



Department
for Business
Innovation & Skills

**Business Impact Target: First
Annual Report 2015-2016**

Better Regulation Executive

JUNE 2016

The Better Regulation Executive, part of the Department for Business, Innovation and Skills

Business Impact Target: First Annual Report 2015-2016

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Foreword from the Secretary of State

The Government's deregulation agenda is a crucial part of the Government's efforts to make the UK the best place in the world to start and grow a business. During the last Parliament we reduced the annual cost to business of domestic regulation by almost £2.2 billion (£10 billion cumulatively) through our innovative One-In-Two-Out and Red Tape Challenge programmes. This helped make Britain the G7 nation with the lowest burden of regulation¹ and helped to reduce the proportion of businesses who perceive regulation as a barrier to success².

We also legislated to cement deregulation's place at the heart of Government policy-making – through the Small Business, Enterprise and Employment Act 2015 Government now has a duty to publish and report against a deregulatory target, ensuring there is an ongoing incentive on Government to reduce unnecessary regulatory burdens on business.

We are determined to build on this success. In March 2016 I announced an ambitious deregulatory target to save businesses a further £10 billion of regulatory cost as a result of deregulation during this Parliament. This target is underpinned by a series of measures that will help us to go even further to tackle the regulatory burdens that hold business back.

We have raised the bar within Government by enhancing One-In-Two-Out to a One-In-Three-Out rule across Government to help drive the deregulation needed to meet the £10 billion target. This will further strengthen incentives on departments to view regulation as a last resort rather than the default solution, ensuring that new regulations are only introduced if absolutely necessary.

We have also built on the success of the Red Tape Challenge and Focus on Enforcement programmes by launching a programme of Cutting Red Tape reviews. Each review seeks to identify bureaucratic or regulatory barriers to growth, innovation and productivity within specific sectors, enabling us to axe unnecessary regulation and ineffective enforcement, while ensuring necessary protections are delivered consistently and efficiently.

And in response to the clear feedback from business that the actions of regulators are just as important as the content of legislation in determining their experience of regulation, we have legislated through the Enterprise Act 2016 to extend the deregulatory target to cover the actions of statutory regulators. This will ensure regulators are transparent about their impact on business and incentivised to develop policies and guidance that better meet the needs of business.

Proportionate and well targeted regulation is important and provides vital protections. It can help markets work better, enable new business models and start-ups to compete, and protects consumers. But too many businesses still report that complying with regulations is the single greatest challenge to running their business. I want the UK to be the best place

¹ http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf

² Fell from 62% in 2009 to 51% in 2014:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/314378/14-p145-business-survey-2014.pdf

to start and grow a business. We must focus on enterprise and champion the people who risk their own money to create jobs to help us compete globally.

This is why Government has never been more serious about freeing up business from burdensome and unnecessary red tape. We have built an enhanced deregulatory system and our focus now is on delivering deregulation during the rest of this Parliament so that firms are not held back and can get on with doing business.

Sajid Javid

Secretary of State for Business, Innovation and Skills

Executive summary

The Government has committed to a Business Impact Target (BIT) to save businesses £10 billion in regulatory costs. The Government delivered £885 million of net savings towards its target during the period covered by this report (8 May 2015 to 26 May 2016).

All regulatory provisions that make up the £885 million of net deregulation delivered so far are set out in Annex B of this report and all associated impacts on business shown have been validated by the independent Regulatory Policy Committee. The Government will continue to act transparently by reporting regularly on progress against the £10 billion target throughout this Parliament.

Over the past year Government has also introduced several measures to enhance the deregulatory system:

- Extending the BIT to statutory regulators³: In response to strong feedback from business about how burdensome the enforcement of regulation can be, we are extending the BIT to cover the actions of statutory regulators. These bodies will – for the first time – be under a legal obligation to assess and be transparent about the impact of their actions on business, and for those impacts to count towards the target. This means that the BIT will cover a far wider range of regulatory interventions across a much larger number of bodies than previous deregulatory targets.
- Undertaking Cutting Red Tape reviews: Building on the success of the Red Tape Challenge and Focus on Enforcement programmes, Government has launched a series of reviews to identify bureaucratic or regulatory barriers to growth, innovation and productivity in specific sectors. Building on the Government's success in minimising gold-plating when transposing EU Directives, the Government is also considering further ways to tackle both historic and future gold-plating.
- Introducing One-In-Three-Out: In order to drive the deregulation that will be required to meet the £10 billion target, a One-In-Three-Out rule will apply across Government; ensuring departments continue to view new regulation as a last resort rather than the default.

³ By "statutory regulator" we mean a body that is a legally separate entity to UK Ministers and 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.

Background to the Business Impact Target

What is the Business Impact Target?

The Business Impact Target (BIT) provides an incentive across Government to reduce unnecessary regulatory burdens on business and ensures that regulatory decisions are made in the light of high quality, robust evidence about the likely impact on business. To achieve these objectives, the Small Business, Enterprise and Employment (SBEE) Act 2015 requires the Government of the day to publish a target for deregulation and to obtain independent verification of the economic impact of regulatory decisions that count towards that target. The Act also ensures transparency by requiring the Government to report regularly on progress against its target.

On 3 March 2016 the Government announced its target is to save business £10 billion of regulatory costs from qualifying measures that come into force or cease to be in force during this Parliament. The Government also announced an interim target of £5 billion of savings in the first three years of this Parliament.

What does the Business Impact Target cover?

The SBEE Act requires transparency on all regulatory provisions introduced during the Parliament. However, it provides Government with the discretion to decide which types of regulatory provisions⁴ should count towards the target (i.e. “qualifying regulatory provisions”) and requires Government to publish its decision. On 3 March 2016 the Government published its determination of qualifying regulatory provisions, namely that all regulatory provisions – other than those that fall within a defined exclusion – will count towards the target. Full details of these exclusions are set out in the Government’s Written Ministerial Statement to Parliament⁵. They are explained in Annex A of this report.

There are certain provisions that Parliament does not allow Government to count towards the BIT and are therefore explicitly excluded from the legal definition of a regulatory provision. For example, provisions relating to taxation or levies cannot count towards the BIT. This is because tax and levies are different from regulation. Although they still impose costs on business, they are a necessary means of raising revenue for Government spending, which benefits society as a whole – including business. For example, the new Apprenticeship Levy will be a levy on UK employers to fund new apprenticeships, which will help to boost skills and business productivity.

Meanwhile, regulation is generally aimed at changing behaviour, and it is the unnecessary regulatory burdens that frustrate business and act as a barrier to innovation and growth that are the focus of Government’s efforts to cut red tape and are therefore subject to the deregulatory incentive that the BIT provides. The Government does however recognise

⁴ A regulatory provision, in relation to a business activity, is defined in section 21(3) of the SBEE Act as “a statutory provision which (a) imposes or amends guidance, in relation to the activity, or (b) relates to the securing of compliance with, or the enforcement of, requirements, restrictions, conditions, standards or guidance which relate to the activity”

⁵ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-03-03/HCWS574/>

that taxation places administrative burdens on business, and has committed to reduce the annual cost to business of tax administration by £400 million by 2020.

Holding Government to account

In line with its obligations under the SBEE Act, Government will report openly and transparently on its progress towards achieving the BIT (and the interim target) after each reporting period.

The role of the Regulatory Policy Committee

The SBEE Act also requires the Government to appoint an independent verification body to independently verify all savings and burdens on business that count towards the BIT and confirm that all legislative regulatory provisions that do not count towards the BIT (i.e. non-qualifying regulatory provisions) have been classified correctly. The Government has appointed the Regulatory Policy Committee (RPC) to perform this statutory function.

During the last Parliament, the RPC provided external and independent scrutiny and challenge on the evidence and analysis that supported the development of new regulatory measures. In delivering its remit – and the full benefits of external challenge – it aims to be objective and consistent as well as being independent of departmental decision making.

The appointment of the RPC will ensure that they continue the important work they undertook during the last Parliament by providing assurance that the Government's figures are robust and reliable, and that regulatory decisions are made on the basis of high quality evidence.

Creating the environment for deregulation

The Government has taken significant steps forward during this Parliament to create an environment and regulatory system that can deliver significant deregulation. We believe these actions are positive steps forward that will enable the whole of Government to pull together to free business up from red tape and deliver our ambitious £10 billion commitment.

Extending the BIT to statutory regulators

Businesses consistently say that the actions of regulators are just as important as the content of legislation in determining their experience of regulation. We know that the way in which regulation is enforced can have significant effects, both on existing companies' ability and willingness to grow, and new businesses' willingness to enter the market.

Currently the BIT applies to legislation and regulatory activity undertaken by UK Ministers, which includes the activities of non-statutory regulators acting on behalf of UK Ministers. Through the Enterprise Act 2016, the Government has extended the BIT so that it can also cover the regulatory activities of statutory regulators. This means that for the first time statutory regulators will be required to be transparent about their impact on business and that the Government's target both acknowledges and captures those impacts.

Cutting Red Tape reviews

Building on the success of the Red Tape Challenge and Focus on Enforcement programmes, we have launched a series of Cutting Red Tape reviews. Each review seeks to identify bureaucratic or regulatory barriers to growth, innovation and productivity; this will enable us to axe unnecessary regulation and ineffective enforcement, while protections are delivered consistently and efficiently.

One-In-Three-Out

We have raised the bar within Government in order to ensure new regulations are only introduced if absolutely necessary, by replacing One-In-Two-Out with a One-In-Three-Out rule. This rule applies to departments' legislative proposals (excluding those which implement manifesto commitments) and is intended to drive the deregulation that will be required in order to meet the Government's £10 billion target. One-In-Three-Out will build on the cultural change we started under the last Parliament, ensuring there is no return to the days where regulation was seen as the default solution rather than a last resort.

Progress so far against the Business Impact Target

This update covers the first BIT reporting period, which ran from 8 May 2015 to 26 May 2016. The tables below relate to qualifying regulatory provisions that came into force or ceased to be in force during this period, including those of non-statutory regulators.

Full lists of all regulatory provisions – including those introduced during the report period that will not count towards the BIT – are set out annexes B and C.

Overall BIT score ⁶	Interim target (to be reached by May 2018)	BIT (to be reached by 2020)
–£0.885 billion ⁷	–£5 billion	–£10 billion

Departmental contributions towards the BIT

Department	Departmental BIT score
Department for Work and Pensions	–£5.7m
Department for Energy and Climate Change	£21m
Department for Business, Innovation and Skills	–£199.2m
Department for Communities and Local Government	–£0.5m
Department for Environment, Food and Rural Affairs	–£1,112m
Department for Culture, Media and Sport	–£5m
Department for Education	£0m
Cabinet Office	£2.6m

⁶ A “BIT score” is the sum of the Equivalent Annual Net Direct Cost to Business (EANDCB) over the first five years for which the measure will be in force, or the sum of the EANDCB over the full lifetime of the measure for measures that are in force for less than five years. See [Written Ministerial Statement](#) of 3 March 2016 for further details on methodology.

⁷ Provisional BIT score. Does not include qualifying regulatory provisions introduced by statutory regulators during this reporting period. These measures – and their associated BIT score – will be included in next year’s BIT report, by which time the secondary legislation bringing them into scope of the BIT will be in force. Figure rounded to 1 million.

Department	Departmental BIT score
Ministry of Justice	-£0.5m
Department of Health	£251.5m
Home Office	£157m
HM Treasury	£30.5m
Department for Transport	-£24.5m

Key domestic regulatory provisions

Between 8 May 2015 and 26 May 2016, five domestic regulatory provisions came into force that will have a particularly significant impact on business.

Four of these are qualifying regulatory provisions and will count towards the BIT (of which two are deregulatory), which are:

- **Plastic carrier bag charge:** Requires large retailers to charge five pence for single-use plastic carrier bags. Retailers will be able to retain a portion of the proceeds of the charge to cover their costs. This will reduce the use of plastic bags and the litter they can create by encouraging people to reuse them. (BIT score⁸: -£1,017m)
- **Protection during insolvency procedures:** Prevents suppliers from terminating the supply of utilities or IT supplies during insolvency procedures where there is a realistic prospect of a rescue of the business. (BIT score: -£191.5m)
- **Standardised packaging of tobacco:** Requires standardised packaging for all cigarettes and hand-rolling tobacco. This will improve public health by discouraging young people from taking up smoking, supporting smokers who want to quit and helping people who have quit to avoid relapsing back into smoking. (BIT score: £242m)
- **Prohibition of psychoactive substances:** Bans the generation of psychoactive drugs in order to protect the public from the health risks they pose (BIT score: £128.5m)

Key non-qualifying regulatory provisions

The other key domestic measure implemented during the last reporting period is the introduction of the National Living Wage (NLW) from 1 April 2016 for workers aged 25 and above.

