



Department for
Business, Energy
& Industrial Strategy

THE BUSINESS IMPACT TARGET, GROWTH DUTY AND SMALL BUSINESS APPEALS CHAMPION

Government response



December 2016

Foreword

The government has never been more serious about making sure that regulation supports growth and is doing all that it can to unlock productivity and make Britain the best place in the world to start and grow a business.

The government's productivity plan *Fixing the foundations: creating a more prosperous nation*¹, set out a 15-point plan to tackle the issues that matter most for productivity and growth. An important part of that plan was our commitment to cut a further £10 billion of red tape for businesses, freeing them up to grow and prosper.

During the last Parliament, we made significant progress through programmes such as One-In, Two-Out and the Red Tape Challenge, which cut the net burden of regulation on business by £2.2 billion per annum. And, to ensure that the needs of business remain at the heart of government decision-making, we legislated to require future governments to publish and report against a target for deregulation (the Business Impact Target) over the life of each Parliament.

Now, following Parliament's approval of the Enterprise Act 2016, the government will bring statutory regulators within scope of the Business Impact Target. Extending the Business Impact Target to include the activities of regulators will ensure that all regulators are transparent about the impact that changes to their activities have on business and that changes to their activities do not place unnecessary burdens on business.

These changes do not undermine the core purpose of regulators, who provide vital protections and can help to ensure markets function effectively. However, there is a need to ensure that these protections are applied in a proportionate way and at the minimum level necessary to achieve the desired outcome. The BIT, together with our Better Enforcement Programme, including the Regulators' Code and the Growth Duty, will support a positive shift in the way regulation is delivered. These measures will help to reduce the regulatory burdens that hold businesses back and prevent them from getting on with doing business.

Government has conducted a consultation to seek views on the regulatory bodies and functions that should be brought into scope of the Business Impact Target, the Growth Duty and the Small Business Appeals Champion, as well as the guidance relating to both the Growth Duty and the Champion. This document sets out the government's response to that consultation and the next steps we will take so that businesses can concentrate on driving growth and productivity.



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Parliamentary Under Secretary of State for Small Business, Consumers and Corporate Responsibility

¹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

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Executive summary

1. The consultation exercise sought views on the proposed list of statutory regulators that government intends to bring within scope of the Business Impact Target (BIT) and the regulators and regulatory functions to which the Growth Duty and Small Business Appeals Champions measures should apply. The consultation ran from 11 February 2016 to 17 March 2016 and, in total, received 49 responses from a range of stakeholders including business, regulators, trade associations and other organisations.

Business Impact Target

2. The BIT currently applies to legislation and regulatory activity undertaken by UK Ministers, including the activities of non-statutory regulators who exercise regulatory functions for, or on behalf of, UK Ministers. It requires open and transparent assessment and reporting of the economic impact of new or amended regulatory measures that impact on business². Following Parliamentary approval of the Enterprise Act 2016, government has the power to extend the BIT to include changes to the activities of “regulators” that are legally separate bodies to UK Ministers (“statutory” regulators³). The consultation sought views on the proposed statutory regulators to be brought within scope of the BIT.
3. The majority of respondents supported the inclusion of statutory regulators within the BIT. No respondents suggested additional regulators that should be brought within scope, whilst a handful of regulators, including the Farriers Registration Council (FRC), questioned their own inclusion within the BIT. Concern was expressed more broadly about ensuring that a proportionate process is designed for implementation, that undertaking BIT assessments does not create delays for regulators’ implementation of changes to their activities and that the BIT should not interfere with the independence of statutory regulators.
4. One of the main concerns expressed by smaller regulatory bodies was that they would not have the necessary resource or structure to carry out assessments. Government recognises that some of the smaller statutory regulators rarely use their regulatory powers and have less resource to dedicate to complying with the BIT requirements, however it does not believe that these factors should exclude them from the BIT.
5. Inclusion in the BIT will impose minimal requirements on regulators which do not change their policies and practices. For those that do, government has been careful to design a process that is proportionate to the amount of regulatory activity that a regulator undertakes, and is providing a range of supporting materials for regulators being brought within scope of the BIT to assist them in implementing the new requirements. In addition, government has designed the implementation process to be flexible enough so that it will not delay statutory regulators implementing changes to their activities nor interfere with

² Including voluntary and community bodies

³ By ‘statutory regulator’ we mean a body that is a legally separate entity to UK Ministers that carries out functions that regulate business and/or the voluntary and community sector. In the vast majority of cases these will be bodies that are established under statute. However, given the wide array of regulatory bodies, this category also includes a small number of bodies that have been established either as a company or by Royal Charter rather than by statute.

their independence. However, in relation to the position of the Farriers Registration Council (FRC), government has concluded that it should not be included in the BIT. Government has also looked again at the status of the Architects Registration Board (ARB) and has concluded that it should not be included in the BIT. As a result, government has amended the statutory instrument to remove the FRC and ARB. Government will consider the extension of the BIT to a wider range of professional bodies in due course. Otherwise government does not consider it appropriate to make changes to coverage of the BIT as a result of the consultation responses.

Growth Duty

6. The Growth Duty, set out in the Deregulation Act 2015, requires regulators that carry out specified regulatory functions to have regard, when exercising that function, to the desirability of promoting economic growth. The consultation sought views on the proposal to bring regulators and regulatory functions within scope of the Growth Duty in addition to those proposed to be brought within scope during consultation exercises in 2013 and 2014.
7. The majority of respondents agreed that regulators should have regard to economic growth in exercising their regulatory functions and a number of regulators that responded noted that they do already do so. It was suggested that anti-money laundering supervisory bodies should be brought within scope of the Growth Duty, whilst a small number of regulators challenged their own inclusion on the basis that their regulatory powers are only a small part of their activities. Specific issues regarding the proposed inclusion of Ofwat, the Financial Conduct Authority's Mutuals Team, the Farriers Registration Council (FRC), the Assay Offices and the UK Space Agency (UKSA) were raised.
8. Neither the size of a regulator nor the frequency with which it exercises its regulatory powers is a determining factor in whether a regulator's functions should be within scope of the Growth Duty. Government considers that the Assay Offices should come within scope of the Growth Duty in respect of their enforcement powers, whilst government is comfortable that including UKSA within the Growth Duty will not compromise its international obligations. The Financial Conduct Authority, including its Mutuals Team, is already subject to the Principles of Good Regulation set out in the Financial Services and Markets Act, which include the obligation to have regard to the desirability of sustainable growth in the UK economy. As a result, government does not believe that FCA's mutual teams should be listed separately as within scope.
9. In relation to the position of the Farriers Registration Council (FRC), government believes that it should not be brought within scope of the Growth Duty. Government has also looked again at the status of the Architects Registration Board (ARB) and has concluded that it should not be brought within scope of the Growth Duty. As a result, government has amended the statutory instrument to remove the FRC and ARB. Government will consider the extension of the Bit to a wider range of professional bodies in due course. Since the consultation, government has also reviewed again the inclusion of some of the regulatory functions of the Animals in Science Regulation Unit (ASRU). Having further considered the position of the ASRU, and particularly given that project licensing covers the vast majority of ASRU's regulatory activities, government has decided not to apply the Growth Duty to ASRU.
10. Anti-money laundering supervision is conducted by professional bodies such as the Chartered Institute of Management Accountants and the Institute of Chartered

