EXPLANATORY MEMORANDUM TO

THE LEGISLATIVE AND REGULATORY REFORM (REGULATORY FUNCTIONS) ORDER 2007

2007 No.

1. This explanatory memorandum has been prepared by the Department for Business, Enterprise and Regulatory Reform and is laid before Parliament by Command of Her Majesty.

2. Description

2.1. This Order specifies regulatory functions exercisable by statutory regulators, Ministers of the Crown, local authorities and fire and rescue authorities. Any person exercising a regulatory function that has been specified in this Order must have regard to a code of practice and the five principles of good regulation when exercising those functions.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative Background

4.1 Regulatory Principles

- Section 21 of the Legislative and Regulatory Reform Act 2006 (the "Act") sets out the Better Regulation Commission's five Principles of Good Regulation. These principles are that regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent, and should be targeted only at cases in which action is needed. Anyone exercising regulatory functions specified in the Order is required, under subsection 21(1) of the Act, to have regard to the principles in carrying out those functions.

4.2 Code of Practice for Regulators

- Section 22 of the Act provides a Minister of the Crown with a power to issue a Code of Practice in relation to the exercise of regulatory functions. Any person whose regulatory functions are specified in an Order must have regard to the Code of Practice when determining any general policy or principles or setting standards or giving guidance in relation to the exercise of any of these functions.

- The Minister has prepared a draft code of practice for regulators ("the Regulators' Compliance Code"), which, along with this Order, is laid before Parliament for approval.

4.3 Regulatory functions

- The duties in sections 21 and 22 of the Act only apply to the exercise of regulatory functions specified by Order made under section 24 of the Act. This is the first use of the power under section 24.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 Phil Hope, Parliamentary Secretary for the Cabinet Office and Minister for the Third Sector, has made the following statement regarding Human Rights:

> In my view the provisions of the Legislative and Regulatory Reform (Regulatory Functions) Order 2007 are compatible with the Convention Rights.

7. Policy background

Policy

7.1 The policy intention of this Order is to deliver Government's commitment to improve the way regulators carry out their enforcement functions, so as to reduce regulatory burdens on businesses and to increase the benefits that regulation can bring. In particular, it aims to promote efficient and effective approaches to regulatory inspection and enforcement by requiring regulators, whose functions are specified in the Order, to have regard to the Principles of Good Regulation and the Compliance Code.

7.2 In October 2004, the Government asked the Better Regulation Task Force, BRTF, (later renamed the Better Regulation Commission) to look at ways of reducing the regulatory costs faced by business to prevent such costs acting as a constraint on innovation, productivity and growth, and to improve economic performance and the quality of life.

7.3 The BRTF published its report[1] in March 2005, recommending, among other things, 'Five Principles of Good Regulation', which it considered necessary to create a framework for appropriate, good quality regulations that are properly and fairly enforced.

[1] *Regulation – Less is More: Reducing Burdens, Improving Outcomes*, BRTF, March 2005

7.4 In the 2004 Budget, the Government also asked Philip Hampton to consider how to improve the way regulations are enforced, with a view to reducing the inspection and enforcement costs imposed by regulators without undermining regulatory outcomes.

7.5 The Hampton report[2], published in March 2005, recommended a set of enforcement principles (the Hampton Principles), which focused on:

- the use of comprehensive risk assessment to determine enforcement activities,
- the provision of authoritative, accessible advice to help regulated entities understand and comply with legal requirements, and
- the reduction of unnecessary information requirements.

7.6 The Government accepted both sets of recommendations and decided to put the BRTF's regulatory Principles and the Hampton enforcement Principles on a statutory footing. This was achieved through section 21 of the Act, which provides for a duty to have regard to the five Principles of Good Regulation, and section 22, which contains powers to enable the Hampton Principles to be established in UK law through a statutory code of practice (the Regulators' Compliance Code).

7.7 The five Principles provide a baseline standard for all regulatory work, while the Compliance Code provides a more detailed set of obligations that regulators must consider when determining general policies and guidance about the carrying out of regulatory functions. This two-pronged approach is designed to bring about a culture change among regulators.

7.8 The Compliance Code will only apply at the point where regulators decide their policies and principles and set standards and give guidance, but not to the individual decisions of a regulator's enforcement staff. The Government believes that having regard to the Compliance Code when a regulator develops his policies on enforcement activities will ensure that the good practice in the Code effectively filters through to all the regulators' activities, whether planning inspections, preparing a strategy on advice, or allocating resources between different regulatory functions.

7.9 Unlike the Compliance Code, the Principles of Good Regulation, specified in section 21(2) of the Act, apply to individual enforcement activities, as well as to the policy-setting of regulators. This is because, as the Better Regulation Task Force noted, the principles are widely regarded as the gold standard for judging regulatory activities, and are necessary to ensure consistency of approach among regulators.

---

[2] *Reducing Administrative Burdens: Effective Inspection and Enforcement*, Philip Hampton, March 2005

Consultation

7.10 The Act imposes a duty to consult relevant stakeholders. On 15 May 2007, the Government launched a 13-week public consultation on the draft Compliance Code and the proposed content of the Listing Order.

7.11 Approximately 400 interested parties were consulted, including regulators, whose functions are specified in the draft instrument. In addition to the formal consultation, a number of workshops and face to face meetings were held with interested organisations and individuals to discuss the Code and the Listing Order. For instance, two workshops were held in June for statutory and non-statutory regulators, and a seminar, jointly hosted with the Local Authorities Coordinators of Regulatory Services (LACORS), was held for local authorities and fire and rescue authorities.

7.12 105 responses were received: 20 from national regulators, 46 from local authorities and fire authorities, including local authority associations; 25 from business and business groups; 14 from other stakeholders.

7.13 The consultation highlighted that there was overwhelming support for the Compliance Code and the Principles of Good Regulation. However, some regulators raised concerns about possible overblown expectations about what regulators could deliver with the Code given certain constraints. On the other hand, business's concerns were mainly about the enforcement and monitoring of compliance with the Code. They felt that some regulators might not adhere to the Code and the five Principles.

7.14 The responses received also highlighted that the majority of the regulators, whose functions are specified in this instrument, considered it appropriate to specify those functions. However, there were some that felt that certain of their functions should not be specified or that the five Principles should not apply to their individual level activities. These concerns were tackled before the final draft of this Order was produced.

7.15 Further information on the consultation, including the Government's response to the views expressed by respondents can be found at: http://bre.berr.gov.uk/regulation/reform/enforcement_concordat.

