from traditional consultation methods we also use digital tools such as ‘dialogue apps’ and ‘citizen space’.

Once it has been decided that regulation is necessary the default is to always consult. Parliament has a strong expectation that all regulation should be consulted on. **Consultations are the norm for both primary and secondary legislation and are published routinely.**

We have a set of government consultation principles that, for example, **include duties for consultation responses to set out how the stakeholder feedback has informed the next stage of the policy.** This generates a high level of public engagement in the policy development process.

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How does the UK approach better regulation

Using impact assessments

- Used across government as a key **decision making tool in policy development, they are conducted without exception for all regulatory proposals (subject to threshold)** to ensure:
 - That policy decisions are being made on the basis of robust evidence especially as regards costs and benefits
 - Appropriate consideration is given to alternative proposals (including non regulatory possibilities)

Impact assessments also set out other issues such as social impacts, environment and specific impacts on SMEs.

The cost benefit analysis of all UK impact assessments for each significant regulatory measure is subject to scrutiny from our independent oversight body the Regulatory Scrutiny Committee

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How does the UK approach better regulation

Post implementation reviews (ex – post reviews)

We use PIRs to assess the actual effects of a Government regulation after it has been enacted, based on evidence that has been collected before, during and after implementation. Usually after 5 years.

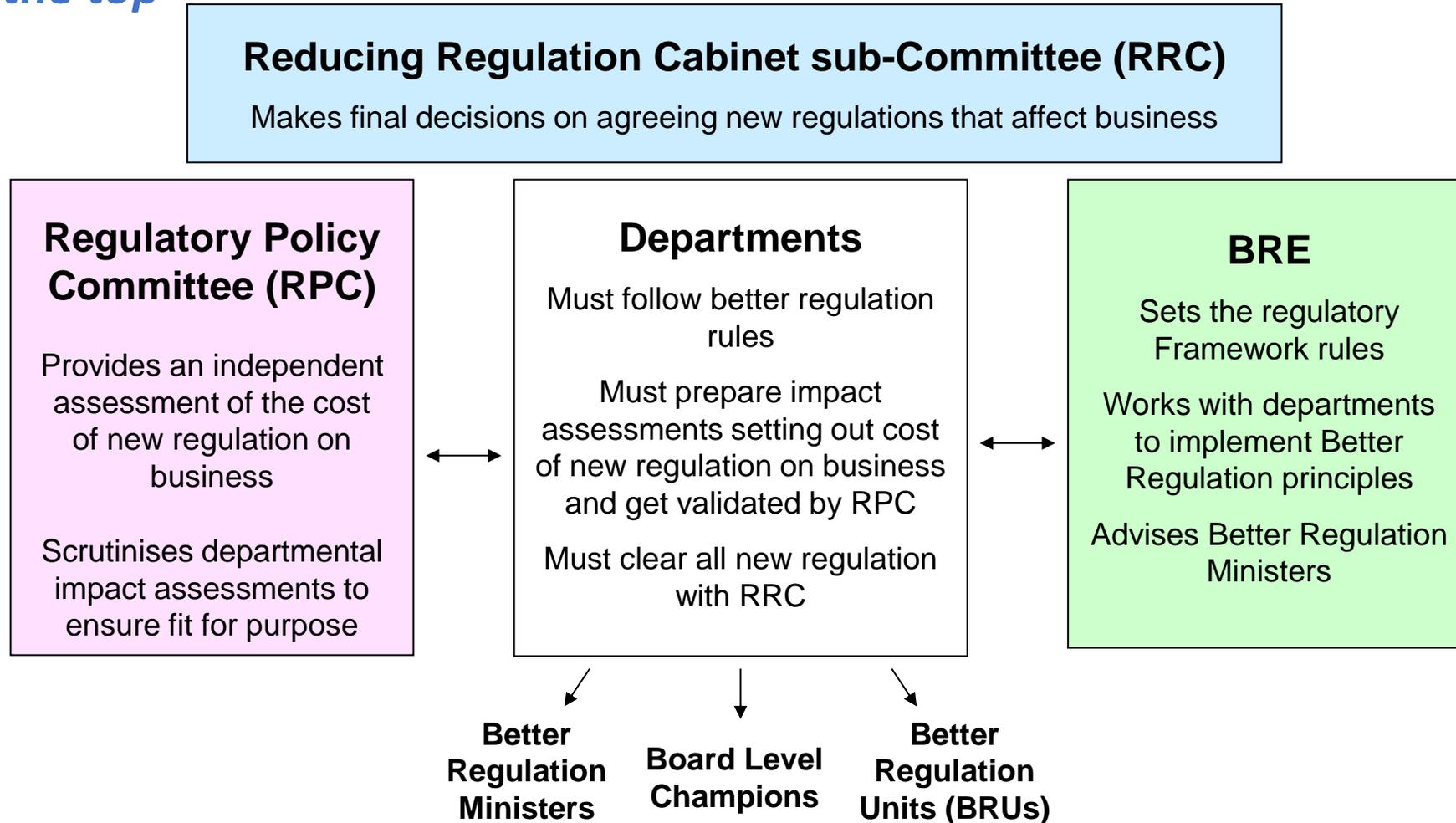
This stage offers the opportunity to monitor and evaluate whether the regulation has met the intended objectives of the legislation and to **assess for further simplification opportunities**.