Accountants in England and Wales. Government intends to consider the application of the Growth Duty to these organisations, and other professional bodies such as those in the legal and health care sectors, at a later date. It will therefore not bring them within scope of the Growth Duty at this stage.

11. In summary, the relevant secondary legislation will be drafted to exclude Ofwat's economic regulatory functions and to exclude the FRC, ARB and ASRU from the scope of the Growth Duty, but otherwise has not considered it appropriate to make changes to the coverage of the Growth Duty as a result of the consultation responses.

Small Business Appeals Champion

12. Government is considering further the responses it received regarding the Champions policy and its coverage and will publish a response to this part of the consultation in due course. As such, this government response to the consultation does not cover the Champions policy.

Background and context

13. Businesses consistently say that the actions of regulators are just as important as the content of legislation in determining their experience of regulation. For example, in the Business Perception Survey (2014), 46% of businesses agreed that preparing for inspections or dealing with inspectors is burdensome⁴. Further, in the Scale-up report on UK economic growth (2014), 73% of scale-ups said they would be able to grow faster if dealing with regulators was easier⁵.
14. The way in which regulation is enforced can have a significant effect, both on existing companies' ability and willingness to grow, and new businesses' willingness to enter the market. The UK's open and competitive market economy leads the world, and better regulation underpins our ambition to be the best place to start and grow a business.

Business Impact Target

15. Government has, for a number of years, sought to provide open and transparent reporting against the impacts of new legislation affecting business or voluntary and community bodies. In the last Parliament this operated through One-In, Two-Out – an administrative process that required departments to find £2 of regulatory savings for every £1 of new regulation that imposed costs on business.
16. The Small Business, Enterprise and Employment (SBEE) Act 2015⁶ put this administrative process onto a statutory footing, committing the government of the day to set and report on performance against a Business Impact Target (BIT). The Conservative Manifesto committed the government to cut £10 billion of red tape over this Parliament, a commitment which forms a key part of the government's Productivity Plan, *Fixing the foundations: creating a more prosperous nation*⁷.
17. In light of the evidence from business about the impact that regulators can have when enforcing regulation, this government has gone further by ensuring that the activities of statutory regulators that have an impact on business can count towards the BIT. Government has achieved this by legislating through the Enterprise Act 2016⁸, which enables government to extend the scope of the BIT to include these regulators.

⁴ www.nao.org.uk/wp-content/uploads/2014/05/Business-perceptions-survey-2014.pdf

⁵ www.scaleupreport.org/scaleup-report.pdf

⁶ www.legislation.gov.uk/ukpga/2015/26/part/2/crossheading/business-impact-target/enacted

⁷ www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

⁸ <http://services.parliament.uk/bills/2015-16/enterprise.html>

The Better Enforcement Programme

18. The BIT sits alongside and supports the Better Enforcement Programme – a suite of statutory measures aimed at supporting regulatory bodies to create a healthier business environment by making regulation more proportionate, transparent, and accountable. The measures comprise:
- The Regulators’ Code: A principles-based framework that supports regulators to design their services, and policies and procedures that guide their regulatory activity, in a way that better suits the needs of business. The Code was implemented in 2014.
 - The Growth Duty: A duty in the Deregulation Act 2015⁹ that places a requirement on persons exercising regulatory functions to have regard to the desirability of promoting economic growth. The Growth Duty recognises that those exercising regulatory functions can have an effect on the promotion of economic growth by exercising their functions in a way which ensures that regulatory action is taken only when it is needed, and that action taken is proportionate. The Growth Duty is expected to come into force in Autumn 2016.
 - Small Business Appeals Champion: A duty in the SBEE Act 2015 that requires Ministers to appoint reviewers (to be known as Small Business Appeals Champions) to review and report on the appeals and complaints processes in respect of the regulatory functions to which the Champions policy applies. This is to support and encourage regulators to ensure that those processes are accessible and fair to businesses.

Consistency across the measures

19. In the interests of consistency and ease of understanding, the government intends – as a general operating principle – that regulators in scope of BIT should also be in scope of the Growth Duty.
20. The government accepts, however, that there will be a small number of cases where there is an exceptional and compelling reason for a regulator, or its regulatory functions, to be excluded from one or more of these measures. For example, some regulators already have statutory duties to consider growth, making coverage under the Growth Duty duplicative.
21. The regulators that we propose to bring into scope of the BIT and Growth Duty will be prescribed in secondary legislation. The draft secondary legislation finalised following this consultation exercise will be laid before Parliament at the earliest available opportunity.

⁹ www.legislation.gov.uk/ukpga/2015/20/crossheading/exercise-of-regulatory-functions/enacted