8. Impact

8.1 An Impact Assessment is attached to this memorandum and is also available at: http://bre.berr.gov.uk/regulation/reform/enforcement_concordat

9. Contact

Olu Fasan at the Better Regulation Executive, Department for Business, Enterprise and Regulatory Reform, tel: 020 7215 0318 or email: olu.fasan@berr.gsi.gov.uk can answer any queries regarding this instrument.

Annex: Full Impact Assessment

Dept. for Business, Enterprise and Regulatory Reform	Impact Assessment of the Regulators' Compliance Code and 5 Principles.

Stage	Version	Related Publications
Final	V1.1	"A Code of Practice for Regulators – A Consultation", May 2007; "Reducing administrative burdens: effective inspection and enforcement" Philip Hampton March 2005; "Implementing Hampton: from enforcement to compliance" November 2006

Available to view or download at: http://bre.berr.gov.uk/regulation/reform/enforcment_concordat.

Contact name for enquiries: Sara Marsden or Michael Williams

Telephone number: 020 7215 0372/0402

What is the problem under consideration? Why is government intervention necessary?

- The 2005 Hampton Report found evidence of inconsistent and unnecessarily burdensome approaches to enforcement across the country and made a number of recommendations to improve the regulatory system in the UK. These were accepted in full by the Government
- Much has been done by many regulators to adopt the Hampton recommendations and Better Regulation principles including signing up to the voluntary Enforcement Concordat. However there is still little evidence of its consistent and systematic implementation by all regulators.
- The Legislative and Regulatory Reform Act 2006 (LRRA) therefore makes provision to help ensure that regulators more consistently adopt these principles and reduce further the unnecessary burden of regulation on business and other regulated entities whilst maintaining, or even improving, regulatory outcomes. It is these provisions that are addressed in this assessment

What are the policy objectives and the intended effects?

- The intention of the provisions of sections 21 and 22 of the LRRA is to ensure regulators' decisions and actions are underpinned by the principles of good regulation (s21), and ensure there is more widespread application of the Hampton principles of inspection and enforcement (s22).
- The intention is to create culture change throughout organisations by introducing specific legal requirements to have regard to the Compliance Code and the five principles of good regulation.
- In particular, we are seeking to ensure that regulators consider the well-being of the economy when undertaking their duties as well as, for instance, making use of comprehensive risk assessment to ensure resources are targeted effectively.

What policy options have been considered? Please justify any preferred option.

- Implementing the statutory Regulators' Compliance Code and 5 Principles of Good Regulation achieves the policy purpose behind sections 21 and 22 of the LRRA 2006. The Government is confident that the Code will help deliver a risk-based approach to the exercise of regulatory activity. This will mean that compliant businesses bear less of a burden, with regulators focusing their efforts on rogue and higher-risk businesses.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? April 2011

Ministerial Sign-off For final proposal/implementation stage Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister: 

SUMMARY: ANALYSIS & EVIDENCE

Policy Option *Description*

ANNUAL COSTS

One off (Transition) **£33.2m** Yrs 1

Average Annual Cost (excluding one-off)

£22.6m to 37.3m

Description and scale of **key monetised costs** by 'main affected groups'

National regulators (one-off): £33.2 million
Local authorities (one-off): £0
Business (one-off): £0
National regulators (annual): £4.4 million to £7.3 million
Local authorities (annual): £18.2 million to £30 million
Business (annual) £0

Total Cost (PV) **£227.7m to 354.2m**

Other **key non-monetised costs** by 'main affected groups': comments from the consultation suggest that there may be some additional costs to regulators (and if true, also to business) of increased vexatious litigation.

ANNUAL BENEFITS

One off **£0** Yrs 1

Average Annual Benefit (excluding one-off)

£22.6m to 82.3m

Description and scale of **key monetised benefits** by 'main affected groups'

National regulators (one-off): £0
Local authorities (one-off): £0
Business (one-off): £0
National regulators (annual):£4.4 million to £7.3 million
Local authorities (annual): £18.2 million to £30 million
Business (annual): range £0-£45m; mid-point 22.5m

Total Benefit (PV) **£195m to £665m**

Other **key non-monetised benefits** by 'main affected groups'
We believe that society will benefit from improved compliance rates, improved regulatory outcomes and associated productivity gains.

Key Assumption/Sensitivities/Risks We assume full benefit of the Code accrues from 2010, all regulators being Hampton compliant by 2010, ongoing net costs for regulators equal zero after first year transition cost. The effect of the Code is intended to ensure resources are targeted where they are most effective. For annual costs to regulators we are assuming full transfer of the identified benefits to activities also required for compliance with the Code.

Price Base Year 2005	Time Period Years 10	**Net Benefit Range** (NPV) **£ - 33.2m to £311.7m**	**NET BENEFIT** (NPV Best estimate) **£139 million**

What is the geographic coverage of the policy/option?			England + DAs partially	
On what date will the policy be implemented?			6 April 2008	
Which organisation(s) will enforce the policy?			N/A	
What is the total annual cost of enforcement for these organisations?			N/A	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			N/A	
What is the value of the proposed offsetting measure per year?			£0	
What is the value of changes in greenhouse gas emissions?			Negligible	
Will the proposal have a significant impact on competition?			No	
Annual cost (£-£) per organisation (excl. one-off)	Micro £0	Small £0	Med £0	Large £0
Are any of these organisations exempt?	N/A	N/A	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)
Impact on AB is included in the figures above; it is not included here to avoid double-counting.

Increase of £ N/A Decrease of £ N/A **Net Impact** £ (Increase - Decrease) N/A

Key: **Annual Cost: Constant Prices** **(Net) Present Value**

Evidence Base
for Summary Sheets

Introduction

1. This Impact Assessment accompanies the document detailing the government's response to consultation on the Regulators' Compliance Code (the Code). Consultees were invited to offer views on the treatment of costs and benefits, and these views have informed this final assessment which is published alongside the Legislative and Regulatory Reform (Regulatory Functions) Order 2007.

2. A little under half of respondents to the consultation made some specific comment on the Impact Assessment. We have taken these into account. We have also incorporated some of the feedback gained from several consultation events with a range of stakeholders. We have included a section summarising the main themes emerging from the responses.

3. This assessment covers both the impact of the Regulators' Compliance Code (issued under Section 22 of the Legislative and Regulatory Reform Act 2006) and the duty upon regulators under Section 21 of the Legislative and Regulatory Reform Act to have regard to five principles of good regulation ("the Principles") in the exercise of regulatory functions.[3]

4. For the purposes of this Impact Assessment, the cost benefit analysis has been broken up into the following sections:

   - annual benefits for business[4] and others;
   - annual costs for business;
   - start-up costs for business;
   - annual benefits for national regulators and local authorities;
   - annual costs for national regulators and local authorities;
   - start-up costs for national regulators and local authorities.