The Government wants to move to a higher wage, lower tax, lower welfare society. This means ensuring work pays and backing businesses to invest to drive up productivity and growth, and create job opportunities. With record employment, the highest GDP growth in the G7 in 2013 and 2014, and over 2.5 million jobs created since 2010, the Government believes that now is the right time to take action to ensure low wage workers can take a greater share of the gains from growth.

At Summer Budget 2015, the Government announced a package of measures to achieve this goal: introducing the NLW to boost the wages of millions of low paid workers across the UK, whilst creating incentives for business to invest through reducing the corporation tax rate and setting the Annual Investment Allowance at £200,000, its highest ever permanent level.

⁸ A "BIT score" is the sum of the Equivalent Annual Net Direct Cost to Business (EANDCB) over the first five years for which the measure will be in force, or the sum of the EANDCB over the full lifetime of the measure for measures that are in force for less than five years. See [Written Ministerial Statement](#) of 3 March 2016 for further details on methodology.

The NLW has initially been set at £7.20 per hour – a rise of 50 pence relative to the current National Minimum Wage rate. The Low Pay Commission (LPC) will advise on the annual increases to reach the Government's ambition of 60% of median earnings by 2020 – currently forecast to reach £9. Because the sizes of these future annual increments are currently unknown, the cost of the NLW itself validated by the RPC relates only to 2016/17. The estimated costs to business of the NLW in subsequent years will be estimated and validated by the RPC following the Government's response to the recommendations of the LPC each year.

Recognising that the NLW would increase costs for some businesses, the Government:

- Increased the Employment Allowance from £2,000 to £3,000 from April 2016. This means a business can employ four people full time on the NLW and pay no National Insurance Contributions. The increase will benefit up to 500,000 employers, and is expected to take up to 90,000 employers out of employer NICs altogether.
- Will reduce the corporation tax rate to 19% in 2017 and (as announced at Budget 2016) 17% in 2020. This is the lowest level in the G20.
- Reformed Business Rates so that from 1 April 2017 businesses occupying premises with a rateable value of £12,000 and below will receive 100% relief, and those occupying premises with a rateable value between £12,000 and £15,000 will receive tapered relief. In addition the threshold for the standard business rates multiplier will increase to a rateable value of £51,000, and from April 2020, taxes for all businesses paying rates will be cut through a switch in the annual indexation of business rates from RPI to be consistent with the main measure of inflation, currently CPI.

The annual net cost to business of the NLW itself will be £821m in 2016/17, against a saving of £636m from the increased Employment Allowance⁹. As noted above, the cost of the NLW has so far only been validated by the RPC for 2016/17. However, in July 2015 the Office for Budget Responsibility (OBR) estimated that the cost to business of the NLW in 2020/21 would be almost £4 billion. In 2020/21, the saving to business from the tax measures outlined above will be £4,528m, comprising £3,825m in corporation tax and £703m from the increased Employment Allowance. In addition, the reduction to business rates is worth £6,700m over the next five years¹⁰.

Because National Insurance and tax changes cannot be counted towards the BIT, and it would not be right to count only part of this package of measures, the introduction of the NLW (and subsequent upratings in line with the LPC's recommendations) will not count towards the BIT. Otherwise Government would be constraining itself to reflect the NLW's costs to business twice: once through tax measures and once through the action of the BIT. However the BIT will include any future increase to the NLW above that recommended by the LPC.

⁹ Only the annual net cost to business of the NLW (£821m) has been validated by the RPC, as the role of the RPC does not include the validation of the impacts of tax or National Insurance changes.

¹⁰ The Government recognises that the incidence of the costs to business from the NLW and the savings from the adjustments to the Employment Allowance, corporation tax and Business Rates will be different

Supporting small and micro businesses

Regulation can often place a disproportionate burden on smaller businesses, which lack the economies of scale and specialist expertise available to larger businesses when complying with legislative requirements. To help mitigate these burdens, under the last Parliament the Government introduced the Small and Micro Business Assessment (SaMBA).

The SaMBA requires departments to provide in their Impact Assessments clear evidence of the potential impact of regulation on small and micro businesses. If this analysis reveals a disproportionate impact on smaller businesses, departments must exempt them from the regulations or take other steps to mitigate the disproportionate impact, which might include partial exemptions, a lighter regime or a longer transition period for smaller businesses. The SaMBA is also subject to scrutiny from the Regulatory Policy Committee who evaluate the adequacy of SaMBAs as part of their wider appraisal of a department's Impact Assessment.

The Government has continued the SaMBA requirement during this Parliament and is pleased to be able to highlight the following measures, which have been introduced during the first BIT reporting period in a way that has helped mitigate impacts for small businesses:

- **Right to rent scheme:** The Government developed a number of mitigations to ease burdens on landlords and letting agents, including a simplified list of documents, no retrospective application and a transition period to allow time for familiarisation with the new requirements.
- **Requirement on energy suppliers to provide key, personal information on consumers' bills in a machine readable format:** The Government set a threshold that means smaller suppliers are not caught by these requirements: only suppliers with more than 50,000 gas or electricity accounts are in scope.
- **Plastic carrier bags charge:** In response to evidence from industry that imposing a charging scheme for carrier bags would place a disproportionate administrative burden on small organisations, Government has decided to only apply the requirement to large retailers. However, small and micro businesses are not prevented from introducing the five pence charge if they wish to.

Cutting Red Tape Reviews

To support the delivery of the BIT, the Government announced a programme of Cutting Red Tape (CRT) reviews. Each review seeks to identify bureaucratic or regulatory barriers to growth, innovation and productivity; this enables the Government to axe unnecessary regulation and ineffective enforcement, while ensuring necessary protections are delivered consistently and efficiently.

The results of three CRT reviews into the waste, adult social care and energy sectors have been published and any regulatory provisions introduced in response to these findings will be covered in future BIT reports. We are currently reviewing feedback on the agriculture, housebuilding, anti-money laundering and mineral extraction reviews. There are ongoing reviews taking place with the childcare and local authorities sectors and we plan to publish the findings from these later this year.

Waste and recycling sector

The waste and recycling sector makes a significant contribution to the UK economy. The Office for National Statistics' 2014 annual business survey showed the waste sector as having 5,261 businesses, employing 106,000 people with a combined turnover of £18.5 billion¹¹. Waste regulation impacts on businesses across the economy, from small retailers to multinational manufacturing companies.

The review held an open call for evidence from 16 July to 14 September 2015. The review team contacted over 100 stakeholders across the sector and the review received over 90 responses made through the Cutting Red Tape website and direct submissions to the Cutting Red Tape mailbox. The review team followed up on this feedback by launching a separate survey to identify the cost impacts of regulation. The questionnaire had a total of 182 respondents, from micro-businesses with fewer than 10 employees, to larger businesses employing hundreds of people at multiple sites across the country.

The review identified a total of 22 findings. The headline outcomes include:

- Definition of waste: decisions on whether or not materials are waste or have ceased to be waste are burdensome, costly and time consuming. The Government will amend domestic guidance to revise and clarify the definition of 'waste' and 'by-products', the first stage was completed by March 2016 with the second stage to be completed by March 2017.
- Permitting: the length of time taken to process permit applications, inconsistency between officials and the use and application of "standard rules". To address this, the Government will begin to publish revised guidance for the Environmental Permitting Regime from March 2016, working with businesses across the sector to investigate the issues and identify root causes of concerns. An action plan will be put in place to address issues raised in the review by August 2016.

¹¹ ONS Annual Business Survey, UK Non-Financial Business Economy, 2014 Provisional Results, section E, sub-section 38: Waste collection, treatment and disposal activities; materials recovery

- Exemptions: the requirement for registering exemptions for low-risk activities creates unnecessary burdens compared to the levels of risk. The Government will complete an assessment of compliance with exemptions to inform any subsequent proposal to review existing exemptions and work to review and streamline the online registration system.

Adult social care

There are estimated to be over 426,000 people receiving social care services in care homes, with the market employing high numbers of part time and full time staff. The National Audit Office estimate that local authorities manage £19 billion of spending on adult social care with a further £10 billion spent on care and support by self-funders. In 2015 the Department of Health provided estimates of 17,000 providers in the care sector, of which nearly 90% are thought to be small or micro businesses.

This is an industry which not only provides economic benefits, but huge social good. It is vital to ensure high standards of care and to protect people who are vulnerable. From the review it was clear that relationships between regulators and providers are positive and professional. The review's goal was to support these relationships, so regulators in the adult social care sector can tackle poor provision, and ensure that good providers can spend their time caring for residents.

The CRT Review was launched on 16 July 2015 and closed on 18 September 2015. The review heard directly from providers, users, regulators and commissioners of services about their experiences.

Following the review the Department of Health has agreed to lead a programme of reform, with support from Department for Communities and Local Government that will include:

- Producing a short, clear statement of the different roles of public bodies working in the sector. This will ensure that care providers have clarity as to these bodies' responsibilities and address the perceived issue of overlap between roles.
- Collating current examples of good practice into one document to share with the sector and develop a strategy which will identify the barriers to more coordinated working.
- Producing a myth busting document to issue to providers.
- Considering how to simplify data requests and returns. This will address concerns that there is duplication and overlap in contract monitoring, inspection and data requirements.
- Exploring ways to standardise Local Authorities' interactions with providers, including through the Primary Authority scheme. The aim of this work will be to ensure consistency of approach, clarity around reporting requirements and to halt the practice of similar data being collected in multiple formats.

Energy

The energy sector comprises those organisations involved in the generation, transmission, distribution and supply of electricity and in the storage, shipping, transmission, distribution and supply of gas. In 2013 the Office for National Statistics reported there to be 2,578 enterprises in the sector, estimating an annual turnover of £111 billion and 137,000 employees.

The CRT Review went public on 16 July 2015. We spoke to 35 companies directly and received a further 36 detailed submissions from large and established energy companies to new starters and small and medium enterprises. Businesses and stakeholders also engaged with the review through social media.

The review found that the most significant burdens in the sector were driven by regulation and enforcement, which is overlapping, duplicated, and not specific enough or not designed from the perspective of how it may place burdens on businesses.

Taking on board all the evidence received, the Government has committed to a more transparent and joined up approach to regulation across the Department of Energy and Climate Change (DECC) and Ofgem, and will simplify processes and rules, adopting a more risk-based approach to compliance.

Key outcomes from the review:

- Following the publication of the CMA report in summer 2016, DECC aims to designate a Strategy and Policy Statement. This will set out in detail the respective roles of DECC and Ofgem, and will provide a strategic framework within which Ofgem are to operate.
- DECC will work to produce a regular forward look – outlining the priorities and key changes in the energy sector over each coming year. They will strive to make the policy making process more predictable. This forward look of the focus of DECC and other industry bodies will help businesses to plan their engagement and allocate resourcing sensibly.
- Ofgem is committed to moving to a more principles-based approach to regulation, to reduce the size of the supply licence and reliance on prescriptive rules. This puts far greater emphasis on energy companies to understand what is right for consumers and to deliver good outcomes.
- DECC and Ofgem have committed to find ways to streamline data and information requests, and are forming a working group to deliver this. DECC and Ofgem accept that fewer, more comprehensive requests and better sharing might remove pressure on businesses.
- The CMA is currently investigating, as part of its market investigation, the governance of the Industry Codes and is due to publish its final report in June 2016. Once this is released DECC and Ofgem will look at how code governance can be

streamlined, in line with these findings, to reduce the burdens caused by them on businesses.

Annex A: Business Impact Target exclusions

The Government aims to make the UK the best place in the world to start and grow a business. Many aspects of Government policy can make a contribution to that goal. Government has a number of controls and incentives in place to secure those contributions, of which the BIT is the most significant in regulatory policy areas.

The BIT is not intended to cover all Government activity that places burdens on business. It deliberately does not duplicate other controls and incentives – for example, Government has a separate target to reduce the cost to business of tax administration by £400 million by 2020. There are other exclusions which are described further below.