Consultation exercise

22. A consultation on the scope of the Growth Duty was first held in 2013 and in its response in July 2013 the government announced its intention to apply the Growth Duty to over 50 regulators¹⁰. A subsequent consultation on the scope of the Small Business Appeals Champion, and some additional regulators to be brought into scope of the Growth Duty was launched in December 2014¹¹.
23. However, the government's proposal was to extend the BIT to a greater number of regulators than were previously included in those consultations. Given that government's intention is to achieve as much consistency across the various measures as possible, this most recent consultation included questions on the additional regulators to be brought within scope of the Growth Duty and Small Business Appeals Champion. The consultation therefore sought views on:
- The statutory regulators government is proposing to bring into scope of the BIT;
 - The regulators, and the regulatory functions, government is proposing to bring into scope of the Growth Duty that were not included in the government's response to the 2013 Growth Duty consultation;
 - The regulators, and the regulatory functions, government is proposing to bring into scope of the Small Business Appeals Champion;
 - Draft guidance to regulators covered by the Growth Duty;
 - Draft guidance to Small Business Appeals Champions;
 - The impact assessments for the BIT, Growth Duty and Small Business Appeals Champions;
 - Whether there is a case for extending the Business Impact Target, Growth Duty and Small Business Appeals Champions to professional bodies; and
 - Whether the non-economic functions of the Office of Rail and Road (ORR) and the Civil Aviation Authority (CAA) should be brought into scope of the Growth Duty and Small Business Appeals Champions.
24. The consultation ran from 11 February 2016 to 17 March 2016 and, in total, received 49 responses from a range of stakeholders including business, regulators, trade associations and other organisations. In the following sections of this document we set out the context, summary of views received and the government's response in respect of the BIT and Growth Duty measures together with the next steps for implementing these policies. Government is considering further the responses it received regarding the Champions policy and its coverage and will publish a response to this part of the consultation in due course. As such, this government response to the consultation does not cover the Champions policy.

¹⁰ www.gov.uk/government/consultations/non-economic-regulators-duty-to-have-regard-to-growth

¹¹ www.gov.uk/government/consultations/growth-duty-and-small-business-appeals-champions

25. Government endeavours to publish responses to consultations within 12 weeks of consultations closing. Whilst it has sought to respond to this consultation within that timeframe, due to recent changes in government it has been unable to do so on this occasion.

Business Impact Target

Context

26. Under the Small Business, Enterprise and Employment Act 2015 (the SBEE Act), regulatory activity undertaken by UK Ministers, including by non-statutory regulators exercising functions for or on behalf of Ministers, is already subject to the Business Impact Target (BIT). Through the Enterprise Act 2016 (Enterprise Act), the government has introduced the power for the Secretary of State to bring the actions of regulators that are legally separate entities to UK Ministers (“statutory” regulators) within scope of the BIT through secondary legislation. Under the Enterprise Act, statutory regulators that are listed under secondary regulations will be required to assess the economic impact on business of their activities that qualify against the target (Qualifying Regulatory Provisions – QRPs)¹².
27. Extending the BIT in this way will ensure that both statutory and non-statutory regulators that undertake regulatory activity that has an impact on business operate in a transparent manner, assessing and publishing estimates of the economic impact on business of changes in regulatory policy or practice. These impacts will count against the government’s £10bn deregulatory target.
28. While extending the policy in this way will increase the scope of the BIT, all departments and regulators who fall within scope will continue to be subject to the statutory exclusions set out in section 22(4) of the SBEE Act. In addition, they will be subject to a number of administrative exclusions, such as regulation relating to price control and pro-competition. The full list of administrative exclusions was set out in the Written Ministerial Statement¹³ on 3rd March 2016 under powers in the SBEE Act¹⁴.
29. The consultation listed the statutory regulators that government proposed to bring into scope of the BIT and sought respondents’ views on these, and on whether there were any other regulators that should be included. It also invited respondents to comment on the impact assessment setting out the expected impacts of the extension of the BIT.

Consultation Responses

Scope

30. Of the 45 respondents who answered this question, the majority were supportive of the proposal to extend the BIT to statutory regulators, with one regulator recognising the impact on business of regulatory activities as an important consideration for regulators,

¹² www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-03-03/HCWS574/

¹³ www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-03-03/HCWS574/. See also the Better Regulation Framework Manual for further guidance about the excluded categories.

¹⁴ 22(2) SBEE Act

while another respondent noted that the BIT would result in regulators “having to design their services, policies and procedures in a way that suits the needs of business”.

31. None of the respondents suggested other regulators to be included in scope, but a number commented on the inclusion of their organisation, or raised general concerns about the application of the BIT. One respondent argued that the Mutuals Team within the Financial Conduct Authority (FCA) should be listed separately to ensure that the regulation of societies was fully subject to the BIT and its associated transparency benefits.
32. Six respondents, all of whom were regulators, questioned their inclusion within scope of the BIT. Some argued that, although it was the case that the relevant legislation provided for them to undertake regulatory activities in scope of the BIT, they had never made use of those powers and, consequently, should not be subject to the measure, whilst the Farriers Registration Council argued that it played no part in pricing or cost setting, operating an inspection regime, or operating a Standardisation Board or Agency. Others commented that, as smaller regulators, they would be less able to meet their obligations under the BIT as they would have neither the organisational structure nor the resource necessary to carry out assessments, and that the burden of complying would therefore be greater.
33. The need for the assessment process to be proportionate was a concern shared more widely, with one respondent noting that if the assessment process for assessing the impact of qualifying regulatory provisions was disproportionate in terms of time and resource, it could have perverse consequences in that “regulators may simply decline to produce burden-reducing guidelines”. Another said that assessments should be “clear, simple and proportionate to the role of individual regulators”, while some called for the introduction of a de minimis level.
34. Respondents were also keen that the implementation of the BIT should not create delays to implementing policy and guidance. One respondent observed that a number of regulators work in fast-moving areas where technological developments and/or court decisions can significantly alter the regulatory landscape and that, where this is the case, business and other organisations rightly expect regulators to respond quickly; in such circumstances, it was important that the BIT did not create additional delays. This view was echoed by another respondent who said that inserting the RPC into the decision-making process would “make us more costly, less agile and therefore less effective”.
35. There was further concern amongst respondents that the BIT may interfere with a regulator’s independence, with one commenting that “inherent in the new structures are an incentive on a government department to influence a regulator not to take forward policy x as it could count against its deregulatory target...”. Another respondent commented that, while they were “supportive of efforts to ensure that statutory regulators discharge their duties/exercise their regulatory functions in ways that do not impose any unnecessary costs on business, this should not be at the expense of actually achieving the regulatory outcomes for which they are responsible”. However, one respondent noted that the BIT “has been intentionally designed as a set of reporting requirements and is not intended to interfere with the autonomy of regulatory decisions or encroach on regulatory independence”.
36. While respondents welcomed the involvement of the RPC as independent verifiers of the assessments submitted by regulators, one noted that bringing more regulators into scope

of the BIT would place a heavier burden on the Committee and urged government to ensure that they were adequately resourced.

37. Some respondents raised the issue of tax, with one reporting “concern amongst our members that dealing with tax issues is increasingly time consuming”, while another argued that the BIT did not go “far enough to illuminate how tax administration is inhibiting businesses” and that the tax code should be brought into scope of the BIT.