Summary of responses

5. Out of a total of 105 respondents to the consultation, 42 made specific comments on the Impact Assessment. A majority, 24 of these, were from local authorities or local/regional networks of trading standards or environmental health officers. We also had responses from LACORS, the Trading Standards Institute (TSI) and the Chartered Institute for Environmental Health (CIEH) also responded along with a further two

[3] All costs and benefits of the Code are assumed to encompass the cost and benefits of the Principles. References to the Code in this document should be taken to include the Principles
[4] We acknowledge that the Code will also lead to benefits for others such as charities and the voluntary sector. These costs and benefits are subsumed, for the purposes of this analysis, in the total business costs and benefits

organisations representing trading standards and environmental health professions (TSI, CIEH). Three fire authorities commented on the Impact Assessment, as did five national regulators and seven business organisations.

6. Overall there is a mix of comments with broad agreement that the Impact Assessment is reasonable in its approach in most respects. However, there was strong disagreement from local authority respondents to the estimated reduction in inspection visits for local authority regulators. Unfortunately respondents offered little additional evidence where they disagreed with the evidence presented in the Impact Assessment.

7. Business respondents were broadly content with the analysis, and confirmed that some regulators are already complying with much of the provisions of the Code. That said, there was some concern that not all regulators would comply fully and that this represented a risk to some of the assumptions on benefits to business in the Impact Assessment.

8. The great majority of local authority and fire respondents (supported by LACORS) stated that they had already introduced a risk based approach to inspection so that, they concluded, the Impact Assessment was unrealistic in its estimate of the potential officer time released in introducing risk based targeting. These comments are persuasive in their number, in particular from trading standards networks. However, they represent a minority of all local authorities and thus need to be considered alongside comments from business organisations with the view that a significant proportion of regulators who signed up to the Enforcement Concordat have not implemented its requirements.

9. Those local authorities who commented confirmed that the estimate of 10-15 days to review policies seemed about right, though a number suggested that a more senior manager would carry out such a review and salary costs assumptions should therefore be increased. Respondents mentioned a range of other costs though only comments about the cost of advice and the concern about the risk of increased legal challenge were mentioned by more than one or two.

10. Of the five national regulator respondents, the Environment Agency had serious concerns but the other four said very little about the Impact Assessment.

Response to the consultation

11. In the light of consultation responses, we have revised the estimates of the impacts of the Code. Primarily we have adjusted the potential benefits to business downwards to reflect:
    - Regulators' views that they have made more progress in reducing burdens than implicit in our baseline assumptions;

- Regulators' views that it is not practical for them to achieve as much of the total reductions the Hampton Review supposed was possible; and
- Business concerns that there is a risk that not all regulators will consistently implement the Code.

12. We have also explained our methodology and assumptions more clearly. Our assumption that the Code and 5 Principles would only deliver a minority (10%) of the maximum possible benefits calculated, and our reasons for this, did not appear to be widely understood. We have therefore improved our explanation of this.

Introduction and overview of the assessment

13. Year on year, business and other regulated entities will be the major beneficiaries of the Code bringing regulators further in line with the principles in Hampton and the 5 Principles of Good regulation. We begin the assessment by identifying the main burdens faced by regulated entities and assess what proportion can be expected to be reduced. This forms the baseline for considering the contribution of the Code and 5 Principles to the reduction on those burdens.

14. The Code's provisions are based on 7 of the 10 Hampton principles that relate to regulatory enforcement. The specific obligations of the Code relate to a variety of themes (such as economic progress, risk assessment, accountability etc). There are likely to be a range of benefits from compliance with the Code and the 5 Principles of good regulation, not least improved regulatory outcomes bringing benefit to society. One respondent to the consultation (representing business) identified increased efficiency of their work resulting from good advice from regulators as a likely benefit to them of the Code. We have not attempted to quantify the full range of benefits, but focussed on key areas.

15. For the purposes of this Impact Assessment it is judged that the financial benefits to business will largely manifest in three areas:

    - reduced administrative burdens as a result of reduced/simplified **data requirements**;
    - reduced administrative burdens as a result of fewer "routine" **inspections**; and
    - reduced policy costs from more streamlined sanctioning regime.[5]

16. The starting point is the Government's estimate of administrative burdens in 2005. Much progress has been made by regulators since then in tackling the burdens identified, so we take that progress into account in

[5] These costs and benefits are covered in the Impact Assessment accompanying the Regulatory Enforcement and Sanctions Bill and are not included or quantified here. (This will be available from the BERR website).

estimating the likely level of burden by April 2008, the proposed date for the Code to come into effect.

17. We calculate the maximum likely reduction in burden possible from the projected 2008 levels on the assumption that the Hampton Review's expectations are fully met by 2010. However, a whole range of measures will work in parallel to achieve this maximum reduction in the level of burdens, of which one will be the introduction of the Code and the 5 Principles.

18. Key to note in this assessment is the difference between what we have called "full Hampton compliance" and compliance with the Code. We assume that full Hampton Compliance is the maximum reduction in unnecessary burden that Hampton estimated. This does not take into account competing priorities and the need to deliver other regulatory objectives alongside burden reduction. The LRRA requires that regulators "have regard to" the Code, a demanding standard but one which falls short of "must comply with at all costs". This is likely to mean that actual "full Hampton compliance" will not be achieved. Respondents cited data sharing as a particular example of where what would be required to achieve the full potential of cross-government data sharing would require greatly disproportionate resource.

19. So, because the Code is only one of a range of better regulation initiatives, and because the duty is "to have regard to" the Code, we assume that the Code alone will deliver a small proportion of the estimated potential maximum reduction.

20. We then consider one-off costs for both business and regulators and ongoing costs for regulators. Another key point relevant to the Assessment is that the Code is about delivering regulatory outcomes efficiently for business and society. So, for those regulators who have not already systematically incorporated the Hampton principles into the way they work, it will involve early changes in focus and ways of working but not large ongoing costs. We recognise there will be costs associated with this adjustment, but assume that ongoing costs are more about reallocation of resources and ways of working. We also acknowledge, as some respondents have pointed out, that there are circumstances where regulators may not have the flexibility they need in allocating their resources to fully live the Code's intention. The Impact Assessment does not specifically address this but it is taken into account in our assumption that the Code will deliver a minority (10%) of "full Hampton compliance".

Establishing a baseline for business benefits

Administrative burdens in 2005

Data requirements and Inspections

21. The starting point for the analysis of business benefits resulting from fewer data requests and inspections has been the data obtained during the Administrative Burdens Measurement Exercise (ABME) based on the situation in 2005. This exercise measured the administrative costs imposed on businesses, charities and the voluntary sector as a result of central government, and European or other international regulation. It covered the vast majority of regulatory functions that are in scope of the Code.