Some of these exclusions were agreed by Parliament as part of the legislation which created the BIT. The Small Business, Enterprise and Employment Act 2015 prevents the BIT, and the associated requirement to assess impact, from applying to:

- Tax, duties, levies or other charges (including fees);
- Procurement;
- Grants or other financial assistance on behalf of a public authority;
- Measures that have effect for less than 12 months; and
- Regulation of activities that are not business activities.

The Act gives the Government power to make further exclusions from the BIT. Before doing so the Secretary of State must have regard to:

- The effect of regulation on economic growth and competitiveness;
- The need to minimise any disproportionate impact of regulation on smaller scale businesses or voluntary or community bodies; and
- The aim of delivering efficiency in regulating business activities while keeping the costs to businesses to a minimum.

Government announced on 3 March 2016 the use of these powers to exclude certain categories of regulatory provisions from the target. Government will continue to provide transparency on these measures where they have a significant impact on business, through assessments of impact and through describing them in this Annual Report. These categories, and the rationale for excluding them from the BIT, are set out in the table below.

BIT Exclusion	Rationale
Exclusions where the incentive effects of the BIT are not required or not appropriate	
Civil emergencies	When responding to a civil emergency with an urgent regulatory intervention, the Government's over-riding priority is the protection of the public. There is little value in subjecting such interventions to a burden reduction target when this factor is clearly outweighed by the need to protect the public. Once emergency measures are unwound, their permanent replacements are considered against the BIT.
Fines and penalties	The BIT is focussed on regulatory costs that businesses have to incur in order to comply with regulatory requirements. Costs associated with fines and penalties only arise when a business does not comply with regulatory requirements. They are therefore completely avoidable and should not count towards the BIT.
Systemic financial risk	The Government attaches great importance to mitigating the risk of disruption in the UK financial system or to the supply of financial services in the UK. It would not therefore be appropriate to subject measures to address systemic financial risk to a target that aims to reduce burdens on business when this factor is clearly outweighed by the wider benefits of delivering a stable financial system.
European Union Regulations, Decisions and Directives (and other international obligations)	Incentives generally have greatest effect when applied as close as possible to the point at which decisions are made. Incentives for deregulation by international organisations should therefore form part of the decision-making processes of those organisations. As the UK is required to implement EU and international obligations, it would not be appropriate to include such implementing measures in the BIT. However, Government will continue to provide transparency on the economic impact of domestic regulations that implement EU legislation where the impact on business is significant. These impacts will be subject to validation by the independent Regulatory Policy Committee. Furthermore, any UK implementing regulations that go beyond minimum requirements (i.e. "gold-plating") will count towards the BIT.

BIT Exclusion	Rationale
Exclusions arising from the need to avoid perverse outcomes	
Monopoly providers (or those with significant market power)	Some regulation is intended to deliver better outcomes in monopoly markets where there is limited scope for competition. Such regulation often has strong wider business benefits – e.g. Ofgem and Ofwat price controls in the energy and water industry are key to UK business productivity. Therefore, subjecting these interventions to the BIT may create a perverse incentive to relax price controls on monopoly providers (which would be scored as a reduction in the burden of such regulation), and in doing so weaken the strong benefits it has on the wider business community and consumers.
Pro-competition	Measures to improve competition have wide-ranging benefits to business, especially for new entrants to a market or sector. Including pro-competition measures that impose a net direct cost on business in the BIT may dis-incentivise the use of such regulation and in doing so inhibit measures to secure indirect benefits which such regulation brings to the wider business community. By definition, in pro-competition measures such benefits outweigh any direct costs. It would therefore be perverse to score any net direct cost of a pro-competition measure. This exclusion does not apply to any net direct benefits of such measures.
Price controls	Many price controls are subject to periodic adjustment, often by reference to changes in underlying costs or other policy priorities. Excluding such measures avoids perverse outcomes such as departments being incentivised to increase prices (which would be scored under the BIT as a reduction in burdens).
Other exclusions	
Large infrastructure projects	Large infrastructure projects such as HS2 or Crossrail are intended to boost the UK economy, which is beneficial to business and business growth. Including regulations that enable/implement such projects in the BIT would capture the direct regulatory costs to business of such regulations, but would not capture the huge wider benefits to business that such infrastructure projects bring. This would cause a significant distortion within the BIT of the overall impact large infrastructure projects have on business.

BIT Exclusion	Rationale
National Living Wage	The regulatory impacts associated with the introduction of the National Living Wage are offset by changes to employer National Insurance and tax. Because the SBEE Act excludes National Insurance and tax changes from the BIT – and Government does not believe it would be right to count only part of this package of measures – measures that introduce the National Living Wage are excluded (see page 11) for more discussion on the National Living Wage). However, introduction of the National Living Wage has been subject to full appraisal through the Impact Assessment process, including independent scrutiny by the RPC. For transparency reasons, it is also listed in Annex C of this report.
Regulator case work	Regulator compliance activity is the operational consequence of a regulator's enforcement policies or practices. Changes to enforcement policies or practices which impact on business activities will count towards the BIT, so to also capture those impacts individually on a case-by-case basis would be double counting.
Educational, communications activities etc by regulators	Activities covered by this exclusion do not generally in themselves have a regulatory or deregulatory effect, or specifically relate to business compliance with regulation.
Policy development by regulators	Although consultation and related activities can result in burdens on businesses, policy development activities do not in themselves impose new regulatory obligations. Including them in the BIT would create a disincentive for regulators around their engagement with regulated business.
Changes to the organisation and management of the regulator	Major changes to regulatory organisation (e.g. merger of regulatory bodies etc) would normally be reflected in changes in legislation and so any impacts will be captured for the BIT. Other potential changes to regulator organisation that are not connected to changes in regulatory policy (e.g. changes in staffing, location of offices) do not actually change the regulatory obligation on business and it would therefore not be appropriate to include them in the BIT.
Misuse of Drugs Act and National Minimum Wage	The BIT is intended to focus on the impacts of the decisions of Ministers and designated regulators. Both drugs classification decisions and National Minimum Wage rate changes are made on the recommendations of an independent (non-executive) advisory body, rather than Ministers and are therefore excluded. However, if Ministers departed from the recommendation of the relevant body those decisions would remain in scope for the BIT.

BIT Exclusion	Rationale
Industry codes	Industry codes are essentially a form of self-regulation because they are governed by an independent body. As the BIT is focussed on the actions of Government, changes to industry codes proposed by such bodies are excluded from the BIT. However, where regulators have statutory powers to initiate changes to codes, such changes brought about as a result of the exercise of these powers will be in scope.

Annex B: List of qualifying regulatory provisions

Under the provisions of the Small Business, Enterprise and Employment Act 2015 the Government is required to publish:

- A list of all the qualifying regulatory provisions (i.e. regulatory provisions that count towards the BIT), which have come into force or ceased to be in force during the reporting period (the reporting period covered by this report runs from 8 May 2015 to 26 May 2016);
- The associated economic impact on business (i.e. the “BIT score”) where this has been verified by the independent Regulatory Policy Committee; and
- A description of and justification for any qualifying regulatory provisions introduced during the reporting period that go beyond the minimum provision necessary for implementing an EU or international obligation.¹²

This information is set out in the table below. Corresponding RPC validations are available at the Regulatory Policy Committee's [website](#).

Department	Measure	Description	BIT score ^{13 14}
Department for Culture, Media and Sport	Rollover of analogue radio licences issued under the Broadcasting Act 1990	Allows commercial radio stations to roll over existing licences – due to expire in 2017 – for a further five year period.	-£5m

¹² There are three such instances listed in this annex: Control of Major Accident Hazard Regulations 2015, Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015 and The Tobacco and Related Products Regulations 2016.

¹³ A “BIT score” is the sum of the Equivalent Annual Net Direct Cost to Business (EANDCB) over the first five years for which the measure will be in force, or the sum of the EANDCB over the full lifetime of the measure for measures that are in force for less than five years. See [Written Ministerial Statement](#) of 3 March 2016 for further details on methodology.

¹⁴ A small number of qualifying regulatory provisions have not yet been validated by the RPC and therefore no BIT score is shown. Validated BIT scores for these measures will be included in the next BIT annual report.

Department	Measure	Description	BIT score ^{13 14}
Department for Culture, Media and Sport	Exempt Lotteries Legislative Reform Order	Enables small exempt lotteries to donate profits to charities.	£0m
Department for Education	Enabling the single registration of multiple childcare premises (Childcare (Miscellaneous Amendments) Regulations 2015)	Enables the single registration of multiple childcare premises and for child-minders to also work from non-domestic premises.	£0m
HM Treasury	Removing buy-to-let broking from within the scope of credit broking regulation	Ensures that regulation of buy-to-let mortgages remains proportionate to any evidence of consumer detriment and ensure minimum compliance with the Mortgage Credit Directive.	-£4m
HM Treasury	Independent Complaints Commission	Requires the Independent Complaints Commission to produce a statutory annual report that includes an assessment of the handling of complaints by the Financial Conduct Authority.	£0m

Department	Measure	Description	BIT score ^{13 14}
HM Treasury	Senior managers and certification regime: extension to foreign branches	<p>Extends the senior managers and certification regime (SM&CR) to foreign branches. The SM&CR is the new regime for regulating individual conduct and accountability in the banking sector based on the recommendations of the Parliamentary Commission on Banking Standards (PCBS) in 2013. The Financial Services (Banking Reform) Act 2013 provided for the introduction of the SM&CR for UK banks but only provided a power to extend the SM&CR to UK branches of foreign banks (foreign branches) after appropriate consultation. This was completed in time to allow the SM&CR to be extended to foreign branches at the same time as the SM&CR was applied to UK banking sector firms (7 March 2016). The SM&CR is delivered through rules made by the financial services regulators in the normal way; this approach provides the flexibility needed to ensure that the SM&CR is implemented in an appropriate and proportionate way. The Bank of England and Financial Services Act 2016 provides for the further extension of the SM&CR in due course to all other types of authorised financial services firms.</p>	£34.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Work and Pensions	The Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016	<p>The policy intention is that a contributions equivalent premium (CEP) should only be required to be paid in respect of a member of a scheme who ceases to be an active member of the scheme (whether through scheme wind-up or because they leave the scheme) with less than two years' service without accruing any rights in the scheme.</p> <p>Amendments ensure there is no ambiguity for schemes and the sponsoring employers in relation to payment of CEPs which should only be required to be paid in respect of a member who ceases to be a member of a scheme without having accrued any rights in the scheme – the abolition of contracting-out should not trigger a CEP payment. A CEP is appropriate, however, if the member remains in the scheme after abolition and subsequently leaves with less than two years employment and no accrued rights.</p>	-£70.6m
Department for Work and Pensions	Amendments to the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996	Amendment exempts large multi-employer schemes from the requirement for auditors to give a statement on contributions. Change also modernises the information pension schemes must disclose on their investments, removing out of date legal requirements which no longer reflect modern UK accounting practices or pension scheme investments, thereby making scheme financial statements more useful to users.	-£21m