Impact Assessment

38. There was some concern expressed by respondents that the impact assessment underestimated the resource costs to regulators. One respondent noted that the estimated 375 submissions of assessments to the RPC per year across all of the regulators covered “is an underestimate given that there will be no de minimis on the size of the changes that are to be taken through the process”. Another recognised the uncertainty over the estimates, commenting that the assessment “seems reasonable but given the uncertainty over the number of QRPs (inevitable given they were not defined when it was prepared) it is perhaps a bit more speculative than is often the case in an IA”.
39. In addition to the uncertainty relating to the number of BIT assessments regulators would produce, some respondents also felt that the time taken to produce each assessment and the salaries of those responsible for producing them were underestimated. One respondent envisaged “each BIT assessment taking along the line of 15 Grade 7 days” and another indicated that the assumption of a daily wage of £244.39 “may be far lower than any true cost incurred by the regulator”.
40. In relation to the assumption that regulators would recover 50% of the costs through fees and charges, mixed responses were received. One regulator reported that “all of the costs of implementation of the BIT will need to be recovered by licence fees of grant-in-aid” while another respondent noted “it is unrealistic to expect that regulators will be able to recover half of the costs associated with these proposals through business fees and charges”.

Government response

Scope

41. Government has considered the arguments made by those regulators who believe they should be out of scope. We recognise that some use their powers infrequently, if at all. However, the test for inclusion in scope is not whether, or how often, the power has been used but whether, if it were to be used, there would be an impact on business. In such circumstances, Government is asking regulators to assess the estimated impact and to be transparent about that. As the BIT is concerned with regulatory change during a Parliament, where a regulatory power is not used, the requirements that would apply to the regulator would be limited to minimal summary reporting around activity that did not qualify for the target. Similarly, those regulators who carry out very little qualifying regulatory activity in a year would be unlikely to be subject to onerous demands.
42. We acknowledge that larger regulators are likely to find it easier to comply with their obligations under the BIT because of economies of scale, but we have been careful to ensure that the process is proportionate and easy to use for all regulators. In addition, the government has sought to ensure that the new system will operate in a streamlined manner, particularly for measures with very small economic impacts. We have also provided a range of tools and information for smaller regulators, who may not have “in-

house” experts, for example economists, to use to produce the necessary assessments. Across all regulators, these new reporting and transparency obligations will impose a limited administrative burden, but government is clear that these costs will be more than outweighed by the savings generated for business.

43. In parallel with the consultation, government undertook an informal survey of regulators to establish their assessment of the workload likely to be created by their inclusion in the BIT. The results of this survey are reflected in a revised impact assessment which will accompany the draft statutory instrument to be laid before Parliament
44. By embedding a proportionate approach to validating assessments, we believe any additional resources required by the RPC as a result of extending the BIT to statutory regulators should also be limited.
45. Similarly, the implementation process has been developed to allow regulators to continue to take regulatory decisions rapidly where necessary. There is no obligation on regulators to prepare an assessment of the impact on business for RPC validation before a change is made, although government’s strong view is that this should be normal practice where there is no issue of urgency. Regulators are, quite properly, independent of Government, and they guard that independence fiercely. Government respects and values that independence.
46. Government is also clear that complying with the BIT should not prevent regulators from achieving their regulatory outcomes or objectives. In extending the BIT to statutory regulators, government is not suggesting that regulators should have less regard to the need to safeguard the interests of consumers or others, but that they should be open and transparent about the impact of their regulatory activities on business and, where it is appropriate, consider whether there is a less burdensome way of achieving the same outcomes.
47. We have noted the call for the Mutuels Team within the FCA to be listed separately. However, we believe that this would be unnecessary. By listing the FCA as a statutory body within scope, the requirements under the BIT apply to all the regulatory functions of the organisation, including that undertaken by the Mutuels Team. In relation to the position of the Farriers Registration Council (FRC), government believes that it should not be included in the BIT. Government has also looked again at the status of the Architects Registration Board (ARB) and has concluded that it should similarly not be included in the BIT. Government will consider the extension of the measures to a wider range of professional bodies in due course.
48. While government recognises that the tax system imposes costs on business, tax is not considered a regulatory provision under the SBEE Act 2015 and is therefore excluded from scope of the BIT. However, government is committed to simplifying the administration of the tax system and driving costs down wherever possible. Indeed, the Chancellor announced at Autumn Statement 2015 a new target to reduce the annual cost to business of tax administration by £400 million by the end of the Parliament. This is separate but complementary to government’s £10bn BIT. Government believes that the existing arrangements and oversight mechanisms for the tax system are robust, rigorous and effective, and does not consider it would be right to combine the tax and regulatory control systems.
49. Accordingly, aside from the regulators discussed above, government does not believe that any further exclusions from the coverage of statutory regulators proposed to be in

scope of the BIT are appropriate. We will lay the necessary draft statutory instrument before Parliament at the same time as, or shortly after, publishing this response.

Impact Assessment

50. As part of the consultation, government sought more detailed data from regulators relating to the impact of the BIT obligations. In particular, we sought information on:
- the number of BIT assessments that they expect to produce for the first BIT reporting period;
 - whether the number of assessments is likely to increase in future; and
 - the time taken to produce each assessment, the hourly wage of the staff producing the assessment and the amount of training staff would need to undertake.
51. Full or partial responses to the survey were received from 33 regulators. As a result, government believes that the costs of extending the BIT are now estimated more accurately and has updated the final impact assessment which will accompany the draft statutory instrument to be laid before Parliament.

Growth Duty

Context

52. The Deregulation Act 2015 places a duty on any person specified by the government that exercises a regulatory function to have regard to the desirability of promoting economic growth in the exercise of that function.
53. The government believes that the Growth Duty will make it clear that one of the objectives of effective regulation is to support economic growth. It will do this by ensuring that certain regulators have regard to the desirability of promoting economic growth when exercising regulatory functions. The Enterprise Act includes a reporting duty that requires regulators subject to the Growth Duty to report annually on the effect that it has had on the way they exercise their regulatory functions, and the effect and impact that this has had on business. Government intends to bring this reporting duty into force in due course.
54. The consultation document set out, in a draft statutory instrument, the statutory regulators and regulatory functions exercised by Ministers to which government proposed the Growth Duty should apply and asked respondents whether they agreed with the proposals, and whether they considered there were other regulators or regulatory functions that should be in scope. It also invited respondents to comment on the impact assessment for the Growth Duty.