22. The ABME was carried out using the Standard Cost Model (SCM) methodology[6], which provides a simplified but consistent framework for estimating the administrative costs imposed by regulation. Administrative costs are defined as "the [recurring] costs of administrative activities that businesses are required to conduct in order to comply with the information obligations that are imposed through central government regulation"[7]. Policy costs were not included in the measurement exercise.

23. The ABME covered all regulations in force in May 2005 that contained an obligation to provide information to government (see figure 1).

[6] The Standard Cost Model is a pragmatic methodology developed by the Dutch to provide systematic measurement of the administrative costs of regulation. More information on the Model and the methodology can be found on the Cabinet Office website at http://www.cabinetoffice.gov.uk/regulation/reform/simplifying/scm.asp

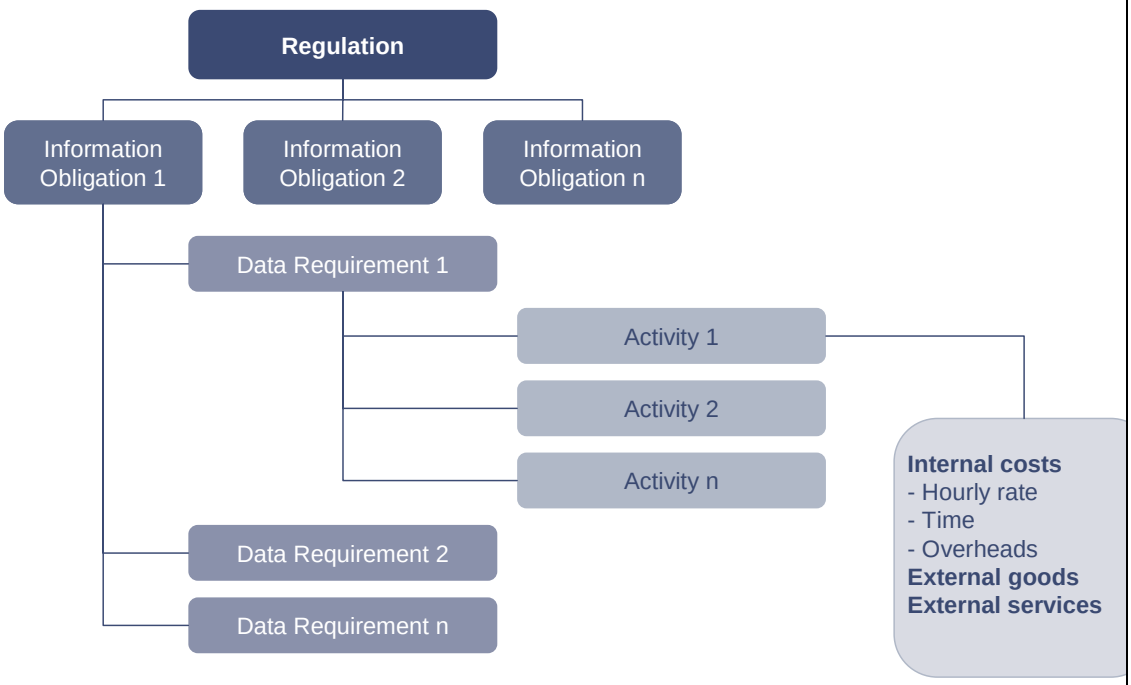
[7] "Administrative Burdens – Routes to Reduction" Cabinet Office September 2006

Figure 1: the Standard Cost Model

The Standard Cost Model requires that each regulation be broken down into Information Obligations and Data Requirements:

- an **information obligation** (IO) is a duty to procure or prepare information and subsequently make it available to a public authority or a third party, as well as a duty to facilitate the collection or preparation of information by others, e.g. by permitting and cooperating with an audit, visit or inspection. It includes regular requirements to read guidance and updated rules, for example rules which are updated annually. An IO does not necessarily require information to be sent to a public authority: it may also be directed towards third parties, such as consumers or employees. Each regulation may contain several IOs;

- each IO consists of a range of different information or data that a business shall provide in order to be able to comply with the IO – these are the **data requirements** (DR). Each IO may contain several DRs.



The SCM breaks IOs into three broad categories of obligation:

- Category A – obligations that are exclusively and completely a consequence of EU rules or other international obligations (i.e. the international rules describe which information businesses have to produce);
- Category B – obligations that are a consequence of EU rules and other international obligations where the purpose has been formulated in the international rules but where implementation has been left to individual Member States (i.e. the international rules do not describe which information businesses have to produce); and
- Category C – obligations that are exclusively a consequence of rules formulated at national level.

The figures identified by the measurement exercise were then adjusted to take account of activity that business would choose to do even if the regulation did not exist (business as usual or BAU).

24. The ABME determined that the total administrative burden to the UK's businesses, charities and voluntary sector organisations was some **£13.7 billion** in May 2005, stemming from around 20,000 Information Obligations identified[8].

25. In order to determine the amount of the total administrative burden that could be affected by increasing compliance with Hampton principles through the introduction of the Code the data was filtered in the following way:

- all Information Obligations (IOs) that are not either wholly or partially enforced by regulators in scope of the Code were removed from the full dataset;
- all IOs of 'Category A' origin (see figure 1) were removed from the dataset, as regulators are unable to influence directly the administrative burden of these regulations;
- IO types not related to the specific obligations of the Code were removed (see figure 2).

Figure 2: IO types identified by ABME

IO type	IO types related to the Code
Keeping records	Keeping records
Providing statutory information for third parties	~~Providing statutory information for third parties~~
Updating commercial emergency plans & programmes	~~Updating commercial emergency plans & programmes~~
Statutory labelling for the third parties	~~Statutory labelling for the third parties~~
Notification of activities	Notification of activities
Carrying out inspections of…	Carrying out inspections of…
Applications for authorisation	Applications for authorisation
Returns and reports	Returns and reports
Cooperating with audits/inspections of…	Cooperating with audits/inspections of…
Applications for permission for or exemption from…	Applications for permission for or exemption from…
Entry in a register	Entry in a register
Carrying documentation	~~Carrying documentation~~
Agreeing contracts	~~Agreeing contracts~~
Applications for subsidies or grants for…	Applications for subsidies or grants for…
Framing complaints and appeals	Framing complaints and appeals
Requesting information	Requesting information

26. This filtration of the ABME data suggests that in May 2005, the total administrative burden due to regulatory functions in scope of the Code was around **£3.6 billion.**