Department	Measure	Description	BIT score ^{13 14}
Department for Work and Pensions	The Occupational and Personal Pension Schemes (Automatic Enrolment) (Miscellaneous Amendments) 2016	Amendments to simplify elements of the automatic enrolment process to reduce complexity for employers. Changes include: further exceptions to the employer duty a simpler process for employers to bring their staging date forward, and simplified deadline for employer re-declaration of compliance.	-£4.6m
Department for Work and Pensions	The Pension Protection Fund and Occupational and Personal Pension Schemes (Miscellaneous Amendments) Regulations 2016	The Amendments place an obligation on trustees and managers to include a generic risk warning when giving members to chance to access their pension. These warning will help members of occupational pension schemes consider the risks involved with the new pension freedoms that are relevant.	£0m
Department for Work and Pensions	The Occupational Pension Scheme (Charges and Governance) (Amendment) Regulations 2016	Amendments ban new commission arrangements in occupational pension schemes used for Automatic Enrolment from April 2016	£5.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Work and Pensions	The Pension Act 2014 (Commencement No.4) Order 2015	Abolishes short service refunds in Defined Contribution trust based schemes limiting the refunds of member contributions to the first 30 days after the member joins the pension scheme. With the introduction of automatic enrolment, this allows people's pension savings, to remain in pensions, enabling members to have a higher income in retirement. This limitation on refunds of member contributions also means members will not lose the value of their employer's contributions, which will be a significant advantage as they build up their subsequent pensions saving.	£87m
Department for Work and Pensions	The Health and Safety at Work etc. Act 1974 (General Duties of Self-Employed Persons) (Prescribed Undertakings) Regulations 2015	Implements Professor Lofstedt's recommendation to exempt from Section 3(2) of the Health and Safety at Work Act 1974, those self-employed whose work activities pose no risk of harm to others.	-£2.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Work and Pensions	Control of Major Accident Hazard Regulations 2015	<p>Prescribes the format for operators to comply with the EU Seveso III Directive's notification and permanently available public information requirements. This is to improve confidence in the regulation of major hazards. Requiring information to be provided in a common and accessible format will help improve understanding and generate greater public trust.</p> <p>Also requires Category 1 responders to be included in the testing of emergency plans at Upper Tier sites holding dangerous substances. This is to ensure that external emergency plans are properly prepared and provide public assurance that responders are engaged with the emergency procedures.</p>	£0.5m
Department for Work and Pensions	Offshore Installations (Offshore Safety Directive) (Safety Cases etc.) Regulations 2015	Maintains current UK standards on: enter and leave notifications for non-production installations which allow the regulator to monitor the movements of mobile offshore installations (e.g. drilling rigs); the definition of a major accident; and the definition of an offshore installation. This is because Government and industry concluded that the standards offered within the EU Offshore Safety Directive in these areas do not provide adequate protection from the risks posed (e.g. in the area of offshore diving which is a very dangerous activity) and would have a detrimental effect on offshore safety. Therefore the current UK standards are being maintained.	£0m

Department	Measure	Description	BIT score ^{13 14}
Ministry of Justice	Amendment to The Blood Tests (Evidence of Paternity) Regulations 2015	Amends existing Regulations relating to where a court has ordered DNA tests to establish a person's parentage. The amendments allow for additional types of people to take, or supervise the taking of, mouth swab samples for the purposes of such DNA tests.	-£0.5m
Department of Energy and Climate Change	Legislation to require energy suppliers to provide key personal information on consumer bills in a machine readable format	Requires domestic retail energy suppliers to print on all hard-copy energy bills and statements of account machine readable images containing key information on customers energy consumption, tariff and expenditure.	£7.5m
Department of Energy and Climate Change	SI to define protected areas under section 4B of the Petroleum Act 1998 and commencement of section 50 of the Infrastructure Act 2015	Section 4A of the Petroleum Act 1998 sets out conditions that must be met before a hydraulic fracturing consent can be given in respect of an onshore licence for England and Wales. The section bans hydraulic fracturing within protected groundwater source areas and other protected areas. This SI specifies (a) the descriptions of areas which are "protected groundwater source areas" and (b) the descriptions of areas which are "other protected areas" for the purposes of section 4A of the Petroleum Act 1998.	£13.5m
Department of Energy and Climate Change	Transfer of consenting powers for onshore wind generating to local authorities - Primary legislation	Amends existing licence holders so that planning consent is authorised by local authorities.	£0m

Department	Measure	Description	BIT score ^{13 14}
Department of Energy and Climate Change	Transfer of consenting powers for onshore wind generating to local authorities- Secondary legislation	Makes provisions for new licence holders so that planning consent is authorised by local authorities.	£0m
Department of Energy and Climate Change	The Maximising Economic Recovery Strategy for the UK	The Petroleum Act 1998 includes an obligation upon the Secretary of State to create a strategy, by April 2016, to maximise the economic recovery of UK petroleum. This strategy is binding upon the Secretary of State (including the Oil and Gas Authority as an Executive Agency), Petroleum licence holders, operators, the owners of upstream petroleum infrastructure and those planning and carrying out the commissioning of such infrastructure.	To be confirmed in a subsequent IA
Department of Energy and Climate Change	Smart metering: Advanced meter exemption end-date	Extension of the period in which suppliers may install advanced meters, instead of smart meters, in non-domestic premises covered by the smart metering mandate.	Not yet confirmed or validated
Department of Energy and Climate Change	Further content for the Smart Energy Code and associated licence conditions (a GB industry code)	Provides further detail of arrangements for the provision of smart metering communication services by the Data and Communications Company to its users.	Not yet confirmed or validated
Department of Energy and Climate Change	Electricity and Gas (Standards of Performance) (Suppliers) Regulations 2015	Revises the guaranteed standards of performance of gas and electricity suppliers in Great Britain, abolishes overall standards and consolidated suppliers' obligations from into one Statutory Instrument.	Not yet confirmed or validated

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	The Insolvency (Protection of Essential Supplies) Order 2015	Prevents essential IT and utility suppliers of businesses in certain formal insolvency procedures from exercising contractual rights to terminate the supply or to increase charges to the insolvent company on account of the insolvency. Preventing this will improve the chances that the business will be able to be operate as a going concern for a longer period and reduce the need for liquidation. Continuing to operate as a going concern will maintain the value of the business for longer period and enable higher returns to creditors.	-£191.5m
Department for Business, Innovation and Skills	Consumer Rights Act: Consumer Law Enforcement Powers	Consolidates and simplifies consumer law investigatory powers, including powers of entry.	-£29.5m
Department for Business, Innovation and Skills	Reforms to the process by which SoS and official receivers requires information on director behaviour	Introduces a single streamlined electronic report for insolvency practitioners to report on director misconduct. The reform reducing the cost to business of completing the report.	-£20m
Department for Business, Innovation and Skills	Insolvency Red Tape Challenge Package	A collection of measures that remove unnecessary regulations, enable modern business practices and reduce the cost of insolvency proceedings.	-£14.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Technical changes to insolvency practitioner regulations and appointment of an administrator	Removes the need for Insolvency Practitioners to keep a separate case record of information for matters such as progress of case administration, bonding, remuneration and meetings.	-£12.5m
Department for Business, Innovation and Skills	Amendment to Outer Space Act 1986	Introduces upper limit on liability of licenced UK space operators.	-£8m
Department for Business, Innovation and Skills	The Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2016	Amends the Conduct Regulations to remove some business to business regulation and simplifies the legislation.	-£4.5m
Department for Business, Innovation and Skills	Director appointments - companies	Simplifies filing requirements where directors are appointed.	£0m
Department for Business, Innovation and Skills	Companies Act 2006 (Notices of Auditors Leaving Office) (4th Deregulation Bill)	Removes unnecessary and duplicative actions when both the company and auditor have to notify the relevant bodies when an auditor leaves office.	-£3.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Amendment to Employment Tribunal Act 1996	Reduces the number of postponements, particularly short notice postponements in employment tribunals.	-£2m
Department for Business, Innovation and Skills	Clarifying the process for the appointment of an administrator by a company or director.	Clarifies that the notice of intention to appoint does not need to be sent to prescribed persons where there are no floating charge holders. This will reduce the costs of a number of administration appointments	-£1m
Department for Business, Innovation and Skills	Competition Appeal Tribunal Rules 2015	Updates the rules for cases at the Competition Appeal Tribunal.	-£1m
Department for Business, Innovation and Skills	Director appointments - other corporate entities	Simplifies filing requirements where directors are appointed.	£0m
Department for Business, Innovation and Skills	Partial Insolvency Practitioner authorisation	Allows Insolvency Practitioners to be licensed as either personal or corporate.	£0m
Department for Business, Innovation and Skills	Public Transport Ticketing Schemes Block Exemptions	Takes the provision of joint travel schemes (e.g. travel cards that work for many companies) out of scope of competition law.	£0m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Director disputes procedure	Provides a new means of resolving disputes about directors' appointments.	£0m
Department for Business, Innovation and Skills	Consumer Rights Bill: Unfair Contract Terms	Modernises and simplifies consumer rights.	£0m
Department for Business, Innovation and Skills	Consumer Rights Act: Digital Content	Modernises and simplifies consumer rights.	£2m
Department for Business, Innovation and Skills	Consumer Rights Bill: Services	Modernises and simplifies consumer rights.	£4m
Department for Business, Innovation and Skills	Competent Authority provisions in Insolvency	Removes the Secretary of State from Competent Authority provisions in insolvency.	-£0.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Enabling Liquidators and Administrators to assign to third parties certain rights of action that only they can bring under the Insolvency Act 1986 and to extend the right to bring fraudulent and wrongful trading actions to an administrator.	Enables liquidators and administrators to assign to third parties certain rights of action and extends to an administrator the right to bring fraudulent and wrongful trading actions.	£0.5m
Department for Business, Innovation and Skills	Amendment to Employment Tribunal Act 1996	Reduces the number of postponements, particularly short notice postponements in employment tribunals, and imposes a penalty on employers who do not pay their tribunal award in full and on time.	£0.5m
Department for Business, Innovation and Skills	Zero Hour Contracts	Provides a route of redress for exclusivity clauses.	£0.5m
Department for Business, Innovation and Skills	Registered office disputes procedure	Makes it simpler to remove inaccurate registered office addresses from the public register.	£1m
Department for Business, Innovation and Skills	Insolvency Practitioner regulatory Regime	Introduces new regulatory powers to regulate Insolvency Practitioners.	£1m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	The Accounting Standards (Prescribed Bodies) (United States of America and Japan) Regulations 2015	Provides a transition period for US or Japanese companies to convert to UK accounting principles for their group accounts.	£0m
Department for Business, Innovation and Skills	Bank Accounts for Bankrupts	Ensures that being bankrupt does not in itself prevent access to a bank account.	Not yet confirmed or validated
Department for Business, Innovation and Skills	Insolvency Practitioner Fees upfront estimates	Requires Insolvency Practitioners seeking remuneration to include an estimate of the anticipated costs, which must be approved by creditors as part of the proposal for agreeing the basis for remuneration.	£3m
Department for Business, Innovation and Skills	Reforms to Debt Relief Orders (DROs) and increase to creditor to creditor petition debt limits	Changes eligibility for a DRO and increases the Bankruptcy Creditor Petition Limit.	£5m
Department for Business, Innovation and Skills	Consumer Rights Act: Goods	Modernises and simplifies consumer rights.	£14m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Pubs Statutory Code and Adjudicator	Provides a statutory code of practice for pub companies with tied pubs, including the option for tenants to go free-of-tie.	£17m
Department for Business, Innovation and Skills	Revisions to SIP16 guidance	Revises the Standards in Practice 16 statements in the light of recommendations from the Graham review.	-£0.5m
Department for Business, Innovation and Skills	Updated guidance on RoHS	New comprehensive guidance for industry.	£0m
Department for Business, Innovation and Skills	Enforcement of Energy Efficiency Directive (Heat Networks)	Refines the scope of the regulation for enforcement purposes to only apply to buildings with residents in an “apartment” or “multi-use” building to avoid imposing disproportionate burdens on businesses for small energy efficiency gains.	Not yet confirmed or validated
Department for Business, Innovation and Skills	Enforcement of EU Timber Regulations	Amends the approach to due diligence submissions under the EU Timber Regulation.	£0m

Department	Measure	Description	BIT score ^{13 14}
Department for Business, Innovation and Skills	Enforcement of WEEE & Battery Take Back Regulations	Amends how Business Improvement Plans are used in the enforcement of WEEE & Battery Take Back Regulations.	£0m
Department for Business, Innovation and Skills	Technical changes to request for information on directors	The requirement to seek information through the insolvency practitioner (acting as a sort of middle-man) can incur additional costs and cause undue delays which may prevent timely action being taken to seek disqualification in the public interest.	-£0.5m
Department for Business, Innovation and Skills	Uprate to the Apprentice National Minimum wage	Uprate of the Apprentice National Minimum wage above the Low Pay Commission recommendation. This is the minimum hourly rate applied to apprentices under the age of 19, or aged 19 or over and in the first year of their apprenticeship. This was an increase of 57p (3%) to £3.30 per hour and was announced to move apprenticeships towards a level playing field with other employment options.	£38.8m
Department for Business, Innovation and Skills	Requirement for private Further Education (FE) and Higher Education (HE) colleges to subscribe to the Office of the Independent Adjudicator for Higher Education (OIA)	Requires privately-funded HE providers and FE colleges providing HE (and that have students in receipt of student support funding), to sign up to the OIA.	£3m

