



**Appendix G**  
Departmental report on  
better regulation

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The Department is committed to reducing existing regulatory burdens and to minimising the impact on business of any new regulation, including EU legislation. While regulation is needed at times, for example to protect the environment and ensure the safety of people using transport, our aim is to regulate only when necessary, and ensure a proportionate approach which targets real risks and does not impose unnecessary burdens.

#### Simplification and administrative burdens reductions

We have worked closely with our executive agencies, independent transport regulators and business stakeholders to identify ways to simplify the Department's regulations and their enforcement.

A cross-government exercise in 2006 to measure the administrative burdens that regulations impose on business, charities and the third sector identified 117 transport regulations which impose 'information obligations' (administrative burdens on businesses and others flowing from form filling, record keeping and inspections). The cost to industry as a whole of these transport regulations was estimated at £487 million per year, a little less than 4 per cent of the total for the whole of government. These burdens compare with the transport sector's total contribution to the economy of some £49.5 billion.

In response, the Department published its regulatory simplification plan *Lightening the Load* in December 2006. The plan commits the Department to achieve savings in administrative burdens of 25 per cent, or some £120 million by 2010, and contains over 50 specific measures which will deliver benefits and savings across all transport sectors. This includes savings in administrative burdens, compliance and policy costs as well as wider economic benefits such as time savings. We estimate total benefits of the current plan to businesses, citizens and the third sector at £280 million per year and we have already put in place measures which could allow for annual savings of up to £128 million to be realised from 2007. Examples from the plan include:

- promoting the options of increased flexibility for routine vehicle inspections by commercial vehicle operators, which could save the industry up to £100 million a year;
- the roll-out of electronic vehicle licensing, which will save businesses that licence vehicles £15 million a year in administrative costs, and provide private motorists with time savings of some £20 million a year; and
- the introduction of digital tachographs for all new HGVs, with potential administrative savings for HGV operators of some £15 million in 2009 and £25 million in 2010.

Further measures are being investigated to deliver the remainder of the target for reducing administrative burdens, taking into account any additional burdens imposed by new regulations. An online portal has been set up for industry and the public to generate further ideas for inclusion. The plan will be expanded and updated in autumn 2007.

As part of the wide range of measures we are taking forward to reduce burdens, we are using the increased flexibility provided by the Legislative and Regulatory Reform Act 2006 to develop our programme of Legislative Reform Orders (LRO). The Public Service Vehicles Reform Order which will deliver a number of improvements for bus operators and local authorities is currently undergoing scrutiny in Parliament. Others are at an early stage of development and we hope to consult on them in the coming year.

### Our approach to policy development and regulatory impact assessment

Listening to stakeholders is an important part of policy development. We maintain close relationships with industry and other stakeholders. We gather their views through formal and informal networks at key stages in policy development, particularly when we are establishing a negotiating position on European and other international proposals. EU legislation is having an increasing impact on the regulation of transport. When negotiating in Europe we keep better regulation principles to the fore and insist that Commission proposals are accompanied by a robust impact assessment.

We have achieved a successful outcome for industry involved in the transport of radioactive material by changing the revision policy for regulations at international level. In future this will be done in a way that takes into account risks and costs and evaluates the worth of changes within a safety framework.

The Department published 47 consultations during 2006 of which 32 were for 12 weeks or more.

Ministerial approval is sought for consultations that are less than 12 weeks. Of these:

- seven were to fit in with a European, Parliamentary or rail franchise letting timetable; and
- eight had previously been consulted on for 12 weeks or were initial scoping consultations.

The Secretary of State for Transport, Douglas Alexander, acts as Better Regulation Minister and the role of Board Level Champion is taken by Simon Webb, the Director General of the International Networks and Environment Group. We have an active network of policy contacts who promote better regulation initiatives within the Department, agencies and our independent regulators.

The Department continues to work to improve its regulatory impact assessments, and those put forward by the European Commission with proposals for European legislation, to ensure that the full impact of legislation is correctly assessed and a balanced decision taken. A simplified impact assessment process will be introduced across government during 2007. This will help to ensure that assessments concentrate on the key issues, including the potential administrative burdens of new legislation and possible alternatives to legislation.

The Department achieved a 100 per cent compliance rate for the regulatory impact assessment (RIA) process throughout the year. RIAs accompanied the 30 consultations that required them. Final RIAs were laid in Parliament with the three Acts (the Merchant Shipping (Pollution) Act, the Civil Aviation Act and the Road Safety Act) and the 34 pieces of Secondary Legislation made in 2006 that affected industry.

The Department intends to issue its first annual statement of forthcoming legislation later this year.