27. The IO types related to the Code (see figure 2) were then grouped into the broad themes of 'Inspection' and 'Data Requirements' (see figure 3). This allowed the total May 05 administrative burden of £3.6bn to be analysed by these two categories. The administrative burdens associated with

[8] Copies of this data are also held by most of the departments and regulators covered by the ABME

Inspection and Data Requirements were then broken down, as far as is possible, by the type of regulator responsible for enforcement:

- 'National regulator' – result from inspection by or data request from organisation with national remit;
- 'National and Local Regulators' – result from inspection by or data request from a combination of national regulator and local authorities;
- 'Local Regulators' – result from inspection by or data request from local authorities.[9]

Figure 3: grouping of the IO types related to the Code

IO type	Hampton theme
Keeping records	Data Requirements
Notification of activities	Data Requirements
Entry in a register	Data Requirements
Applications for authorisation	Data Requirements
Returns and reports	Data Requirements
Applications for subsidies or grants for…	Data Requirements
Requesting information	Data Requirements
Framing complaints and appeals	Data Requirements
Applications for permission for or exemption from…	Data Requirements
Cooperating with audits/inspections of…	Inspections
Carrying out inspections of…	Inspections

Administrative burdens in April 2008 when the Code is due to come into force

28. Following the completion of the ABME exercise, targets to reduce administrative burdens (25% in most cases) were set for those departments and regulators covered by the measurement exercise, and Simplification Plans[10] have been drawn up showing how these targets would be met[11]. Since that time, there has been action taken by regulators to reduce administrative burdens and move towards Hampton compliance. The majority of those regulators who responded to the consultation believe they have indeed contributed significantly to this.

29. Analysis of the planned administrative burden reduction trajectories from all departments' and regulators' Simplification Plans which organisations expect to have reduce administrative burdens by the time the Compliance Code is proposed to come into force (April 2008) by 8%. This provides a baseline against which to assess the impact of the Code. However, the consultation response from local authorities suggests that this may be an underestimate; a significant number of local authorities said they are further along this trajectory. There is uncertainty about the proportion of regulators who can make this claim and business views are that many regulators still need to make improvements. In response we have considered an upper estimate of a further 4% reduction in burdens to be

[9] These figures are all mutually exclusive
[10] The 19 Departmental, Regulator and Agency Simplification plans can be found at http://www.cabinetoffice.gov.uk/regulation/reform/simplifying/plans.asp
[11] For brevity we shall refer to this process as the Simplification Process from here forward

achieved by 2008, i.e. 50% more than departmental plans predict. Thus at April 2008 we estimate that total administrative burdens due to the regulatory functions in scope are around 3.2 - 3.3bn, and consider that the lower end of this range likely to be the more realistic given the feedback from consultation.

Estimating achievable reductions in burdens

30. Hampton estimated that full adherence to a risk-based approach to inspection would lead to a 33% reduction in the number of inspections[12] across the regulatory landscape from 2005 levels. Evidence from simplification initiatives across government has suggested that this estimate is challenging but achievable:

- preliminary results from the Retail Enforcement Pilot[13] show a 20-30% reduction in routine planned inspections;
- since the Hampton Report, the Environment Agency's risk-based assessments have led to a 20% reduction in the number of inspections. This figure is set to increase as their risk-based system is extended across their regulatory regime[14].

31. However, local authorities argued in their responses to the consultation that assuming that the full 33% reduction in inspections from 2005 levels may be optimistic. We have therefore considered a lower estimate suggested by the Retail Enforcement Pilot of 20% achievable reductions in inspection levels from April 2005 burden levels.

32. Hampton also estimated that following his principles around forms and paperwork would result in a 25% reduction in the burden of data requirements[15] across the regulatory landscape. Evidence from simplification initiatives across government suggests that this estimate is realistic:

- the Health and Safety Executive (HSE) conducted a fundamental review of its forms and identified 54% to be removed by the end of 2006[16]. Savings to business from the removal of these forms are estimated at £250,000 a year
- the Civil Aviation Authority's (CAA) Safety Regulation Group initiated a project to review all internal and external forms. 25% of forms (100 out of 400) were found to be redundant and were withdrawn[17]

---

[12] Reducing administrative burdens: effective inspection and enforcement – Philip Hampton March 2005 – pg8 http://www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf
[13] Interim report on the Retail Enforcement Pilot can be found at http://www.dti.gov.uk/files/file36218.pdf.
[14] "Implementing Hampton: from enforcement to compliance" HMT report November 2006 pg 18 http://www.hm-treasury.gov.uk/media/2DA/8A/hampton_compliance281106.pdf
[15] Reducing administrative burdens: effective inspection and enforcement – Philip Hampton March 2005 - pg8.
[16] "Implementing Hampton", pg 8
[17] "Implementing Hampton", pg 8

- the Environment Agency has carried out a review of all external forms and associated guidance. An example from the review is the agricultural waste management licensing exemption which was reviewed and a new form developed in consultation with farmers. This reduced the form in length by 93% (75 pages to 5)[18].

33. No specific comments were made by respondents to the consultation on these estimates, so we have left them unchanged.

34. Hence the reduction of 20 - 33% for inspections and 25% for data requirements were established as our revised indicator for full Hampton compliance. These reduction factors were applied to the May 2005 administrative burden baseline figures to give the total reduction in administrative burdens to businesses, charities and voluntary sector organisations at the point where all regulatory functions in scope are fully Hampton compliant (see rows G-I in figure 4).

35. The difference between the administrative burdens at our previous and revised estimates of "full Hampton compliance" and the predicted total administrative burdens at April 2008 is some **£450 million to £650 million per annum** (see row J of figure 4).

36. However, as noted above, not all of the reduction in burdens can be attributed to the Compliance Code. We assume that the Code will deliver about 10% of the reduction, or **some £45 million to £65 million** (row K in figure 4). For the purposes of estimating the impact of the Code as noted above, we are using the lower revised estimate of **£45m** possible savings.