Consultation Responses

Scope

55. Of the 38 respondents who commented on this matter, the majority were supportive of the proposition that regulators should be accountable for whether they have properly considered economic growth in their decision-making, with one respondent saying “businesses need to have proportional regulatory burdens that can be monitored and dealt with efficiently so they can focus on growth”, while another saw the Growth Duty as an

opportunity to learn from other regulators, with reporting on the duty encouraging regulators to share ideas and good practice. A number of regulator respondents noted that they already took economic growth into account in exercising their regulatory functions; one respondent commented that “regulators should always have a dual responsibility to regulate and to promote economic growth....the two should not be mutually exclusive”.

56. Other than a call from one respondent for anti-money laundering supervisory bodies to be brought into scope of the duty, none of the respondents suggested that there were regulators, or regulatory functions, missing from the draft statutory instrument. However, one respondent pointed out that, as currently drafted, the statutory instrument captures the economic functions of the Secretary of State as they relate to Ofwat and queried whether this was consistent with the wider position of the economic regulators being out of scope of the duty at the present time.
57. As with the BIT, one respondent called for the FCA Mutuals Team to be listed separately to the FCA. The respondent argued that, although the FCA is subject to obligations similar to the Growth Duty in respect of its duties as a financial service regulator, the Mutuals Team’s separate role as society registrar/regulator working with small, non-financial, businesses means that these requirements do not impact on their regulatory activities. This puts businesses listed as societies at a disadvantage to those using the company or community interest company legal forms
58. Five respondents, all of whom were regulators, disagreed with their inclusion within scope, in the main because their regulatory responsibilities were a small part of their overall activity, or that they did not have any regulatory functions, whilst the Farriers Registration Council argued that it placed no regulatory burden on the business environment, or on productivity and that their decision making was output focussed and proportionate to the circumstances. The argument of not having regulatory functions was made, in particular, in relation to the Assay Offices where two respondents said that, while the Assay Offices had discretionary enforcement powers under the Hallmarking Act 1973, these powers had never been used (Trading Standards undertake any necessary enforcement action). The respondents also noted that, while the Assay Offices also have responsibility for enforcing hallmarking standards, they do so simply on a pass or fail basis with no discretion as to the interpretation of law; any setting of process around the standards is not a matter for the Assay Offices but is set by the British Hallmarking Council.
59. One respondent, UKSA, argued that they should be out of scope for the Growth Duty as, while they have a strong emphasis on driving industrial growth, being subject to a statutory duty was likely to be seen as conflicting with their international regulatory obligations and could compromise their international standing.
60. Another respondent expressed their opposition to the Growth Duty “to the extent that it risks overriding the proper exercise of the regulatory functions of those regulators....that are responsible for regulatory outcomes relating to the natural environment” and said that all such regulators should be removed from scope to avoid the risk of the duty inappropriately interfering with their existing duties and conflicting with other requirements.

Impact Assessment

61. There was some concern expressed by respondents as to whether we were fully considering the disproportionate impact of the measure on smaller regulators. One respondent noted that “given our small size, it is likely that the cost of implementing this will be disproportionately high.” Another noted that given they had no budget, any additional costs would be passed on to their customers.
62. There were also concerns as to whether the measure was likely to drive the regulator behavioural change necessary to produce the projected benefits to business. One respondent expressed concern that “the estimated benefits to business appear highly dependent on the growth duty driving changes in regulator behaviour”. Other respondents suggest that “a monitoring and evaluation requirement [is necessary] to check there is a real behaviour change with tangible benefits for business.”

Government response

Scope

63. Government has considered the arguments made by those respondents who believe they should be out of scope. As with the BIT, neither the size of the regulator nor the frequency with which they exercise their regulatory powers are determining factors in whether they should be in scope of the Growth Duty. The purpose of the duty is to require specified regulators exercising a regulatory function to have regard to the desirability of promoting economic growth so that regulatory action is taken only where it is needed and is proportionate. Government recognises that many regulators already behave in this way; the duty will ensure that this practice is embedded within the decision-making process of all regulators.
64. Furthermore, we are satisfied that, with one exception, the regulators listed do indeed undertake regulatory functions. The exception relates to the actions of the Assay Offices in relation to enforcing hallmarking standards, where we accept that they have no role in determining the standards, or setting the process business must follow. However, the Assay Offices do have a discretionary power in relation to enforcement of the Hallmarking Act 1973, which means that they should be subject to the duty and will therefore remain on the list of regulators in scope. This will only have an impact on their activities in the event they exercise that power.
65. We have also considered whether it would be appropriate to exclude UKSA from scope of the Growth Duty, and we have concluded that it is not as the Growth Duty is an obligation to consider the desirability of promoting economic growth and does not in any way supersede an obligation to maintain safe operations in space.
66. Similarly, in relation to the natural environment, the Growth Duty will not undermine the environmental duties placed on regulators; rather it will influence the way in which those duties are delivered. In delivering environmental protection regulators may consider how they can reduce burdens on business, be proportionate in their decision making, or provide support or guidance to business to help them to comply.
67. We note the concerns expressed by one respondent that, unless listed separately, the work of the FCA Mutuals Team will not be subject to any obligation to have regard to economic growth in carrying out its regulatory functions. The FCA is not covered by the Growth Duty because it is instead subject to the Principles of Good Regulation set out in the Financial Services and Markets Act, which include the obligation to have regard to the

desirability of sustainable growth in the UK economy. When regulating mutuals under its FSMA powers, including when making rules and guidance which have application to mutuals, the FCA must in addition have regard to the other principles of good regulation, as it does when carrying out its general functions. These principles include proportionality and recognising the differences in the nature and objectives of different businesses. Although these principles are not applied to the mutuals registering authority function of the FCA, when exercising that function the FCA does take into account the Principles of Good Regulation on a non-statutory basis, including by consulting before implementing any policy change and seeking consistency between its registration of mutuals and the principles of the regulator as a whole. As a result, government does not believe that FCA's Mutual Team should be listed separately as within scope.