Department	Measure	Description	BIT score ^{13 14}
Home Office	Alcohol licensing - Increase in Temporary Event Notice limit	Increases the number of occasions (from 12 to 15 per year), on which unlicensed premises can apply to supply alcohol for a limited period, or licensed premises can apply to supply alcohol outside their normal licensed hours.	-£4.5m
Home Office	Alcohol licensing - Late Night Refreshment Licensing	Enables licensing authorities to use discretion to implement local exemptions for the provision of late night refreshment licensing.	-£2m
Home Office	Modern slavery - Supply chain reporting	Requires large business to report on steps they are taking to prevent modern slavery in their supply chains.	£7m
Home Office	Right to Rent Scheme	Requires landlords to check prospective tenants have the right to be in the UK.	£28m
Home Office	Prohibition of new psychoactive substances	Makes it an offence to produce, supply, offer to supply, possess with intent to supply, import or export psychoactive substances.	£128.5m
Home Office	Guidance on the use of Human Materials in Animals	Advice note on the use of animals in scientific procedures	Not yet confirmed or validated
Home Office	The Harm Benefit Analysis Process	Advice note on the use of animals in scientific procedures	Not yet confirmed or validated
Home Office	Use, Keeping Alive and Re-use	Advice note on the use of animals in scientific procedures	Not yet confirmed or validated

Department	Measure	Description	BIT score ^{13 14}
Home Office	Re-homing and Setting Free of Animals	Advice note on the use of animals in scientific procedures	Not yet confirmed or validated
Department for Environment, Food and Rural Affairs	The Agriculture (Calculation of Value for Compensation) (Revocations) (England) Regulations 2015	Revokes the 1986 regulations (which fail to reflect market value, which is subject to change) and allows the parties flexibility to settle a claim in a way that reflects current market value.	£0m
Department for Environment, Food and Rural Affairs	Agriculture (Model Clauses for Fixed Equipment and Prescribed Periods) (England) Regulations 2015	Revokes and replaces the existing regulations with updated regulations and consolidates with existing legislation, specifically the Agriculture (Miscellaneous Time-Limits) Regulations 1959 and the Agriculture (Time-Limit) Regulations 1988.	£0m
Department for Environment, Food and Rural Affairs	Commencement of section 15 of the Deregulation Act 2015 relating to suppliers of fuel and fireplaces	Simplifies arrangements so that fireplaces and fuels authorised for use in smoke control areas are listed on the Defra website rather than in legislation.	£0m
Department for Environment, Food and Rural Affairs	Single Use Plastic Carrier Bag Charge (England) Order 2015	Introduces a charge on single use plastic carrier bags in October 2015 via secondary legislation under the Climate Change Act 2008.	-£1,017m

Department	Measure	Description	BIT score ^{13 14}
Department for Environment, Food and Rural Affairs	The Specified Diseases (Notification) (Amendment) (England) Order 2015	Makes Porcine Epidemic Diarrhoea (PED) notifiable in England and permit the Secretary of State to release information related to suspected or confirmed cases of the disease to the Agriculture and Horticulture Development Board so they can contact and provide voluntary advice to affected pig keepers.	£0m
Department for Environment, Food and Rural Affairs	Review of approach to issuing animal test certificates for veterinary medicines	Simplifies the authorisation of clinical trials required for the marketing authorisation of veterinary medicines by making the Veterinary Medicines Directorate their sole regulator in the UK.	-£1m
Department for Environment, Food and Rural Affairs	Designation of the second tranche of Marine Conservation Zones	Designates the second tranche of Marine Conservation Zones in waters for which the Secretary of State has responsibility (English inshore, English, Welsh and Northern Irish offshore). The Government have made a commitment to completing a network of Marine Conservation Zones to create a Blue Belt of protected sites around our coasts.	£1.5m
Department for Environment, Food and Rural Affairs	The Producer Responsibility Obligations (Packaging Waste) (Miscellaneous Amendments) Regulations 2016	Reviews the Producer Responsibility Regulations. As part of this Defra will look to exempt more small businesses from the battery producer responsibility regulations without reducing battery recycling rates.	-£18m
Department for Environment, Food and Rural Affairs	The Plant Health (England) (Amendment) Order 2016	Extends the existing statutory notification scheme to require notification of imports of all Prunus planting material.	£0m

Department	Measure	Description	BIT score ^{13 14}
Department for Environment, Food and Rural Affairs	The Water Supply and Sewerage Licences (Cross-Border Applications) Regulations 2016	Reduces burdens on businesses that want to provide water services to customers in England, Wales and Scotland (i.e. one application process to get two sets of licences from the Water Industry Commission for Scotland / Ofwat)	-£61.5m
Department for Environment, Food and Rural Affairs	The Hazardous Waste (England and Wales) (Amendment) Regulations 2016	Revokes Part 5 of the Hazardous Waste (England and Wales) Regulations 2005 which requires the notification of premises at which hazardous waste is produced at, collected at or removed from as the Environmental Agency already capture data through the industry via Hazardous Waste consignment notes.	-£14.5m
Department for Environment, Food and Rural Affairs	The Environmental Permitting (England and Wales) (Amendment) (No. 2) Regulations 2016	Reduces burdens on developers by administratively integrating Flood Defence consents with other non-planning consents through the Environmental Permitting regime.	-£7m
Department for Environment, Food and Rural Affairs	The Agricultural Holdings Act 1986 (Variation of Schedule 8) (England) Order 2015	Modernises the current provision to bring it up to date with modern farming practices. Currently the list of eligible items does not provide compensation for inputs such as digestates and soil improvers that are now widely used to improve soil quality.	£0.5m
Department for Environment, Food and Rural Affairs	Reform of Defra Guidance	Reforms Defra and its regulators' guidance to provide improved access to information users need.	Not yet confirmed or validated

Department	Measure	Description	BIT score ^{13 14}
Department for Environment, Food and Rural Affairs	Smarter Data	Reforms and simplifies the way that businesses submit information to Defra and its regulators. This includes reducing duplicated requests for information and introducing digital systems.	Not yet confirmed or validated
Department for Environment, Food and Rural Affairs	The Tuberculosis (England) (Amendment) Order 2016	To amend the TB Order (England) 2014 to bring in compulsory TB post-movement testing of cattle entering the Low Risk Area (LRA) of England from holdings situated in designated annual (or more frequent) surveillance testing areas of GB and from designated herds in the LRA on annual surveillance testing.	£5m
Department for Environment, Food and Rural Affairs	Amendment to Regulation 36 of Environmental Permitting (England and Wales) Regulations 2010	Enables the Environment Agency and Natural Resources Wales to suspend an environmental permit in response to a breach of an enforcement notice by a site operator which results in a risk of pollution (part of the Waste Crime Action Plan).	£0m
Department for Environment, Food and Rural Affairs	Amendment to Regulation 57 of the Environmental Permitting (England and Wales) Regulations 2010	Amends the regulations to enable the Environment Agency and Natural Resources Wales to broaden the scope of the powers to prevent or remedy pollution even where an environmental permit is not in place (part of the Waste Crime Action Plan).	£0m
Department for Environment, Food and Rural Affairs	Amendment to Environmental Permitting (England and Wales) Regulations 2010 – Breaches of Environmental Permitting	Enables the Environment Agency and Natural Resources Wales to issue an enforcement notice that specifies steps that must be taken to prevent the breach of an environmental permit getting worse (part of the Waste Crime Action Plan).	£0m

Department	Measure	Description	BIT score ^{13 14}
Department for Environment, Food and Rural Affairs	Amendment to Environmental Permitting (England and Wales) Regulations 2010 – High Court Proceedings	Amends the Environmental Permitting (England and Wales) Regulations 2010 to enable regulators to take proceedings to the High Court to secure compliance, whether or not the regulator has taken other enforcement steps.	£0m
Department of Health	The General Dental Council (Fitness to Practise etc.) Order 2016	Streamlines the fitness to practice process for the General Dental Council.	-£10m
Department of Health	The Human Medicines (Amendment) (No. 3) Regulations 2015	Widens access to (injected) Naloxone in an emergency.	£0m
Department of Health	The Nicotine Inhaling Products (Age of Sale and Proxy Purchasing) Regulations 2015	Bans the sale of e-cigarettes to under 18s.	£1.5m
Department of Health	The Care Quality Commission (Fees) (Reviews and Performance Assessments) Regulations 2016	Enables the Care Quality Commission to operate a full-cost recovery system for its fee charging regime.	£15m
Department of Health	The Tobacco and Related Products Regulations 2016	Requires packaging of certain tobacco products to contain an information message and a picture warning, which does not fully take up a derogation within the EU Tobacco Products Directive. This is in order to maintain current labelling requirements, which represent an important health protection that helps with the cessation of smoking.	£3m

Department	Measure	Description	BIT score ^{13 14}
Department of Health	The Standardised Packaging of Tobacco Products Regulations 2015	To reduce smoking, which is currently the primary cause of preventable and premature death in the UK, by requiring that all packs of cigarettes and hand rolling tobacco be produced in drab brown packs with no attractive graphics or logos.	£242m
Department of Health	The Health and Social Care (Safety and Quality) Act 2015 (Commencement No. 1 and Transitory Provision) Regulations 2015	Specifies the NHS number as the unique identifier required by primary legislation.	Not yet confirmed or validated
Department for Communities and Local Government	The Party Wall Act etc. 1996 (Electronic Communications) Order 2015	Allows for notices and other documents required under the Act, to be served electronically only if both the giver and recipient agree.	-£3.5m
Department for Communities and Local Government	Amendment to existing permitted development rights - to enable the drilling of boreholes for groundwater monitoring, seismic monitoring, and the locating and appraising of mines, preparatory to potential petroleum exploration	Enables the drilling of boreholes for specified monitoring/appraisal activities as permitted development which was not covered by existing permitted development rights.	£0m
Department for Communities and Local Government	Helping Home Businesses - Amendment to the Landlord and Tenant Act 1954	Amends Part 2 of the Act, so that if a landlord agrees to reasonable business use of a home this will not result in the creation of a business tenancy.	£0m

Department	Measure	Description	BIT score ^{13 14}
Department for Communities and Local Government	Permitted development rights for the change of use of offices, light industrial buildings, and launderettes	Amends The Town and Country Planning (General Permitted Development) (England) Order 2015 to make permanent the existing permitted development right for change of use from office to residential, extend the existing exemption areas until 30 May 2019, and to allow three years from the date of prior approval to change use; introduce for three years from October 2017 a new permitted development right for change of use from light industrial to residential use, subject to prior approval by local planning authorities; amend an existing permitted development right to allow for the change of use from launderettes to residential use, subject to prior approval	Impact Assessment was confirmed by the RPC as fit for purpose. A decision on how this will be scored for the BIT has been deferred.
Department for Communities and Local Government	Serving of Section 21 Eviction Notices - Deregulation Act	Stops the practice of retaliatory eviction by: a) preventing landlords from evicting tenants who have requested a repair or improvement to bring a property up to the legal minimum standard. b) stopping the practice of issuing a possession notice at the start of a tenancy, so that tenants will always receive two months' notice to vacate a dwelling.	£3m
Cabinet Office	Charities (Protection and Social Investment) Bill	Provides stronger protection for charities in England and Wales from individuals who are unfit to be charity trustees. Also equips the Charity Commission with new or strengthened powers to tackle abuse of charity more effectively and efficiently	£2.6m
Cabinet Office	Charities (Protection and Social Investment) Bill	Gives charities a new power to make social investments (investments that pursue both a financial and social return).	Not yet confirmed or validated

Department	Measure	Description	BIT score ^{13 14}
Department for Transport	The Hovercraft Code	Introduces new pragmatic technical standards for small hovercraft which exempts them applying international standards	£0m
Department for Transport	Code for High Speed Offshore Service Craft (HS OSC Code)	Provides for the carriage of industrial personnel on windfarm vessels by way of an exemption to the High Speed Craft Regulations if complying with the new standard.	£0m
Department for Transport	Safety of Navigation: Offshore Renewable Energy Installations (OREIs) - Guidance on UK Navigational Practice, Safety and Emergency Response.	Amends the Marine Guidance Note aimed at developers for assessing impacts to navigation safety and emergency response caused by offshore renewable energy installations proposed in UK waters.	Not yet confirmed or validated
Department for Transport	Abolition of the Vehicle Identity Check Scheme	Removes the requirement for vehicle identity checks to be carried out on written-off vehicles, reducing the burden and cost on the public and industry.	-£24m
Department for Transport	Street Works: the 2007 permit scheme regulations as amended in 2015	Statutory Guidance to support amendment regulations – updates to existing statutory guidance.	Not yet confirmed or validated
Department for Transport	Merchant Shipping (Code of Safe Working Practices for Merchant Seamen) (Amendment and Revocation) Regulations 2015	Removes the mandatory requirement for ships to carry hard copies of the Code on board ships	-£0.5m

Department	Measure	Description	BIT score ^{13 14}
Department for Transport	Department for Transport (C) Guidance	Guidance produced by the Department for Transport that has been identified as a Qualifying Regulatory Provision. For example: Guidance relating to the carriage of dangerous good such as security requirements for moving dangerous goods by road and rail.	Not yet confirmed or validated
Department for Transport	Marine and Coastguard Guidance	Guidance produced by the MCA that has been identified as a Qualifying Regulatory Provision. For example: Guidance relating to the small seagoing passenger ship code and the survey and inspection of fishing vessels.	Not yet confirmed or validated

Annex C: Non-qualifying regulatory provisions

Legislative non-qualifying regulatory provisions

Under the provisions of the Small Business, Enterprise and Employment (SBEE) Act 2015 the Government is required to publish a list of all the legislative non-qualifying regulatory provisions (i.e. regulatory provisions that do not count towards the BIT because they fall under one or more of the excluded categories set out in Annex A), which have come into force or ceased to be in force during the reporting period (the reporting period covered by this report runs from 8 May 2015 to 26 May 2016). This information is set out in the table below.