[18] "Implementing Hampton", pg 8

Figure 4: Administrative Burden benefit of the Code to business (2005 prices)[19]

		Regulations enforced by National Regulators (£m)	Regulations enforced by National and Local Regulators (£m)	Regulations enforced by Local Regulators (£m)	Grand Totals (£m)
A	Total AB due to Inspections (May 05)	99	20	246	**365**
B	Total AB due to Data Requests (May 05)	1,654	1,179	432	**3,266**
C	**Grand Total (May 05)**	**1,753**	**1,199**	**678**	**3,631**
D	Total AB due to inspections (April 08, 88 – 92% of 2005 levels)	87 - 91	17 - 19	216 - 226	**321 - 336**
E	Total AB due to data requests (April 08)	1456 - 1,522	1038 - 1,085	380 - 398	**2874 - 3,005**
F	**Grand Total April 08**	**1,613**	**1,104**	**624**	**3195 - 3,340**
G	Total AB due to inspections at full Hampton compliance (66% - 80%) of May 05 level)	65 - 79	13 - 16	162 - 196	**241 - 292**
H	Total AB due to data requests at full Hampton compliance (75% of May 05 level)	1,241	884	324	**2,449**
I	**Grand total at full compliance with Code for inspections and data requirements**	**1,306 - 1320**	**898 - 900**	**487 - 521**	**2,690 - 2742**
J	**Administrative burdens business savings at full Hampton compliance**	**223 - 307**	**155 - 206**	**76 - 137**	**450 - 650**
K	**Estimated administrative burdens business savings due to Code & 5 Principles (10% full Hampton compliance)**	**22.3 - 30.7**	**15.5 - 20.6**	**7.6-13.7**	**45 - 65**

Impact of the introduction of the Code and 5 Principles

Annual benefits for business

37. The status quo is the benchmark against which costs and benefits of the Code proposals are measured, that is the total estimated administrative burden imposed on business by regulatory functions in scope of the Code as at April 2008 (see previous section).

38. The Code should be seen as part of a comprehensive package of measures that are designed to implement fully the recommendations of the Hampton Report. The Administrative Burdens Reduction Target and

[19] The AMBE database does not include figures for the Financial Services Authority as the organisation conducted its own measurement exercise. Consequently, the administrative burdens imposed by the FSA have not been included in this analysis. As many of the Financial Services Authority's regulatory functions are in scope of the Code, the omission of this data means that the total annual benefits to business will be an underestimation.

the Simplification process are vital, strategic initiatives essential to achieving this vision. However, we believe that these need to be complemented by a 'bottom-up' approach to encourage a fundamental cultural change in regulators, which may not necessarily have occurred through the Simplification Process alone. The Simplification Process will ensure that legislation is less burdensome; the Code will ensure that regulatory functions are in line with Hampton.

39. As set out above, **both** the Simplification Process and the Code will contribute to achieving the identified administrative burden reductions of up to £650million. The consultation response has led us to revise this to an estimate of £454million for this total. It is not possible at this point to determine the proportion of the reduction that could be solely attributed to the Code, but according to this calculation the range of business savings lies **between £0-450 million**

40. However, as the Code is only one of a range of better regulation initiatives, and because the duty is "to have regard to" the Code, it is expected that the Code will deliver a **minority** of the total benefit of full Hampton compliance. For the purposes of this assessment, a plausible assumption is that the total business benefit of the Code will be **10%** of the total achievable burden reduction predicted by Hampton, so up to £45 **million**. We have assumed for the purposes of this Impact Assessment that the best estimate of the business benefit of the Code is the mid-point of this range. The business benefit is therefore estimated to be **£22.5 million**.

41. This total business benefit will not be realised immediately as there will be a transitional period whilst regulators make the necessary changes to implement the Code. Taking into account other constraints and priorities, we are assuming that that full benefits will accrue by April 2010. It is assumed that one third of the business benefit will be realised in each of the two preceding years (2008 and 2009).

Sanctions

42. The Code will require regulators to have regard to the Macrory Penalties Principles and Characteristics[20] when producing their enforcement policies. The associated costs and benefits to businesses and regulators are covered in the Impact Assessment accompanying the Regulatory Enforcement and Sanctions Bill[21] and have not been included in this analysis.

[20] These principles are set out in the Macrory Review of Regulatory Penalties. The review can be found at http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/penalties/index.asp. A parallel consultation exercise was also launched on 15 May for the Regulatory Enforcement and Sanctions Bill

[21] This can be found at the following address http://www.cabinetoffice.gov.uk/regulation/consultation/current/index.asp

Annual costs for business

43. There will be no obligatory annual costs for business associated with the introduction of the Code. A number of regulators expressed concern about the risk of increased vexatious legal challenge by business and point out that, should this be the case, it would involve increased costs to business, as well as to the regulators. However, respondents have not been able to provide evidence of the likely scale of this so we are assuming for this assessment that it is not a significant cost. This is an issue that should be specifically considered in a post-implementation review.

Start-up costs for business

44. We do not expect there to be any additional costs to business as a result of the Code. Therefore a plausible assumption is that the start-up costs to business are **zero**. There may be very minimal administrative costs to businesses due to time spent familiarising themselves with new regulatory enforcement processes that result from the Code's introduction. However, a key objective of the Code is to make it easier for businesses to comply with regulation and understand what is required of them, so the net start-up impact should in fact be beneficial.

Business impact summary		
Code proposals:	Annual costs:	**£0**
	Annual benefits:	**£0-45m**
	One-off costs:	**£0**

Annual costs and benefits for national regulators[22] and local authorities[23]

45. Again, the status quo is the benchmark against which the costs and benefits of the Code are assessed, based on non-introduction of the Code:

    Regulator Costs – without the introduction of the Code, regulators would operate as normal under the aegis of the Enforcement Concordat, the Better Regulation Agenda and their existing enforcement policies. There are no additional costs to either national or local regulators.

    Regulator Benefits – without the introduction of the Code, regulators would operate as normal. There are no benefits to either national or local regulators.

46. We anticipate the type of regulatory activity that the Code will encourage will lead to improved regulatory outcomes and associated productivity

[22] 63 National regulators were covered by the Hampton Review in 2005. Since that date, a number of regulators have merged. The total number of national regulators in scope at the point of this Impact Assessment exercise is 56.

[23] 388 local authorities have enforcement responsibilities in England

gains. However, for the purposes of this Impact Assessment, we have not attempted to quantify these.

47. We believe the Code will realise efficiency savings for regulators. For example, following a risk-based approach will lead to a reduction in the number of inspections conducted. We estimate that a reduction of 20-33%[24] in the number of inspections could realise savings of nearly **£4.4 million to £7.3 million** for national regulators and around **£18.2 million to £30 million**[25] for local authorities. It is the purpose of the Code that these resources should be redirected to the more cost-effective, outcome-focussed regulatory activities required by the Code, such as advice-provision and awareness-raising. Whilst there are undoubtedly costs to national regulators and local authorities in moving towards a more advice-oriented service, we assume that the resource savings identified above, some **£22.6 million to £37.3 million**[26] can be re-directed to providing advisory services. Therefore overall, the net burden is **zero**.

