

Appendix G

Better regulation

The Department is committed to better regulation and, like other departments and agencies across Government, has a programme of work to help ensure that its regulations are fair and effective. Regulations are needed to protect people using and working on all forms of transport, the public and the environment, but it is important to strike the right balance to ensure that they do not impose unnecessary burdens or stifle growth.

The Better Regulation programme includes using the appropriate tools to assess and minimise the negative impact of new regulations and policy work, and identifying unnecessary or outdated regulations and other requirements and processes that could be streamlined or abolished.

Better Regulation work programme

The main strands of Better Regulation work in the Department and its agencies include:

- the use of Regulatory Impact Assessments to assess the benefits of proposed new regulations against the costs and other impacts. The Department maintained a 100 per cent compliance level with the impact assessment process throughout the year, against the target measured by the Cabinet Office Regulatory Impact Unit;
- delivery of commitments in the Government's Regulatory Reform Action Plan, published in February 2002. Of the Department's 22 entries in the original Action Plan, four have been completed so far. The various reforms delivered have benefited consumers and motorists, the motor trade, insurers and recreational pilots;
- proposals to reform existing regulations using Regulatory Reform Orders (RROs). Work on proposals for seven RROs is currently underway (of which five were in the original Action Plan). These reforms include proposals that will ease restrictions on motorists driving with some overseas licences, streamline road traffic regulations to make them easier for local authorities to deal with, reduce licensing bureaucracy and costs for road-freight operators and streamline aspects of regulation affecting the bus industry;
- further reform proposals in the Action Plan, which were originally proposed as RROs, now being delivered by other methods – primary or secondary legislation or administrative changes; and

- the Government published an updated Action Plan in December 2003, and four new entries were added by the Department, including two new RRO proposals. Two of the original 22 proposals have now been dropped as unsuitable, following further exploration of the practicalities (including one RRO).

Other initiatives

The Department's Better Regulation work also includes a variety of other approaches and initiatives.

Consultation – ensuring that the Department consults stakeholders and the public effectively, using a variety of methods. Where practicable, national public consultations should meet the terms of the Government's Code of Practice on Consultation, including allowing at least 12 weeks for responses. During the calendar year 2003, 25 of the Department's 37 completed national public consultations met the 12 week standard (68 per cent). The main reasons for reduced periods of consultation were the need to meet the demands of European legislative timetables, or because consultations were shorter follow-up exercises to previous consultations that had already lasted 12 weeks.

Stakeholder relations – the Department is building close relationships with industry and other stakeholders and consulting them during the development of regulation and policy. Many areas of the Department have long-standing and close relationships with industry and other stakeholders, which make consultation more effective. An example of a more formal arrangement is the Department's participation in the VIPER (Vehicles Industry Policy and European Regulation) Group, which involves both industry and various Government departments. It provides a forum for vehicle manufacturers to ensure their priorities and concerns are taken into account, and allows Government to take a joined-up approach to the industry. Another example was the reform of vehicle registration overseen by the Modernising Vehicle Registration Implementation Board, which was drawn from representatives of the motor and insurance industries, the police and the TUC.

Reviewing and streamlining regulations and procedures – for example:

- the Maritime and Coastguard Agency is carrying out a review of merchant shipping Statutory Instruments and Marine Notices with a view to consolidation and rationalisation for both MCA and industry's benefit. This builds on earlier work to remove unnecessary domestic burdens that exceed international requirements. The scope of the task is large, but the long-term aspiration is to achieve a substantial reduction in the current number of around 252 Statutory Instruments and 354 Merchant Shipping Notices and other related guidance; and

- the Vehicle and Technology Standards Division of the Department is also reviewing and streamlining regulations and procedures on vehicle construction standards. The two strands of this work involve developing UK pre-registration approval schemes for buses, trailers and goods vehicles as less onerous alternatives to EC vehicle type approval and, in parallel, simplifying in-use (post-registration) regulations to make them more user-friendly and enforceable.

Identification of new reform measures – as noted above, four new reform proposals have been added to the updated Action Plan, including measures to reduce burdens in the road freight industry, the bus industry and train operating companies. One of these new proposals has already been completed – a measure easing restrictions on motorists who license their vehicle with a purchased registration number. Exercises are also underway to research potential areas for further regulatory reform and for reduction of bureaucracy in public transport.

Reduction of public sector bureaucracy – the Department has a programme of work to reduce burdens on front-line public service delivery staff in the rail industry and local transport. It includes a joint DfT/Cabinet Office project to reduce information demands on Network Rail, finalised at the end of March 2004. As a result of the project, participating organisations, including the Strategic Rail Authority, the Office of the Rail Regulator and the Health and Safety Executive, will make various changes that will reduce burdens. These changes will include reducing and streamlining information requests, assessing the impact of information requests and other policy proposals on front-line delivery staff, and improving communications. Other initiatives to reduce public-sector bureaucracy include introduction of a gateway process to control information flows to local transport authorities and, working with the rail industry itself, streamlining of various rail safety standards and administrative processes. The wider Rail Review will also help to streamline the regulation and structure of the sector.

Institutional reform in the public sector – a Regulatory Board has been introduced to replace the single Rail Regulator, in line with a recommendation of the Better Regulation Task Force in their report on Economic Regulators. The Board will assume its powers in July 2004.

Using non-regulatory approaches in policy development – for example:

- the launch in February 2002 of the Airline and Airport Voluntary Commitments on Air Passenger Rights. This non-regulatory approach to protecting the rights of air passengers was developed by European airlines and airports following extensive discussion with representatives of air travellers, the European Civil Aviation Conference, representing European Governments, and the European Commission. They contain non-legally binding commitments to deliver defined standards of service to air travellers. All the major UK full-service airlines and 22 UK airports are now signatories of these Commitments;

- drawing up good practice guidance on meeting the public transport needs of minority ethnic and faith communities. This will help transport providers understand and provide more effectively for this significant market sector whose needs have often been overlooked;
- planning for consultation on best practice guidance for taxi and private-hire vehicle licensing authorities, with a view to publishing guidance by the end of 2004; and
- working with the aviation industry and with disability organisations to draw up a Code of Practice on Access to Air Travel for Disabled People. The Department has indicated that it would not intend to regulate to impose standards in this area if the industry follows the Code.

Effective use of Regulatory Impact Assessments (RIAs) – the Department has prepared RIAs that analyse European legislative proposals and used them as a tool during the European negotiation process. An RIA makes clear the potential costs, benefits and other impacts, and this makes it useful as a way of demonstrating all the implications of a proposal to other parties in the negotiation. Examples of where using an RIA in this way has had benefits for the UK include:

- during negotiation of an EU Parliament amendment to a fuel quality Directive, which would have applied road fuel standards to fuel for all non-road mobile machinery (eg construction equipment) and tractor fuel. The amendment was withdrawn after the Department prepared an RIA and showed it to a UK MEP, who brought it to the attention of the EU Parliament. The RIA showed that the costs would be very high in proportion to the benefits; and
- during negotiation of an EU Commission proposal for new emission limits against which to assess vehicles at the time of roadworthiness tests (MOTs). The UK's RIA was made available to other Member States and to the Commission before formal negotiations started. The RIA demonstrated that the costs were disproportionate to the benefits. The proposal was withdrawn at the first examination by the Commission working group due to Member States' responses to the impact set out in the RIA.

Improving the quality of RIAs – the Department provides a central training and advice service, using workshops, seminars and one-to-one advice, for Department and Executive Agency officials to help them improve the quality of their RIAs.