Under the SBEE Act, these measures must be confirmed as being non-qualifying regulatory provisions by the independent Regulatory Policy Committee (RPC). There is one non-qualifying regulatory provision that has not yet been confirmed as such by the RPC and we have marked this appropriately. This confirmation will be sought shortly and the RPC outcome will be reflected in the next BIT annual report.

For transparency purposes, Government will continue to assess the cost to business of significant legislative non-qualifying regulatory provisions. Therefore, where the RPC have validated the annual net cost to business of these measures, this has been included. Corresponding RPC validations are available at the RPC's [website](#).

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
HM Treasury	Appointment of the Competent Authority for the Interchange Fee Regulation	Implements the EU Interchange Fee Regulation by appointing the Payment Systems Regulator as the lead competent authority and give the Financial Conduct Authority co-competence for some provisions. The UK regulations use flexibility in the Regulation to allow firms to apply a weighted average approach to domestic debit card interchange fee caps and to exempt from interchange fee caps three party card schemes which are treated as four party schemes under the Regulation and have a market share below a given threshold.	European Union Regulations, Decisions and Directives (and other international obligations)	£0m
HM Treasury	European Long-Term Investment Funds Regulation	Gives the Financial Conduct Authority (FCA) powers to direct and enforce the Regulation, clarifies that marketing under the regulation is permitted and that it is a criminal offence to mislead the FCA about complying with the Regulation.	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
HM Treasury	Undertakings for Collective Investments in Transferable Securities (UCITS V) Directive	Introduces new rules on UCITS depositaries, such as the entities eligible to assume this role, their tasks, delegation arrangements and the depositaries' liability as well as general remuneration principles that apply to fund managers.	European Union Regulations, Decisions and Directives (and other international obligations)	£5.4m
HM Treasury	Transparency Directive (Amending Directive (2013/50/EU))	Introduces a set of harmonising amendments to seek to raise transparency standards, including on how major shareholdings should be calculated, what instruments should be included and minimum standards for sanctions regimes related to breaches of transparency requirements.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.7m
HM Treasury	SME Credit Information	Requires the largest UK banks to share small and medium sized businesses credit data with designated CRA which will be required to provide equal access for finance providers.	Pro-competition	£1.6m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
HM Treasury	Help to Match SMEs Rejected for Finance with Alternative Lenders	Requires the largest UK banks to refer small and medium sized businesses, whose applications for finance they reject, to designated platforms – as long as the businesses give their permission – thus facilitating contact with potential alternative financiers.	Pro-competition	£1.5m
Department for Work and Pensions	Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015	Transposes Directive 2013/30/EU on the safety of oil and gas operations into UK law.	European Union Regulations, Decisions and Directives (and other international obligations)	£22.5m
Department for Work and Pensions	Control of Major Accident Hazard Regulations 2015	Transposes Seveso III Directive into UK law.	European Union Regulations, Decisions and Directives (and other international obligations)	£4.5m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department of Energy and Climate Change	The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention)(Amendment) Regulations 2015	Transposes the environmental requirements of Directive 2013/30/EU on the safety of offshore oil and gas operations into UK law.	European Union Regulations, Decisions and Directives (and other international obligations)	£2.56
Department of Energy and Climate Change	The Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015	Measures required to transpose the licensing requirements of Directive 2013/30/EU on the safety of offshore oil and gas operations into UK legislation	European Union Regulations, Decisions and Directives (and other international obligations)	£0.48m
Department for Business, Innovation and Skills	Pyrotechnic Articles (Safety) Regulations 2015	Transposes Directive 2013/29/EU relating to the making available on the market of pyrotechnic articles and Commission Implementing Directive 2014/58/EU setting up a system for the traceability of pyrotechnic articles.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.7m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Business, Innovation and Skills	Transparency and Trust: change to the application of directors duties to shadow directors	Changes the way director's duties apply to shadow directors making them similar to 'de-jure' directors.	European Union Regulations, Decisions and Directives (and other international obligations)	£0m
Department for Business, Innovation and Skills	Alternative Dispute Resolution	Makes it easier for consumers to access non-court resolution of problems.	European Union Regulations, Decisions and Directives (and other international obligations)	£12.1m
Department for Business, Innovation and Skills	Transparency and Trust: Directors disqualifications package.	Provides new powers to improve the effectiveness of director investigations.	European Union Regulations, Decisions and Directives (and other international obligations)	£5.7m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Business, Innovation and Skills	The Collective Management of Copyright (EU Directive) Regulations 2016	Transposes the EU Directive on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.4m
Department for Business, Innovation and Skills	Increased National Minimum Wage financial penalty calculation - 2016	Increases the penalty paid by an employer for underpaying a worker the National Minimum Wage from 100% of the underpayment to 200% (which falls by half for prompt payment).	Fines and penalties	£0m
Department for Business, Innovation and Skills	Transparency and Trust: Abolition of Bearer shares	Abolishes Bearer Shares (an anonymous way of holding shares in a company, which made them opaque and subject to abuse) as a type of share certificate.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.1m
Department for Business, Innovation and Skills	Cape Town Convention - repossession of aircraft from insolvent companies	Reduces the risk to creditors of lending to airlines and leasing companies by creating a harmonised international legal framework for the creation and registration of international interests (such as mortgages and leases).	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Business, Innovation and Skills	Pressure Equipment (amendment) regulations 2015	Amends the Pressure Equipment Regulations 1999 to implement Article 13 of the Pressure Equipment Directive 2014.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.2m
Department for Business, Innovation and Skills	Person's with Significant Control (PSC) Protection Regime	Enables applications to be made to protect personal information about PSCs who are at risk from violence or intimidation from public disclosure. Implements obligations made at the 2013 G8 summit in Lough Erne.	European Union Regulations, Decisions and Directives (and other international obligations)	£4.7m
Department for Business, Innovation and Skills	Transparency and Trust: Register of Person's with Significant Control (PSC) Fees	Provisions to allow companies to reclaim reasonable costs for providing a copy of the company's own PSC register on request.	European Union Regulations, Decisions and Directives (and other international obligations)	£10m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Business, Innovation and Skills	Transparency and Trust: PSC register	Requires companies to keep a register of their PSCs. Information in the register will be made publicly available.	European Union Regulations, Decisions and Directives (and other international obligations)	£108.7m
Department for Business, Innovation and Skills	Amendment to the National Minimum Wage regulations 2015 – introducing the National Living Wage	Introduces the National Living Wage from 1 April 2016 – a new premium of 50p on top of the adult National Minimum Wage, applying to workers aged 25 and over.	National Living Wage	£821m
Department for Business, Innovation and Skills	Annual uprate to the National Minimum Wage	Annual uprate of National Minimum Wage which sets the minimum hourly rate of pay for UK workers. This follows recommendations by the independent Low Pay Commission to Government. Current uprates come into force every October.	National Minimum Wage	£626m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Environment, Food and Rural Affairs	The Nagoya Protocol (Compliance) Regulations 2015	Enforces the EU Regulation that implements the Nagoya Protocol.	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision
Department for Environment, Food and Rural Affairs	Welfare of Animals at Time of Killing (WATOK)	Consolidates welfare at slaughter legislation and simplifies the legislative landscape. The new domestic regulations will provide full enforcement powers for Council Regulation 1099/2009 in England and will repeal WASK 1995.	European Union Regulations, Decisions and Directives (and other international obligations)	£6m
Department for Environment, Food and Rural Affairs	Transitional National Plan (TNP) Regulations for Large Combustion Plant	Allows more time for large combustion plants to become compliant.	European Union Regulations, Decisions and Directives (and other international obligations)	£0m
Department for Environment, Food and Rural Affairs	Introduction of Fixed Penalty Notices for fly-tipping	Enables local authorities to issue Fixed Penalty Notices for fly-tipping to provide a flexible means of enforcement.	Fines and penalties	£0m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Environment, Food and Rural Affairs	Petrol Vapour Recovery definition in Schedule 18 of the Environmental Permitting regulations	Imposes requirements on petrol vapour recovery during the refuelling of motor vehicles at service stations.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.2m
Department for Environment, Food and Rural Affairs	Regulations to enable owners of private water supplies to sell water to water companies	Increases competition in the water supply sector.	Pro-competition	£0m
Department of Health	The Tobacco and Related Products Regulations 2016	Transposes the EU Tobacco Products Directive on various aspects of tobacco control.	European Union Regulations, Decisions and Directives (and other international obligations)	£15.8m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Cabinet Office	Transposition of 2014 EU Public procurement directives - Utilities	Transposes the EU Procurement Directive on Utilities Contracts into UK law.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.1m
Cabinet Office	Transposition of 2014 EU Public procurement directives - Concessions	Transposes the EU Procurement Directive on Concessions Contracts into UK law.	European Union Regulations, Decisions and Directives (and other international obligations)	£0.3m
Department for Transport	The Shipping (Alcohol) (Prescribed Limits Amendment) Regulations 2015	Sets the new, lower limits for alcohol as adopted by the Manila Amendments to the International Convention for the Standards of Training, Certification and Watchkeeping for seafarers and transposes Directive 2012/35/EU on the minimum level of training for seafarers.	European Union Regulations, Decisions and Directives (and other international obligations)	£0m

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Transport	Merchant Shipping (Standards of Training, Certification and Watch keeping) Regulations 2015	Implements the Manila Amendments to the International Convention for the Standards of Training, Certification and Watch keeping for seafarers and transposed Directive 2012/35/EU on the minimum level of training of seafarers.	European Union Regulations, Decisions and Directives (and other international obligations)	£7.4m
Department for Transport	Amendments to the Railways (Interoperability) Regulations 2011	Amends Annexes 5 and 6 to reflect changes in the Railway Interoperability Directive.	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision
Department for Transport	Train Driver Licences and Certificate (Amendment) Regulations	Transposes amendments to the Train Driver Licensing Directive in light of operational experience.	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision

Department	Measure	Description	BIT exemption	Equivalent Annual Direct Cost to Business (where known)
Department for Transport	Implementation of tachograph regulation	Implements EU Regulation 165/2014 on tachographs in road transport.	European Union Regulations, Decisions and Directives (and other international obligations)	Confirmed as a low cost non-qualifying regulatory provision
Department for Transport	The Vehicle Drivers (Certificate of Professional Competence) (Amendment) Regulations 2015	Clarifies two exemptions and aligns minimum test vehicle requirements with those used for vocational driving tests.	European Union Regulations, Decisions and Directives (and other international obligations)	Not yet confirmed or validated

Non-Legislative non-qualifying regulatory provisions

Under the provisions of the Small Business, Enterprise and Employment Act 2015 the Government is required to publish a summary of all the non-legislative non-qualifying regulatory provisions (i.e. regulatory provisions that do not count towards the BIT because they fall under one or more of the excluded categories set out in Annex A), which have come into force or ceased to be in force during the reporting period (the reporting period covered by this report runs from 8 May 2015 to 26 May 2016). This information is set out in the table below¹⁵.