48. Although we expect that the additional costs for regulators of providing a more advice-orientated service would be covered by a redistribution of resources away from inspection we are aware that there are some concerns among regulators that redistribution alone will not cover the full cost of the advice-provision encouraged by the Code, and that they may have to explore other options. The Environment Agency, for example, estimate that providing advice visits to just 1% of the businesses it regulates would cost an additional £7.5m[27]. However, the Code does not require that advice activity be undertaken at all costs – regulators are required to have regard to the Code, so that they can take account of other relevant considerations such as budgetary constraints.

49. The purpose of the Code is to effect a shift in resources from routine inspection and other enforcement activity towards advice provision and information campaigns. This means that regulators' existing total resources will be used in a different way. Therefore, the budgets of national regulators and local authorities in scope are **not** expected to change as a result of the introduction of the Code.

Start up costs for national regulators and local authorities

50. In order to comply with the Code, a regulator may have to make changes to its practices in the seven key areas of activity covered by the Code's specific obligations: economic progress, risk assessment, information &

[24] See paragraph 15
[25] These figures assume a wage cost of £18.50 for an inspector (based on 37.5hr/wk and salary of £36,000, including both pension costs and overheads, for LA Trading Standards and Environmental Health Officers), 2 hours per inspection, 2.5 million inspections carried out by Local Authorities, and 600,000 inspections carried out by national regulators (2003-04 figures)
[26] £30 million for local authorities and £7.3 million for national regulators. In other words, we are assuming that the costs associated with the new activities have an identical profile over time to that of the benefits.
[27] 25,000 visits (1% of approx 2.5m businesses regulated by EA) at estimated cost of £300 per visit

guidance, inspections, information requirements, compliance & enforcement actions and accountability.

51. The figures identified in this section are our best estimates, but they are based on a very limited amount of data. Respondents to the consultation were able to add very little additional evidence on start-up costs to regulators.

52. When considering the costs presented in this analysis, it is important to note that where regulators have a legal duty to have regard to the Code, in deciding whether to follow a particular requirement under the Code they can take account of budgetary and other relevant considerations.

National regulators

53. In order to estimate the start-up costs for national regulators, this analysis uses indicative data from the Environment Agency and the Food Standards Agency. This data has been broken down by area of activity affected by the Code.

54. **Economic Progress** – the specific obligations of the Code in this area of activity do not require any significant operational/policy changes in most national regulators. This section simply requires the regulators to consider certain principles when carrying out their existing activities.

55. **Risk Assessment/Inspections** – the Environment Agency estimates that rolling out a risk-based approach to compliance assessment (including inspections) in all of their regulatory regimes will cost £4.2m (excluding IT costs). They are on course to do this by 2008. Scaling this up to cover all regulators covered by the Code[28] suggests that rolling out a risk-based approach across all regimes of national regulators could cost some **£21 million**.

56. **Information and Guidance** – providing businesses with information and advice, and regularly reviewing and updating this advice, could be regarded as good practice for regulators. It could therefore be argued that the specific obligations of the Code will not result in any start-up costs for national regulators. However, it is likely that Code implementation will lead national regulators to conduct more comprehensive reviews of their guidance materials and processes than would normally be the case under 'business as usual' conditions.

57. Early estimates from one national regulator that has a comparatively small number of pieces of guidance suggest that a review to diagnose the necessary changes could cost around £100,000, with a further cost of

[28] This estimate is based on the calculation that the Environment Agency comprises around 18% of the total enforcement activity of all national regulators. In 2003-04, the total number of enforcement staff employed by all national regulators within scope of the Code was some 13,432. The total number of enforcement staff employed by the EA was 2,417, around 18% of the total.

around 2 months of staff time (around £6k of resource) to revise each piece of guidance requiring amendment. Figures provided by the Environment Agency, which is responsible for many pieces of guidance, are consistent with these estimates – the Environment Agency is undertaking a full review of both forms and guidance between 2008 and 2011 and estimate that this will cost £1.3m (roughly £430,000 per annum). Scaling up as described in paragraph 41 using the Environment Agency's cost estimates allows an estimate to be made of the total cost to all national regulators of reviewing and updating information and guidance – **£7.2 million**.

58. **Data Requirements** – regularly reviewing and updating forms could be regarded as good practice for regulators, and associated costs could therefore be regarded as 'business as usual' under the Better Regulation Agenda. However, it is likely that Code implementation will lead national regulators to conduct more comprehensive reviews of their forms and data-gathering processes than would normally be the case, leading to start-up costs that must be factored into this analysis.

59. The Food Standards Agency is currently reviewing its forms in-house, at an estimated cost of £50,000 (around £2,000 to review each of the 25 forms directed at businesses). Scaling up using the Food Standard Agency's estimated costs allows us to establish an indicative estimate of the total costs to national regulators of reviewing their forms and data collection, around **£5 million**[29].

60. The specific obligations of the Code require regulators to give consideration to sharing data with each other to reduce the burdens on business. Changing IT systems and creating new databases for the purposes of data-sharing is undoubtedly very expensive. We accept that making such significant changes across all regulatory regimes by all regulators poses significant challenges. However, it is expected that regulators will balance the legal requirement to "have regard" to the Code against other priorities and budgetary considerations. If the costs of a data-sharing scheme are disproportionate to benefits the Code would not require the regulator to adopt such policies on data sharing.

61. **Compliance and Enforcement actions** – the costs and benefits to regulators of complying with the Macrory Penalties Principles and using an expanded sanctions toolkit are covered in the Impact Assessment for the Regulatory Enforcement and Sanctions Bill[30]. Following the principles and using the expanded toolkit is expected to provide a net benefit to regulators.

---

[29] The breakdown of the administrative burdens as detailed in this analysis shows that the Food Standards Agency imposes 0.85% of the total administrative burden imposed by national regulators' data requirements (2005 figures). This can then be multiplied by 99.15 to provide an indicative figure for all regulators in scope of the Code

[30] http://www.cabinetoffice.gov.uk/regulation/consultation/current/index.asp

62. **Accountability** – the specific obligations of the Code require regulators to have transparent outcome measures. In many cases, national regulators will have these types of measure in place and incur no additional costs. Where a national regulator does not have these types of measure in place, the Code will require the regulator to design such a measure. In practice, these costs may be offset by replacing an existing output-focussed measure, but start-up costs are likely nevertheless. Estimating costs in this area of activity is very difficult, as the extent to which new measures will be required is unclear.

63. The specific obligations of the Code require regulators to have appeals procedures. We anticipate that the vast majority of regulators already have such procedures in place and therefore estimate that associated start-up costs will be minimal. A cost benefit analysis of the new appeals procedures associated with the Macrory expanded sanctions tool kit can be found in the Impact Assessment for the Regulatory Enforcement and Sanctions Bill.

64. Previous paragraphs show that the total start-up costs to national regulators attributable to the Code are estimated at around **£33.2 million**.