68. In relation to the Farriers Registration Council (FRC), government has looked again at the status of the FRC and concluded that it should not be brought within scope of the Growth Duty. Government has also looked again at the status of the Architects Registration Board (ARB) and concluded that it should similarly not be included in scope of the Growth Duty. With regard to the call for anti-money laundering supervisory bodies to be included within scope, the majority of these regulators are professional bodies. As we set out in the consultation document, we intend to consider the case for extending the Growth Duty and BIT to include a wider range of professional bodies in due course.
69. Since the consultation, government has reviewed again the inclusion of the Animals in Science Regulation Unit (ASRU) in the Growth Duty. Following consultation in 2013, government had proposed to exclude ASRU's project licensing activities from the Duty. Upon further reflection, considering that project licensing covers a significant amount of ASRU's regulatory activities, government has now decided not to apply the Growth Duty to the remaining regulatory functions of ASRU.
70. Accordingly, the relevant statutory instrument will exclude the Secretary of State's economic functions in relation to Ofwat and remove ASRU, ARB, and the FRC. We do not believe it is appropriate to make any changes to remove any other regulators, or other regulatory functions, from scope of the duty. We will lay the draft statutory instrument before Parliament at the same time as, or shortly after, publishing this response.

Impact Assessment

71. In addition to the consultation, the government collected new data directly from regulators as part of the consultation, both on the costs of implementing the Growth Duty and on their views on whether the benefits to business were achievable. In total over the 2 consultation periods (2013/2104 and 2016) we received 28 responses from regulators. As a result we have revised the impact assessment to more accurately reflected regulators' views.
72. The government will also look at the extent to which the Growth Duty drives regulatory behaviour changes in the post-implementation review following concerns from respondents.

Regulators for further consideration

Professional bodies

73. In addition to statutory and non-statutory regulators, private businesses operating in some sectors, for example the legal, insolvency or social and healthcare sectors, are regulated by a professional body. While government is not proposing to include these professional bodies within the scope of the BIT and Growth Duty, we believe that there may be a case for doing so in the future. Professional bodies can have a direct impact on business when exercising their regulatory functions and there is an argument that, where that is the case, they should be under the same obligations as regulators to ensure that they do so in a transparent and proportionate way.
74. The consultation sought the views of respondents on whether they agreed that there was a case for extending the measures to professional bodies.

Consultation Responses

75. While a number of the 17 respondents to this question were broadly supportive of extending the scope of the measures to include professional bodies, a number were more reserved with one respondent urging a degree of caution and calling for government to “look carefully at any professional body that it wishes to bring into scope to ensure there is a real case for including them”. Another commented that they would “want to see how this works initially before being extended further ...if [it] is seen as onerous by regulators, we would not want it then placed on smaller professional bodies which may not be equipped to deal...”.
76. Some respondents noted that the consultation document provided no evidence that professional bodies imposed a burden, nor any details of the costs of bringing them into scope, and that it was not feasible to form a view without such information.
77. One respondent from the legal sector agreed that it was appropriate to wait for the outcome of the Ministry of Justice consultation on the independence of legal service regulators and of the Competition and Markets Authority’s market study into legal services, the latter being expected to conclude towards the end of 2016, before coming to a view on whether to extend better regulation measures to the legal service regulators. The four professional bodies who responded shared broadly similar concerns at the possibility of being brought into scope at some point in the future.
78. In the main, the points raised related to the fact that professional bodies regulated individuals and not businesses, that membership of the body was voluntary, that they were already subject to oversight scrutiny by regulators largely already in scope, and that inclusion in scope might impact on their independence or statutory role and responsibilities in other countries.
79. Although none of the professional bodies who responded disagreed with the principles of better regulation, with one commenting that “it is not unreasonable to expect professional bodies to follow the principles of BIT ie to be accountable to members and consider impact of their activities on them”, their view was that they should not be included within scope. Another observed that, if they were to be included, “the cost would have to be borne by the individuals we regulate as we are funded solely by the registration fees professionals pay us”.

Government response

80. Government is grateful for the comments made by respondents. We recognise that, in many instances, professional bodies primarily regulate individuals and that membership of a body may be voluntary. It is the case, however, that the way in which professional bodies regulate individuals can have a direct impact on business activities and, although membership of a body may appear voluntary, in some sectors not being a member of a particular body can act as a bar to recruitment.
81. Similarly, we recognise that some professional bodies may be subject to oversight scrutiny by regulators who are themselves subject to the various better regulation measures. However this is not in and of itself a guarantee that the professional bodies are considering the impact on business of their regulatory activities. Although regulators may have a role in approving the regulatory changes made by a professional body they oversee, it is not a function of the regulators to require those professional bodies to complete assessments as with the BIT, nor to demonstrate whether and how they have had regard to economic growth.
82. Government agrees that there is further work to be done to determine whether and how a wider range of professional bodies should be brought into scope of any or all of the measures. As part of that work, we will consider the points raised by respondents, particularly in relation to proportionality and independence – issues which were also of concern to regulators. As we did when bringing regulators and regulatory functions into scope of the three measures, government will prepare an impact assessment to accompany a consultation on any proposals to include any further professional bodies in scope.
83. In the meantime, government welcomes the commitment given by one respondent, a professional body, to ensure that it reviews whether it has helped to reduce the burden on business through any regulations it has imposed, and encourages other professional bodies to do the same.

Economic Regulators

84. Economic regulators are responsible for the regulation of networks and systems where operators are deemed to be a monopoly, or to have significant market power, and they carry out many of their regulatory activities as a proxy for a competitive market. Their actions protect the interests of consumers, whether individuals or businesses. In such circumstances, the criteria for “good” economic regulation differ from those for regulation more generally, and there are therefore specific considerations to be taken into account with regard to bringing their activities relating to economic regulation into scope of the better regulation disciplines.
85. All the economic regulators also undertake some non-economic regulation. While government has decided to include the non-economic activities of the economic regulators in scope of the BIT, there are differences in the way that some economic regulators (Ofgem, Ofcom and Ofwat) have been established that we believe require us to consider in more detail whether and how they can be brought into scope of the Growth Duty and Champion. The same considerations do not, however, apply to either the Civil Aviation Authority (CAA) or the Office of Rail and Road (ORR) and government therefore proposes to include their non-economic functions within scope of both measures. The consultation sought respondents’ views on this proposal.

Consultation Responses

86. Of the 9 respondents who commented on this question, only 5 addressed the question directly. Of those, one respondent was opposed to the proposal, though offered no explanation as to why. The remainder agreed that the non-economic functions of CAA and ORR should be brought into scope of the Growth Duty and Champion, with reasons for agreeing given including “simplifying the scope” and “a fair and consistent approach”. The CAA confirmed that they had no objection in principle to being included in either measure.
87. The remaining 4 respondents commented briefly on the wider point of bringing Ofgem, Ofcom and Ofwat into scope of the Growth Duty, Champion and Regulators’ Code, welcoming the opportunity for further discussions on these proposals.