Department/Non-Statutory Regulator	Summary	BIT exemption
Department of Energy and Climate Change (DECC)	<p>The Oil and Gas Environment and Decommissioning Team (OGED) in DECC undertook five individual enforcement actions between 8 May 2015 and 26 May 2016. One firm was prosecuted twice under the Offshore Petroleum Activities (Oil Pollution Prevention Control) Regulations 2005, with a total fine of £28,500. Additionally one company was issued an enforcement notice by DECC under regulation 16A of the Offshore Chemical Regulations 2002 and another under regulation 13 of the Offshore Petroleum Activities (Oil Pollution, Prevention and Control) Regulations 2005. Finally DECC issued a Civil Penalty Notice to one firm for non-compliance with Regulation 41 of the The Greenhouse Gas Emissions Trading Scheme Regulations 2012, for which the penalty was £868,068.</p> <p>DECC's enforcement policy, which is publicly available, sets out the general principles that inspectors follow to ensure that any enforcement action taken is proportional, consistent, transparent and targeted. Inspectors work closely with industry to assist them to comply with the regulatory requirements and to adopt best practice. The number of fines and penalties this year is slightly higher than in previous years, but reflects the fact that it can take some time for cases to go</p>	Regulator casework

¹⁵ The Regulatory Policy Committee (RPC) perform an assurance role in relation to these summaries. Where the assurance has not been completed in advance of the report, and issues have been raised, any outstanding concerns will be resolved in the next annual report.

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>through the judicial system. The ability to impose civil penalties under The Greenhouse Gas Emissions Trading Scheme Regulations 2012 is relatively new and may result in additional penalties.</p> <p>DECC also approved 12 Decommissioning Programmes for offshore oil and gas installations and pipelines under Section 29 of the Petroleum Act 1998 and retained 8 Financial Security Agreements. Decommissioning of oil and gas installations is still at an early stage, however, decommissioning work is increasing as fields come to the end of their economic life and it is anticipated that the number of decommissioning programmes will continue to increase over the coming years. The oil price will be a significant factor in the pace of that increase.</p> <p>Additionally DECC issued 13 notices under section 105 of the Energy Act 2004 requesting decommissioning programmes for offshore renewable energy installations to be submitted to the Secretary of State for approval. During this period one decommissioning programme was approved, and financial securities were taken for one project. This is broadly similar to casework levels in previous years; from 2006 (the start of the decommissioning regime under the Energy Act 2004) to May 2015, 57 notices were issued requesting decommissioning programmes. The level and timing of such requests is entirely determined by the number of offshore renewable energy projects coming forward for construction, as well as the timing of Ofgem's licensing of offshore transmission assets previously owned by offshore windfarm companies.</p>	
UK Space Agency	The Outer Space Act is the legal basis for the regulation of activities in outer space carried out by organisations or individuals established in the UK or one of its Crown Dependencies or Overseas Territories. The Act confers licensing and other powers on the Secretary of States for Business, Innovation and Skills, which are carried out	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>through the UK Space Agency. The aim of the Act is to ensure the UK meets its obligations under UN Space Treaties and that activities do not pose risks to public health and safety or UK national security.</p> <p>We have granted 13 Outer Space Act licences during the reporting period. We have also written to 11 space operators to check they are complying with their licence conditions. There has been no non-compliance notices issued. Separately the UK Space Agency obtains satellite orbital location details from other sources (not licensees). There have been no changes in policy and practice.</p>	
Regulatory Delivery Directorate (Business, Innovation and Skills)	Regulatory Delivery (previously NMRO) undertakes market surveillance and enforcement activities across 11 different legislative areas. Over the past 12 months the team has undertaken over 1000 inspections and commenced over 80 investigations.	Regulator casework
BIS: Recognised professional bodies for Insolvency Practitioners (RPBs) and Insolvency Practitioner Regulation Section (Oversight regulator)	<p>The RPBs grant licenses to approx. 1600 IPs each year, some appointment taking and some non-appointment taking. The license lasts for 1 year and if the IP stays with the RPB for subsequent years there is an annual renewal process.</p> <p>The RPBs received 629 complaints forwarded from the Insolvency Service gateway in 2015, which are assessed, investigated (if the evidence suggest such an investigation should take place), placed before committee and possibly progressed to disciplinary action against the Insolvency Practitioner. There were 84 sanctions imposed in 2015, these includes warnings, cautions, fines, restrictions and removal of license.</p> <p>The RPBs monitor IP's usually on a 3 year rotation but some times more frequent</p>	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>visits are necessary if the IP has had a previous poor report or their type of work warrants it. There were 459 monitoring visits in 2015. These usually consist of a physical visit to the IP's office and a dip sample of cases, the IP receives a copy of the report and the report and any recommended further actions are considered by a committee.</p> <p>IP Regulation section (Insolvency Service Oversight regulator) does consider and process some complaints about the RPBs (10 received in 2015), this team monitors the RPBs and publishes reports (gov.uk) on RPBs authorisations function, monitoring, complaint handling, disciplinary findings and enabling bonds and cover schedules.</p>	
Animal and Plant Health Agency	<p>Licensing, registration and inspection - APHA licences, approves or registers a range of premises, such as markets (and other animal gatherings including shows), animal by-products plants (including rendering facilities, knackery yards, hunt kennels, maggot farms), quarantine centres, nurseries and other plant production sites, designated inspection points and egg producers. We licence movements of animals, the export of animals, animal by-products, plants and plant products, the import of animals, plants and bees and trade in bovine and porcine semen and embryos. APHA issues authorisations to hauliers for the transport of animals. We licence trade in endangered species and register certain birds kept in captivity. These licensing activities are supported by risk-based inspection regimes, often in partnership with local authorities and are designed to ensure ongoing compliance with the conditions of approval for the premises and activities concerned. We inspect farms and other holdings in response to reports about disease risk or conditions of animal welfare and to check compliance with welfare standards for the purposes of the single farm payment scheme. APHA inspects zoos, museums and other</p>	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>establishments that hold collections of endangered species.</p> <p>Surveillance and testing - APHA undertakes surveillance to detect the presence or spread of animal diseases, for example bovine tuberculosis and salmonella, through testing samples taken on farm, at abattoirs, markets and at animal by-products plants. APHA performs surveillance to detect plant and bee pests and diseases to measure their spread, this is achieved through inspection and sampling on nurseries, in public spaces and in the natural environment. We also take samples as part of our activities to regulate the trade in endangered species, for example to establish the species or to verify that an animal has been captive bred.</p> <p>In addition to the above casework there have been other measures that have related to specific geographic areas of our work or individual cases:</p> <p>Mandatory Post Movement Testing in the Low Risk Areas (LRA) from April 2016. Customers bringing cattle from the High Risk Areas (HRA) to LRA will be required to carry out post movement testing. This measure was strongly supported by stakeholders, including cattle keepers in the LRA, in the TB cattle measures consultation carried out by Defra in 2015.</p> <p>The removal of TB reactor cattle can be delayed where necessary in certain circumstances in England. If a TB reactor is disclosed that is unable to travel to an abattoir due to it being heavily pregnant the keeper will have the option to retain the animal on farm until it has calved provided it can be isolated and the removal then takes place within 2 months This is positive as means the farmer may be able to retain offspring from the reactor animal.</p> <p>6 month testing in Cheshire Edge - The frequency of testing has been changed to 6 monthly intervals to simplify the previous testing protocols which were complicated</p>	

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>to understand. However, this has led to more testing in some instances.</p> <p>Camelid Blood Testing - compulsory TB blood testing introduced. The industry requested this compulsory testing as will give more accurate results about the presence of TB in camelids, avoiding non infected animals being sent for slaughter.</p> <p>The majority of animal health and welfare legislation that APHA regulates is enforced by the Local Authorities who are the named statutory enforcers and prosecuting authority.</p> <p>APHA referred 1057 cases to the RPA for consideration of imposing cross compliance penalties for those farmers who failed to TB test on time within their testing window. Severity of the penalty was dependant on the number of days overdue the test was when it was completed.</p> <p>APHA issued 79 welfare Improvement Notices served following welfare inspection visits on farm and at markets.</p> <p>APHA issued 41 Penalty Notices to egg producers who contravened the requirements of the Eggs and Chicks (England) Regulations 2009.</p>	
Centre for Environment Fisheries and Aquaculture Science (Fish Health Inspectorate)	We served 7 enforcement notices and issued 31 official warning letters and made 6 enforcement visits. We are also actively involved in 4 multi-agency investigations (ongoing)	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
Rural Payments Agency	We have carried out 23,000 farm inspections (including BPS, cross compliance and livestock inspections) during this period, of which 100% are required by EU Regulations. We also carried out 25,000 checks in wholesale and retail outlets.	Regulator casework
Veterinary Medicines Directorate	<p>Authorisations of veterinary medicines</p> <p>We issued 148 marketing authorisations for veterinary medicines, and 31 animal test certificates for clinical trials for veterinary medicines. We also issued one authorisation for an autogenous vaccine authorisation.</p> <p>Enforcement action</p> <p>We issued 255 warning letters and 171 advisory letters relating to illegal veterinary medicines. We also issued 5 Seizure notices, 10 Improvement notices and referred 28 cases to our investigation team for further investigation. We also completed 346 cases relating to medicinal claims for unauthorised medicinal products.</p> <p>Inspections carried out:</p> <p>221 Feed Business Operators</p> <p>390 SQP retailers</p> <p>533 Vet practice premises</p> <p>43 veterinary medicines manufacturing sites</p>	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>52 veterinary medicines wholesale dealing sites</p> <p>Pharmacovigilance:</p> <p>We processed 5,743 reports of adverse events from veterinary medicines.</p> <p>Residue sampling programme</p> <p>The programme to take and analyse samples from food producing animals and their products for residues of veterinary medicines and prohibited substances.</p> <p>Samples taken - 29,454</p> <p>Non-compliant results - 103</p> <p>We also issued 17,046 import certificates (certificates to authorise veterinary surgeons to import unauthorised medicines) and 577 exports certificates for veterinary medicines.</p>	
Maritime and Coastguard Agency	<p>From current available data, we have undertaken 1068 Port State Control inspections, detaining 52 ships, and undertaken 7552 Flag State Control inspections/surveys, detaining 14 ships and issuing 10 Prohibition and Improvement Notices.</p> <p>We conducted 11 prosecutions within the period.</p> <p>We have undertaken 183 training course approvals, examined 5313 seafarers and</p>	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>boatmasters for competency and conducted 97 sight tests.</p> <p>We have conducted 117 audits.</p>	
Medicines and Healthcare Products Regulatory Agency	<p>Licensing /Early Access</p> <p>325 regulatory or scientific advice meetings to give guidance to companies</p> <p>50 submissions to the Early Access to Medicines Scheme (EAMS) considered</p> <p>143 product licenses for human blood and vaccines</p> <p>Vigilance</p> <p>Investigations conducted into 892 reports of defective medicines</p> <p>17 drug alerts issues</p> <p>Support to 16 company-led drug alerts</p> <p>14,836 adverse incident reports for medical devices</p> <p>53 device alerts issued</p> <p>902 Field Safety corrective actions</p> <p>242 competent authority reports to other EU Competent Authorities</p>	Regulator casework

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>Enforcement</p> <p>£8.6M worth of counterfeit / unlicensed medicines seized (3.6M doses in the UK alone)</p> <p>5 arrests</p> <p>1,891 websites taken down</p> <p>18,671 online videos relating to the supply of counterfeit or unlicensed medicines taken down from YouTube</p> <p>Medicines: In FY 15/16, a total of 1113 product licenses were issued. Of these there were:</p> <p>232 UK-only authorisations</p> <p>311 as Reference Member State (UK in the lead)</p> <p>570 as Concerned Member State (another EU country in the lead, with UK input)</p> <p>Medical Devices: Class I medical devices are self-certified by the manufacturer, who only needs to register as a manufacturer. Higher class devices are given CE marks by notified bodies from any EU country. MHRA does not maintain a register of each individual CE mark approval, but it is estimated that there are upward of 80,000 medical devices on the UK market at any time.</p>	

