



Regulatory Impact Assessment

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1 UK Structure and Tools



Change Structures

- ❖ Regulatory Impact Unit (RIU)
- ❖ Departmental Ministers and Units
- ❖ Panel for Regulatory Accountability
- ❖ Better Regulation Task Force
- ❖ The Small Business Service (SBS)

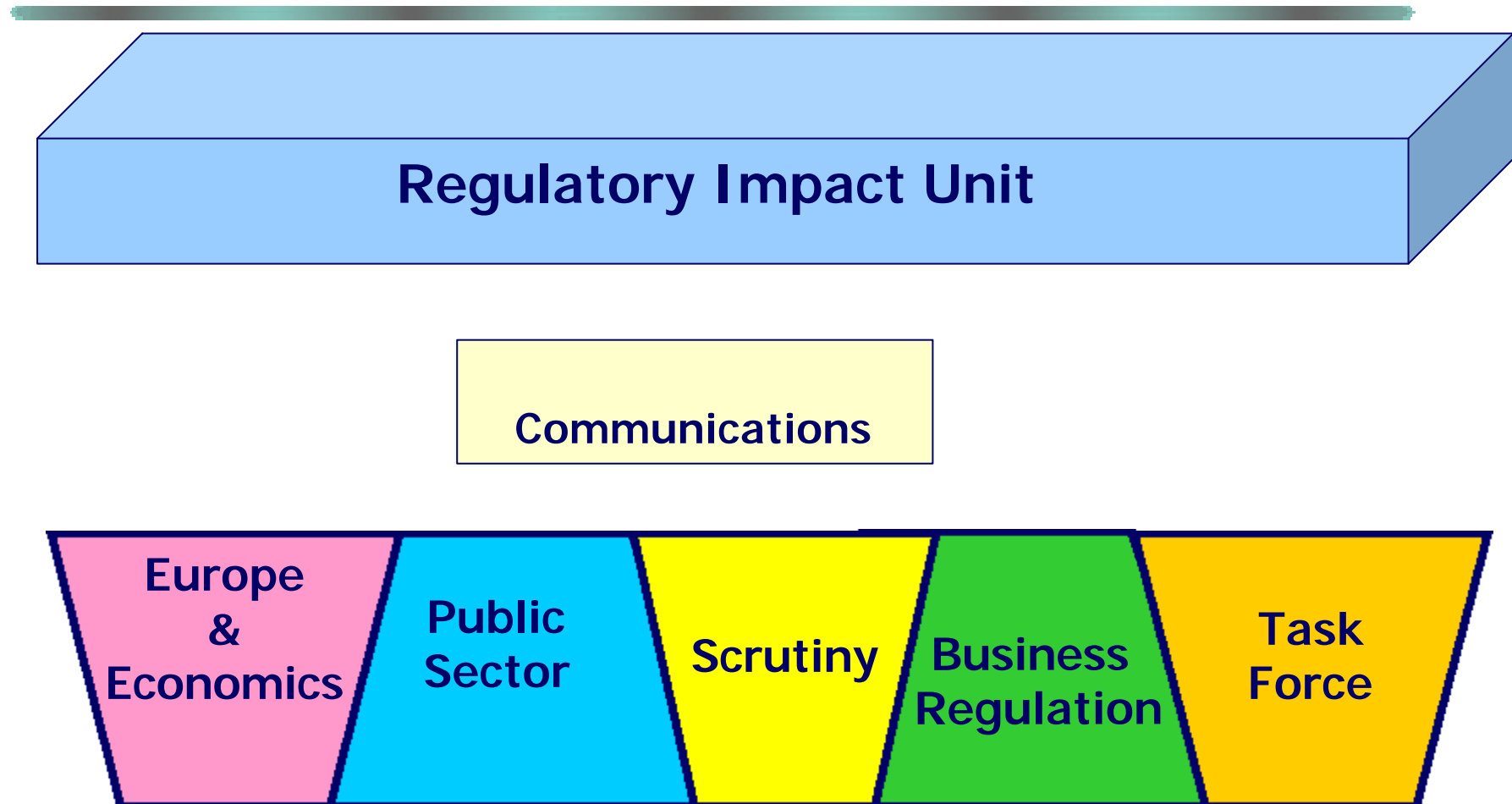


Change Tools

- ❖ Prime Minister's support
- ❖ "Forward Look"
- ❖ Transposition Seminars and Conferences
- ❖ Task Force Reports and Panel Hearings
- ❖ Regulatory Impact Analysis (RIA)



RIU structure





2 Regulatory Impact Assessment (RIA)



Prime Minister's Commitment

“ No proposal for regulation which has an impact on businesses, charities or voluntary bodies should be considered by Ministers without a regulatory impact assessment being carried out”

Tony Blair, August 2000

RIA - Why?

Regulation can:

- ❖ add to all firms' costs
- ❖ distort competition
- ❖ erect barriers to entry
- ❖ greatly harm small firms

What is RIA?

- ☆ Not Rocket Science
- ☆ About better policy making
- ☆ Informing public debate
- ☆ Problem: often done too late

When to do RIA

- ✧ Early, part of policy development
- ✧ When preparing new regulations
- ✧ As part of consultation



Growing Coverage

RIU Primary Legislation (Acts of Parliament)
Statutory Instruments (Decrees)
✧ with significant impact on business,
charities or voluntary sector
Being extended to Public Sector admin'

Elsewhere Public utilities - sectoral regulators
Financial Services
Competition Law - Office of Fair Trading



Why produce RIA?

- ☆ Ministers need best analysis
- ☆ Businesses, citizens close to Government
- ☆ Foresees problems
- ☆ Better quality policy



Key elements of RIA

- ☆ clear objectives
- ☆ non-regulatory options
- ☆ risks
- ☆ costs & benefits
- ☆ small business impact
- ☆ consultation
- ☆ enforcement



Non Regulatory Options

- ✧ Do nothing
- ✧ Review Law
- ✧ Information
- ✧ Economic Instruments
- ✧ Expenditure
- ✧ Industry Self-regulates
- ✧ Voluntary scheme
- ✧ Code of Practice
- ✧ Insurance
- ✧ Co-regulation

Initial



Partial



Full



Final

Initial Policy Discussion

Collective Agreement

Consultation

Legislative Bid

Recommend to Minister

Legislation to Parliament

Explanatory memorandum

UK

European

Under discussion in EU

Commission formal proposal

Seeking agreement UK neg pos



RIAs: Costs and Benefits

- ❖ Include Cost-Benefit analysis
- ❖ Develop from initial to final
- ❖ Importance of benefits
- ❖ Policy/implementation costs: distinction
- ❖ Ministerial declaration

Gains from RIA

- ✧ Better understanding
- ✧ Evidence based policy
- ✧ Withstands challenge
- ✧ Better achievement of objectives



Annual Volume of Regulation

☆ 70 Acts & 3600 Statutory Instruments

of which

☆ 1600 cover non-local matters

of which

☆ 550 potentially cause / remove a regulatory burden

of which

☆ 130 create significant costs

→ so require a full RIA

RIAs : The Way Forward



- ❖ National Audit Office report, November 2001
- ❖ New Guidance, early 2002
- ❖ More Seminars
- ❖ Measurement/Review



3 Europe and Regulation



Europe and Regulation

- ✦ Almost 50% of UK Regulation
- ✦ Lisbon and Stockholm Summits: big steps

forward

- ✦ Links to European Competitiveness

Europe and Regulation

- ✧ Better Impact Appraisal
- ✧ Non-Legislative Options
- ✧ Consultation
- ✧ Simplification and Codification
- ✧ Appropriate Structures