Government response

88. Government notes that there was only one objection to including the non-economic functions of CAA and ORR into scope of the Growth Duty and Small Business Appeal Champion, but that the CAA themselves had no objections in principle. We will therefore list both regulators in the Growth Duty statutory instrument, bringing their non-economic functions into scope, and consider their position in respect of the Champion as part of government’s further consideration of the measure.

Statutory guidance

89. The Deregulation Act 2015 provides for guidance to be issued to regulators to assist them with discharging their duties under the Growth Duty. Similarly, the Small Business, Enterprise and Employment Act 2015 provides for guidance to be issued to Champions on how to carry out their functions.
90. The consultation document contained draft guidance in respect of both the Growth Duty and the Small Business Appeals Champions, and invited respondents to comment, in particular on whether it was practical and easy to follow.

Growth Duty

Consultation Responses

91. Of the 36 respondents who expressed views on the draft guidance for the Growth Duty, the vast majority were positive about the draft guidance in general.
92. Respondents were broadly of the view that the draft guidance was well written, clearly laid out and easy to follow, with an accessible style. A number of stakeholders made helpful suggestions about particular provisions that could be clearer and about areas where further detail would be useful. However, a small number felt that the draft guidance is already sufficiently detailed.
93. Ten respondents made comments in relation to clarity as to the application of the Growth Duty, and when regulators must have regard to the guidance. Concern was expressed, by a small number of respondents, as to whether the guidance was sufficiently clear that the Growth Duty does not take precedence over a regulator’s other statutory duties.
94. There was a clear desire from regulators for guidance on the new reporting duty in the Enterprise Act 2016. Respondents were concerned about the added burden of reporting, and expressed the view that this guidance should be proportionate and should, for

example, allow for reporting to be incorporated into existing mechanisms such as annual reports. Two respondents thought the reporting duty wouldn't be overbearing, and one suggested that it could be incorporated into the organisation's annual report.

95. Five respondents from the business community sought clarity on how regulators can be held to account if they failed to comply with the Growth Duty, or to follow the guidance.

Government response

96. The government has considered the consultation responses regarding the Growth Duty guidance. The clear view is that the guidance is well written, clear and accessible. Nonetheless, we intend to make a small number of changes to reflect some comments and will lay the guidance before Parliament in due course. The changes include strengthening the guidance around: regulators' work and engagement with business; regulators' staff understanding of the Growth Duty and how it applies to the regulator's, and their own, activities; regulators having a knowledge of other public sector bodies that have a relevant monitoring role in respect of their business community; and minor presentational changes.
97. Whilst concern was expressed by some respondents as to whether the guidance was sufficiently clear that the Growth Duty does not take precedence over regulators' other statutory duties, government believes that this relationship is clearly stated in paragraph 1.12 of the guidance.
98. With regard to guidance on the reporting duty, the Enterprise Act 2016 provides for Ministers to issue guidance on the information to be included in the performance report on how regulators have complied with the duty. Government will issue this guidance in advance of the introduction of the reporting duty. We will develop this in consultation with stakeholders, and will ensure that it does not place undue burdens on regulators. The reporting duty will enable both government and business to measure the effect that the Growth Duty has had on the way regulators exercise their functions and better understand whether this has benefited business. If a regulator fails to provide adequate information, Ministers will be able to require a regulator to provide the information.

Next steps

99. The government would like to thank all of the respondents who took the time to give their views and advice on the issues raised in this consultation.
100. We intend to lay the relevant statutory instruments to bring statutory regulators into scope of the BIT and regulators and regulatory functions into scope of the Growth Duty measure shortly. Subject to Parliamentary approval, we intend to commence the provisions at the earliest available opportunity.
101. We also intend to lay the statutory guidance for the Growth Duty before Parliament so that it is available in parallel with the measures coming into force.
102. Government is considering further the coverage of the Champions policy and will publish a response to this part of the consultation in due course.
103. Government will turn to the question of extending the better regulation measures to a wider range of professional bodies, and bringing the non-economic functions of Ofcom, Ofgem and Ofwat into scope of the Growth Duty and the Regulators' Code in due course. Any proposals in relation to these bodies will be subject to further discussion, and public consultation.

Annex A: List of respondents

- Association of Accounting Technicians (AAT)
- Association of Convenience Stores
- British Association for Shooting and Conservation
- British Gas
- Cambridge International Examinations
- Care England
- Care Quality Commission
- Charity Commission for England and Wales
- Chemical Industries Association
- City & Guilds
- Civil Aviation Authority
- Coal Authority
- Companies House
- Competition and Markets Authority
- Co-operatives UK
- EDF Energy
- Energy UK
- Environment Agency
- Farriers Registration Council (FRC)
- Federation of Awarding Bodies
- Financial Conduct Authority
- Forum of Private Business
- Gambling Commission
- General Medical Council
- Greater London Authority
- Higher Education Funding Council for England (HEFCE)
- Historic England
- Human Fertilisation and Embryology Authority
- Human Tissue Authority (HTA)
- ICAEW - The Institute of Chartered Accountants in England and Wales
- Information Commissioner's Office
- Institute of Directors
- International Baccalaureate Organization
- Intraining Ltd
- Joint Council for Qualifications
- Law Society
- Legal Services Board
- Mineral Products Association

- Nurse haulage international
- Nursing and Midwifery Council
- Office of the Qualifications and Examinations Regulator (Ofqual)
- Ofwat
- Ornamental Aquatic Trade Association
- Royal Society for the Protection of Birds (RSPB)
- Sheffield Assay Office
- The British Hallmarking Council
- The Goldsmiths' Company Assay Office (London Assay Office)
- UK Space Agency
- Valpak Limited

Annex B: Proposed scope of the Business Impact Target and Growth Duty

The table below provides a summary of how the BIT and Better Enforcement Programme measures apply across the different regulators. The table lists:

The non-statutory regulators already in scope of the BIT under the SBEE Act 2015 and the statutory regulators we are proposing to bring in scope of the BIT following the consultation; and

The bodies whose regulatory functions have already been decided as in scope of the Growth Duty following the 2013 consultation and those who we are now proposing to bring into scope following the consultation.