Local authorities

65. Overall, we expect the proportionate burden to be lower for local authorities compared with national regulators, which have a larger role in determining enforcement procedures. The main start-up costs to local authorities will derive from the need to review their enforcement policies and procedures and make any necessary changes to bring them into line with the Code.

66. Many local authorities regularly review their enforcement policies, even in the absence of new legislation such as the Code. However, it is likely that the Code will require a more comprehensive review than is usually the case. Estimates obtained from local authorities[31] during informal consultation suggest that reviewing and updating an enforcement policy to ensure Code compliance will take 10-15 days of staff time. Assuming that all 389 local authorities in England have to spend around the same amount of time updating their enforcement policies, the total gross cost (excluding savings) lies between £540,000 and £800,000[32]. One respondent to the consultation offered an estimate of £80,000 start-up costs for one local authority, but with no breakdown. The majority of those who commented on the costs did agree that this was a reasonable estimate, though a few suggested that we should assume a higher graded member of staff in our wage cost calculation. No figure was suggested but if we increase the wage cost used by 25% (from £18.50 to around £23.00)

[31] Estimates in this section are based on informal consultation with Cambridgeshire Trading Standards, Oxfordshire Trading Standards and Wealdon District Council and are indicative
[32] Assumes wage costs of £18.50 across all 388 LAs. Total cost expressed as range because estimated staff time expressed as a range (10-15 days)

to better reflect some input from senior managers, the gross wage cost lies between £675,000 and about 1million.

67. Local authorities will also have to review and amend their operational procedures to ensure they are in line with the Code. While local authorities do this regularly anyway to take account of the various changes in regulation at national level, the Code may require more changes than would usually be necessary in the same period.

68. So, local authorities will face additional start-up costs in implementing the Code, but overall the start-up costs will be offset by benefits that the Code will deliver. These benefits derive mainly from reduced inspection volumes due to more comprehensive use of risk-assessment in inspection planning (these were identified in paragraph 33). In the first year of the Code some of the resource that would, on an ongoing basis, be redirected to advice from inspection will be used to update local authorities' enforcement policies and operational procedures as part of the change to outcome-focused regulatory activities as described in paragraph 33. It is therefore expected that net start-up costs for local authorities will be zero.

69. It is important to note that the costs expressed in this section are indicative. We hoped to obtain more evidence on the costs and benefits through the consultation process but respondents were unable to provide much that was concrete. This will be carried forward into the post-implementation review.

Social and environmental impact

70. We have not attempted to quantify these benefits, but believe the Code will increase the efficiency of regulation and should therefore lead to increased compliance by business with a range of regulations and a more targeted focus by regulators on high risk and/or non-compliant businesses. There should therefore be substantial benefit in terms of fairness, protection from harm and other relevant and desired regulatory outcomes.

71. We see negligible social or environmental cost impacts from the process of implementing the Code and the change in practices of regulators in achieving compliance

Review

72. The Government is committed to a post implementation review in April 2011. We will consider the actual costs and benefits at this time. To do so we will further engage with relevant stakeholders to gather views and evidence of the impact and effectiveness of the Code. Responses to the consultation suggested a need for more oversight and monitoring; Government is developing policy in response which will ensure a more regular review of progress. Hampton Implementation Reviews of national

regulators will be a source of information as will be indicators of perception of regulation by business – a requirement of the Code.

Specific Impact Tests

Below is a list of the other specific impact tests we have considered.

Competition Assessment
The proposals being taken forward will put the Hampton principles that relate to regulatory activity on a statutory footing. After looking at the four questions on the initial test we do not see any impacts on competition, either directly or indirectly.

Small Firms Impact Test
The proposals are designed to streamline bureaucracy in order to help companies boost their growth and competitiveness. The Code should lead to a more consistent and efficient 'light touch' regulatory environment for businesses generally. As such, it is of significant potential benefit to small firms and will not impact adversely on small firms.

The annual benefits to business from the introduction of the Code have been estimated at £650 million per annum. These figures have been calculated using the data gathered by the Administrative Burdens Measurement Exercise (ABME). The ABME featured a great deal of input from small firm groups. We can therefore state with confidence that the savings represented in this Impact Assessment will very much apply to small firms.

Throughout the informal consultation stage there has been contact with small businesses groups.

Legal Aid
There will no impact on Legal Aid.

Sustainable Development, Carbon Assessment, Other Environment
We do not believe that there will be any impacts on these areas. We have looked at the initial tests and are satisfied that they do not apply.

Health Impact Assessment
Having gone through the initial assessment we do not believe that there is a health impact.

Race, Disability, Gender and Other Equality
We do not believe that there will be an impact on the equality strands as the proposals impact on business and regulators not on individuals. We have, however, looked at each of the equality impact initial tests individually and are confident that there is no impact.

Human Rights
The Compliance Code contains guidance for regulators setting policies or principles about the exercise of regulatory functions. Regulators will be under

a legal duty to have regard to the Code, but this duty is subject to any other legal requirement affecting the exercise of the relevant regulatory function. National regulators and local authorities are public authorities for the purposes of the Human Rights Act 1998, and section 6 of that Act makes it unlawful for them to act in a way that is not compatible with the Convention rights (the human rights protected by the European Convention on Human Rights).

Regulators will also be under a duty to have regard to five principles of good regulation set out in s.21 of the Act. This duty is again subject to any other legal requirements affecting the exercise of the function.

The Code and the five principles of good regulation are concerned with how regulators regulate. The Code or five principles may affect the way in which that public body exercises its regulatory functions which in turn may engage a person's human rights (for example, article 1 protocol 1 (protection of property)). In these circumstances, the way in which the public body acted would need to be justified. In such cases, we do not consider that compliance with the Code or 5 principles of good regulation should require any interference with protected rights. Moreover, as the duty to have regard to the Code and the five principles of good regulation is expressly subject to any other legal requirements, such as the Human Rights Act, the proposals are compatible with the Convention Rights.

Rural Proofing
We have looked at the initial test on rural proofing and are confident that there is no impact on rural communities.

Specific Impact Tests - Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	***Results in Evidence Base? (Y/N)***	***Results annexed? (Y/N)***
Competition Assessment	*Y*	*N*
Small Firms Impact Test	*Y*	*N*
Legal Aid	*Y*	*N*
Sustainable Development	*Y*	*N*
Carbon Assessment	*Y*	*N*
Other Environment	*Y*	*N*

Health Impact Assessment	*Y*	*N*
Race Equality	*Y*	*N*
Disability Equality	*Y*	*N*
Gender Equality	*Y*	*N*
Human Rights	*Y*	*N*
Rural Proofing	*Y*	*N*