

ENTERPRISE & REGULATORY REFORM BILL: REGULATION

Main purpose and benefits of legislation:

The legislation will remove some of the barriers that inhibit innovation and enterprise. It will create the right conditions for economic recovery by strengthening the business environment and reducing regulatory burdens.

The Primary Authority scheme has already been a great success for larger businesses and we want to extend its benefits to the smaller businesses that feel the burden of regulation most heavily.

The measures included in the Bill are among the first repeals to be implemented from the Red Tape Challenge. Their inclusion in the Bill demonstrates the Government's determination to implement the changes it has committed to as soon as possible. However, this Bill is not the main implementation route for Red Tape Challenge: many measures have already been taken forward through secondary legislation or guidance changes.

Reducing the burden of regulation on business is essential to economic growth. Good regulation plays a vital role in protecting business, consumers, employees and the environment, but unnecessary, overcomplicated regulation strangles business and economic growth.

The main elements of the Bill are:

- Extending the Primary Authority scheme to more businesses for access to reliable and robust advice;
- Allowing more proportionate, risk based compliance inspections;
- Providing greater powers to time-limit new regulations; and
- Reforming unduly onerous provisions and removing obsolete laws.

Legislation that will be repealed includes:

- Rules around development of heritage sites and buildings;
- Early discharge of bankrupts; and
- Unnecessary non-development consents.

Wider context:

The **Primary Authority** scheme allows businesses to form a partnership with a single local authority so that robust and consistent advice is given to other councils when carrying out inspections or dealing with non-compliance. It makes local regulation simpler and more effective.

The scheme has been running since 2009; more information can be found at

<http://www.bis.gov.uk/brdo/primary-authority>.

Currently, a business is eligible to access the Primary Authority scheme only if it operates in the area of two or more local authorities. The amendments would extend the scheme to businesses who share an approach to regulatory compliance.

For example, members of a trade association or franchisees of the same brand might follow the same procedures about how to comply with health and safety requirements or food hygiene standards.

Under the proposed amendments, a business will also be eligible where:

- It shares an approach to compliance with at least one other business; and
- Collectively those businesses are regulated by at least two different local authorities.

An **inspection plan** for a business is developed by a primary authority and shared with other local authorities to act as a guide when they carry out routine inspections of that business. They do not affect inspections carried out in relation to a complaint or problem.

Currently, local authorities are required to have regard to inspection plans. Under the proposed changes, local authorities will need to seek consent from the primary authority if they wish to deviate from the plan. The proposed changes also require that feedback be provided following an inspection, where the inspection plan requests it.

The **Red Tape Challenge** is driven by the views of business and members of the public. Over 227,000 visitors to the website have made 28,800 comments and sent in over 950 private email submissions, suggesting which regulations should be scrapped, improved or kept. 19 themes, totaling over 3,700 regulations, have been launched on the website so far. Overall, of the 1,500 regulations where Ministers have already made decisions, the Government has committed to scrap or improve well over 50%.

Sunset and review clauses in legislation will ensure that there is a disciplined approach to removing regulation that does not meet its objectives, or where change makes regulation obsolete. A Review Clause imposes a statutory obligation on departments to review the regulations and a Sunset Clause means that the regulation will expire automatically, unless it is renewed.