NB: Regulatory functions exercisable in Scotland, Wales or Northern Ireland where those functions have been devolved will not be covered by the BIT or Growth Duty.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Animal Health and Veterinary Laboratories Agency (Animal and Plant Health Agency since October 2014)	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Animals in Science Regulation Unit	Already in scope under SBEE Act	No ¹⁵
Architects Registration Board	No ¹⁶	No
Assay Office – Birmingham (Guardians of the Standard of Wrought Plate in Birmingham)	Yes	Yes
Assay Office – Edinburgh (Incorporation of Goldsmiths of the City of Edinburgh)	Yes	Yes

¹⁵ Since this consultation, and following consultation in 2013, Government has reviewed its decision to apply the Growth Duty to ASRU's regulatory functions that were not related to project licensing. It will now be excluded completely.

¹⁶ Government has now reviewed the inclusion of the Architects Registration Board and concluded that it should not be included in the BIT and Growth Duty. Government will consider the extension of the measures to a wider range of professional bodies in due course.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Assay Office – London (Wardens and Commonalty of the Mystery of Goldsmiths of the City of London)	Yes	Yes
Assay Office – Sheffield (Guardians of the Standard of Wrought Plate within the town of Sheffield)	Yes	Yes
British Hallmarking Council	Yes	Already decided as in scope during last Parliament
Care Quality Commission	Yes	Already decided as in scope during last Parliament
Charity Commission for England and Wales	Yes	Already decided as in scope during last Parliament
Civil Aviation Authority	Yes	Yes
Claims Management Regulation Unit	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Coal Authority	Yes	Already decided as in scope during last Parliament
Commission for Equality and Human Rights (EHRC)	Yes	No ¹⁷
Commissioners of Irish Lights (in respect of UK regulatory functions only)	Yes	Yes
Comptroller-General of Patents, Designs and Trade Marks (Intellectual Property Office)	Yes	Already decided as in scope during last Parliament
Registrar of Companies (England and Wales)	Yes	Already decided as in scope during last Parliament
Registrar of Companies (Scotland)	Yes	Already decided as in scope during last Parliament

¹⁷ To avoid inadvertently jeopardising the EHRC's international standing, during the last Parliament the Government agreed to exclude the EHRC from the scope of the Growth Duty and Small Business Appeals Champion. The same issue does not arise in respect of the BIT.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Competition and Markets Authority	Yes	No ¹⁸
Drinking Water Inspectorate	Yes	Already decided as in scope during last Parliament
Driver and Vehicle Licensing Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Driver and Vehicle Standards Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Employment Agency Standards Inspectorate	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Environment Agency	Yes	Already decided as in scope during last Parliament
Farriers Registration Council	No ¹⁹	No
Financial Conduct Authority	Yes	No ²⁰
Financial Reporting Council	Yes	Already decided as in scope during last Parliament
Fish Health Inspectorate	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Food Standards Agency	Yes	Already decided as in scope during last Parliament
The Forestry Commissioners (Forestry Commission)	Yes	Already decided as in scope during last Parliament

¹⁸ The CMA is a relatively new body and is therefore not in scope to allow time for its operational and governance arrangements to become established.

¹⁹ Government agrees that further work needs to be done regarding the FRC's position with respect to these policies. Government will consider the FRC's position further when considering the position of professional regulators.

²⁰ The Financial Services Act 2012 already places duties on the FCA that are similar in intent to the Growth Duty.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Gambling Commission	Yes	Already decided as in scope during last Parliament
Gangmasters and Labour Abuse Authority²¹	Yes	Already decided as in scope during last Parliament
Groceries Code Adjudicator	Yes	Already decided as in scope during last Parliament
Health and Safety Executive	Yes	Already decided as in scope during last Parliament
Higher Education Funding Council for England	Yes	Yes
Historic Buildings and Monuments Commission for England (Historic England)	Yes	Yes
HM Revenue and Customs	Yes	Yes
Homes and Communities Agency	Yes	Already decided as in scope during last Parliament
Human Fertilisation and Embryology Authority	Yes	Already decided as in scope during last Parliament
Human Tissue Authority	Yes	Already decided as in scope during last Parliament
Information Commissioner	Yes	Already decided as in scope during last Parliament
Insolvency Service including Insolvency Practitioner Unit	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Land Registry	Yes	Yes

²¹ Formerly the Gangmasters Licensing Authority

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Marine Management Organisation	Yes	Already decided as in scope during last Parliament
Maritime and Coastguard Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Medicines and Healthcare Products Regulatory Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Regulatory Delivery Directorate (formerly National Measurement and Regulation Office)	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Natural England	Yes	Already decided as in scope during last Parliament
Northern Lighthouse Board	Yes	Already decided as in scope during last Parliament
Oil and Gas Authority	Yes	Yes
Office of Communications (Ofcom)	Yes	No ²²
Office of the Immigration Services Commissioner	Yes	No ²³
Office for Fair Access	Yes	Already decided as in scope during last Parliament
Office for Nuclear Regulation	Yes	Already decided as in scope during last Parliament
Office of Rail and Road	Yes	Yes
Office for Standards in Education, Children's Services and Skills	Yes	Already decided as in scope during last Parliament

²² See paragraph 84 and 85

²³ Government is focused on reducing immigration and has decided not to apply the Growth Duty to the OISC.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Office of the Regulator of Community Interest Companies	Yes	Already decided as in scope during last Parliament
Office of Qualifications and Examinations Regulation (Ofqual)	Yes	Yes
Office of Gas and Electricity Markets (Ofgem)	Yes	No ²²
Payment Systems Regulator	Yes	No ²⁴
The Pensions Regulator	Yes	No ²⁵
Rural Payments Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Security Industry Authority	Yes	Already decided as in scope during last Parliament
Sports Grounds Safety Authority	Yes	Already decided as in scope during last Parliament
Traffic Commissioners for Great Britain	Yes	Already decided as in scope during last Parliament
Trinity House Lighthouse Services	Yes	Already decided as in scope during last Parliament
UK Space Agency	Already in scope under SBEE Act	Yes
Vehicle Certification Agency	Already in scope under SBEE Act	Already decided as in scope during last Parliament

²⁴ The Financial Services (Banking Reform) Act 2013 already requires the PSR to have regard to “the desirability of sustainable growth in the economy of the United Kingdom in the medium or long-term”.

²⁵ The Pensions Act 2014 already provides the Pensions Regulator with a growth-focussed objective.

Functions or named bodies	Proposed to be brought in scope of the BIT?	Proposed to be brought in scope of Growth Duty?
Veterinary Medicines Directorate	Already in scope under SBEE Act	Already decided as in scope during last Parliament
Water Services Regulation Authority (Ofwat)	Yes	No ²²



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