The Small Business, Enterprise and Employment Act 2015 has **created a legal duty to include a statutory review provision in new secondary legislation that has a regulatory effect on business**. This ensures that UK reviews happen routinely and demonstrates the importance the UK places on this element of the better regulation agenda.

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What factors have made the UK the frontrunner in the OECD measurements?

A long and established better regulation set up across UK government with political drive from the top



What factors have made regulatory policy a success in the UK?

A centralised 'whole of government' policy underpinned by standardised, published, rules and guidance – updated regularly. Some examples.

The UK Better Regulation Framework – for all government officials developing or implementing policies that will regulate or deregulate business or civil society organisations.

HMT Green book - highly detailed, technical, guidance on using methodology to appraise and evaluate policies, projects and programmes especially useful for impact assessments.

Post Implementation reviews guidance – deliberately not overly prescriptive but sets out minimum standards for government departments to successfully review legislation.

Consultation principles - high level and clear principles for government departments conducting consultations that allow a flexible yet consistent approach consultations.

These documents promote a consistent approach across the UK government to develop and review regulations. They also helped corroborate many answers to our ireg survey as many questions needed to be backed up with evidence from guidance.

What factors have made regulatory policy a success in the UK?

Other factors

Transparency and routine publication is the default - gov.uk is the one stop shop for the systematic publication of consultations, impact assessments and ex post reviews. Simple and searchable by department.

Active stakeholder engagement is the norm – draft impact assessments are published alongside the consultation giving stakeholders the opportunity to get involved as early as possible. We also use face to face stakeholder engagement techniques – regular meetings, focus groups etc.

Better regulation tools are standard practice across government – policy makers across government are very familiar with all the suite of better regulation tools, help and advice always on hand from BRUs or the BRE to promote consistency.

We have legal provisions – we have legal provisions for post implementation reviews and a legal requirement for the government of the day to set a business impact target. Currently £9BN for this Parliament.

What factors have made regulatory policy a success in the UK?

Other factors

A well established regulatory oversight function - our Regulatory Policy Committee is completely independent and is responsible for reviewing the evidence in IAs for both primary and secondary legislation. All its 'opinions' are published online, the RPC also publishes reports on UK IA capability to improve quality across government,

Publication of archived burden reduction programmes - the reports and assessments relating to previous burden reduction programmes such as the Red Tape Challenge are all online allowing us to easily reference previous large scale burden reduction projects

Publishing existing programmes – we publish annual reports on our Business Impact Target which also includes lists of new regulations being introduced alongside government performance against the BIT.

Our framework evolves – recently we have introduced a £5M threshold for impact assessments to ensure we take a proportionate approach. This is reflected in our updated guidance and we constantly engage our BRU networks when changing our framework.

Thank you