Department/Non-Statutory Regulator	Summary	BIT exemption
Claims Management Regulator	<p>Figures for May 15 to February:</p> <p>Investigations started: 74</p> <p>Licences cancelled: 66</p> <p>Warnings issued: 206</p> <p>Audits carried out: 252</p> <p>Visits conducted: 1060</p> <p>Consumer contacts: 5146</p>	Regulator casework
The Animals in Science Regulation Unit (ASRU)	<p>The Animals in Science Regulation Unit (ASRU) has issued project licences, individual licences and establishment licences. ASRU has commenced non-compliance cases and has provided compliance advice. ASRU has completed appeals cases under section 12 of the Animals (Scientific Procedures) Act 1986. Further detail on these measures can be found in the ASRU Annual Report, which is published on Gov.uk.</p>	Regulator casework
UK Space Agency	<p>An amendment to cap the previously unlimited liability for operators licensed under the Outer Space Act came into force on 1st October 2015. A consultation was undertaken, an impact assessment was produced and validated and all relevant procedures were followed. The UK Space Agency is an Executive Agency of BIS and as such this measure will feature in the relevant BIS Business Impact Target report. We wrote to two space industry trade associations and published details on</p>	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>our web site highlighting when the change would come into force.</p> <p>In addition we have co-chaired a Regulatory Advisory Group with representatives of the space industry, which considered, amongst other things, the competitiveness of the UK's space regulatory regime. Furthermore, we presented aspects of our regulatory regime at various fora, for example at the Satellite Finance Network regulation and legal briefing, where we chaired one of the sessions and presented examples of small satellite regulation.</p>	
Department of Energy and Climate Change	<p>The Department works closely with developers on a one-to-one basis to support the development of offshore renewables decommissioning programmes. The Department has continued to operate policy as governed by our 2011 guidance notes (https://www.gov.uk/government/publications/decommissioning-offshore-renewable-energy-installations) and has not within the reporting year engaged in specific 'education, communications and promotions' activities at an industry-wide level.</p> <p>DECC also carried out 2 specific Offshore Safety Directive Regulator (OSDR) and numerous Town Hall events in conjunction with the HSE and the offshore oil and gas industry body Oil and Gas UK (O&GUK) to assist the oil and gas industry to understand the changes resulting from the transposition of the Offshore Safety Directive into UK legislation. These large-scale events were supplemented by guidance on the HSE OSDR website, additional presentations to industry groups, individual companies and contractors working for the industry.</p> <p>In addition DECC participates in regular meeting of the O&GUK Environment Forum, which are attended by environmental representatives of virtually all the active offshore operators, and in the technical working groups set up by O&GUK to discuss</p>	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	specific areas of interest. Discussion of environmental legislation and policy is one of the main features of these meetings.	
Regulatory Delivery Directorate (Business, Innovation and Skills)	Raising awareness of the legislation that we enforce and supporting business in their efforts towards compliance are priority areas for the team. Over the year we have answered 2251 enquiries from industry, and attended 57 exhibitions and trade shows.	Educational, communications activities etc by regulators
BIS (Recognised professional bodies for Insolvency Practitioners (RPBs) and Insolvency Practitioner Regulation Section (Oversight regulator))	<p>The RPBs all hold annual conferences, workshops and education talks which count towards an IP's CPD points.</p> <p>'Dear IP' is an article based publication which is circulated quarterly directly to the IPs via email. It is produced by IP Regulation section with input from the RPBs. It provides updates on changes to law/policy/Statements of Insolvency Practice and other regulatory points of interest that the IPs need to be aware of.</p> <p>IP Regulation section publishes a number of documents each year - the Annual Review of IP Regulation 2015, all monitoring visits to the RPBs, sanctions against IPs imposed by the RPBs, and guidance. All of the RPBs have websites which they use to communicate with the IP community, publishing documents of interest.</p>	Educational, communications activities etc by regulators
Animal and Plant Health Agency	APHA & RPA working together introduced the "Single Point of Contact" for farmers & rural businesses on 30 September 2015. This was a telephone number (0300 200 310) with an options menu to select the appropriate help from either APHA or RPA providing a combined service. This resulted in a change of processes so that services were centralised within APHA to remove duplication by creating nationally-focused ways of working and Specialist Service Centres to replace disparate	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>regional teams. The numbers of queries resolved in the “first” call have increased in certain work areas.</p> <p>Farm Level Risk Management - free BTB advice to 360 farms in Gloucestershire and Somerset badger cull areas. This was impartial free advice from a qualified BTB vet expert and was not compulsory. Maps and the 5 year BTB history of the area were provided to farmers even if they did not take up the offer of free advice.</p> <p>APHA engaged with stakeholders and businesses on 165 occasions throughout England.</p> <p>APHA updated its Regulatory and Compliance Policy in December 2015 to include the work of the plant, bees and genetically modified inspectorates to reflect the wider remit of the APHA agency as a whole.</p> <p>APHA convene meetings across England with numerous Industry Groups, Businesses, Charities and local government. This includes formal meetings with Defra on key policies and their impact, training workshops and trade shows. Businesses are also visited in relation to contingency planning for disease outbreaks.</p>	
Centre for Environment Fisheries and Aquaculture Science (Fish Health Inspectorate)	We maintain High level attendance at all of the major angling shows and continue to provide educational representation to all stakeholder groups. The British Trout Association, The Angling Trust Volunteer Bailiff Scheme, Fisheries Enforcement Workshops, Sparsholt College Hampshire, The Coarse Fish Conference	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
Rural Payments Agency	<p>On 12 January 2016 we published information to enable farmers to understand who will inspect their farms, what they're looking for and any penalties that may be issued.</p> <p>We introduced changes which simplify the rules on reporting livestock movements and published accompanying new guidance (on 26 April 2016) setting out the new simpler rules relating to livestock movements.</p>	Educational, communications activities etc by regulators
Veterinary Medicines Directorate	<p>Publicity events</p> <p>We attended 7 events with our VMD publicity stand, including 4 events specifically for veterinary surgeons and nurses, one for pharmacists, one for the general public and one for animal health product distributors.</p> <p>We also issued three editions of our enforcement newsletter to interested stakeholders which included facts and figures on enforcement work carried out.</p> <p>One of our inspectors wrote 5 educational articles for a magazine specifically aimed at retailers of veterinary medicines.</p> <p>Antimicrobial resistance</p> <p>We carried out three sector engagement forums on antimicrobial resistance for:</p> <p>companion animal & equine</p> <p>camelid and small Ruminant</p>	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>fish</p> <p>We participated in the European Antibiotic Awareness Day / World Antibiotics Awareness Week (both in November) and we highlighted these initiatives by:</p> <p>Writing articles for vet press, animal magazines (e.g. cat, pigeon, dog)</p> <p>Putting out messages through Defra social media</p> <p>We held our second Antibiotic Resistance Summit, a high level summit for key representatives across animal sectors and government.</p>	
Maritime and Coastguard Agency	<p>We published 30 documents providing the UK maritime sector with general information in the following areas:</p> <p>Approved doctors, medical referees and health seminar presentations</p> <p>Approved radio surveyors, MARPOL surveyors and Certifying Authorities</p> <p>Approved service stations</p> <p>Recruitment and placement agencies</p> <p>Marine safety bulletins, safety information and Scientific, Technical and Operational Advice Notes</p>	Educational, communications activities etc by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	<p>Training materials for counter pollution training courses</p> <p>National Contingency Planning and Search and Rescue Cooperation Plans</p> <p>Categorisation of Waters</p> <p>Companies offering maintenance of radio equipment</p> <p>Local fuel oil suppliers register</p> <p>Arrangements for the Port of London Local Knowledge Endorsements</p> <p>Our Coastguard volunteers attend numerous local shows and events to promote coastal safety for pleasure users. We are actively involved in the London International Shipping Week, the Southampton Boatshow, Seaworks, Skipper Expo International in Aberdeen and Bournemouth providing advice and guidance on maritime legislation.</p>	
Claims Management Regulator	We published our 2014/15 CMR Annual Report; updated CMR website with information as needed; issued regular quarterly business bulletins; held regular quarterly stakeholder group meetings; and provided media lines in response to press/media enquiries and articles etc.	Educational, communications activities etc by regulators
UK Space Agency	We have conducted a review to evaluate how our regulatory approach might be tailored for small satellite systems. The outcome of the review was a series of recommendations. Comments on these recommendations and associated observations/suggestions were invited from industry via our website. This work is	Policy development by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
	ongoing.	
Regulatory Delivery Directorate (Business, Innovation and Skills)	In the areas for which it acts as an enforcement authority, Regulatory Delivery does not actively develop policy. We do however work closely with the policy leads within our sponsoring departments to ensure that policy thinking and development is informed by enforcement and implementation related issues.	Policy development by regulators
BIS (Recognised professional bodies for Insolvency Practitioners (RPBs) and Insolvency Practitioner Regulation Section (Oversight regulator))	<p>The RPBs provide input to themed reviews –in 2015/16 these included a review on complaints handling, a review of debt advice, an ongoing review of bonding and a review of firm accounts. The RPBs support the Insolvency Service drive for transparency and assisted in the production of other guidance, including – The revised common sanctions guidance and criminal referrals guidance.</p> <p>The RPBs meet regularly with the Insolvency Service on the Complaints Gateway, meeting of monitors and have now taken on the task of monitoring SIP 16 pre-pack administration disclosure.</p> <p>Joint Insolvency committee - The RPBs and the Insolvency service collectively sit on a committee which issues 'Statements of Insolvency Practice' and the Ethical code for Insolvency Practitioners. This year this committee has drafted and published 2 revised SIPs and continue to work on a number of others. SIPs are one of the mechanisms by which the RPBs can hold IPs to account for their actions.</p>	Policy development by regulators
Animal and Plant	Defra Farm Visit Project	Policy development

Department/Non-Statutory Regulator	Summary	BIT exemption
Health Agency	<p>Delivery of the Government's manifesto commitment to reduce duplication of farm visits as part of the commitment to cut red tape and free up valuable time for businesses. The farm visit project is currently considering ways to improve the co-ordination of inspections across Defra and from June 2016 will implement a single inspection point to coordinate farm visits. It is also reviewing the latest technology to streamline the selection, coordination and delivery of farm visits.</p> <p>From the APHA perspective this will deliver changes in the way we undertake and select businesses for inspection in the future in the following areas:</p> <p>Sheep and Goats Regime</p> <p>Disease Report Form Inspections</p> <p>Avian Influenza</p> <p>Broiler Welfare Visits</p> <p>VICTOR electronic sample submission - Manual submission process is to be replaced with an on-line system to enable veterinary practices to submit samples and receive results electronically. This improves the turnaround time for the veterinarian as samples can be sent direct to the appropriate testing laboratory rather than the local laboratory. A submission reference number is allocated with digital submission so the veterinary practice can monitor progression more effectively. It has been in test phase since September 2015, where it has been available to an invited group of PVS to use for their submissions. We are in the progress of moving the service across to GOV.UK to launch the service in Public Beta, where the service will be available to all of our PVS customers.</p>	by regulators

Department/Non-Statutory Regulator	Summary	BIT exemption
Maritime and Coastguard Agency	<p>We issued 9 consultations in the following areas:</p> <p>Transposition of EU Directive on Electromagnetic Fields on Merchant and Fishing Vessels</p> <p>Changing MCA survey and inspection</p> <p>The National Contingency Plan for marine pollution from shipping and offshore installations</p> <p>The proposed Code for High Speed Offshore Craft</p> <p>Means of recovery</p> <p>Updating of schedules in the Merchant Shipping (Small Workboats and Pilot Boats) Regulations and the Merchant Shipping (Vessels in Commercial Use for Sport or Pleasure) Regulations</p> <p>The proposed Workboat (Code of Practice) Regulations</p> <p>The proposed Fishing Vessels (Codes of Practice) Regulations</p> <p>The revised voluntary Fishing Vessels Codes of Practice to include carbon monoxide alarms</p>	Policy development by regulators
Claims Management	Briefed ministers on various CMR topics as needed relating to PQs debates etc. We conducted policy reviews on the level of fees business should charge customers;	Policy development

Department/Non-Statutory Regulator	Summary	BIT exemption
Regulator	level of fees business pay for authorisation and issued consultation papers on those topics. Also part of policy reviews to tackle nuisance/cold calling and fraudulent personal injury claims (eg whiplash) via various Government task force/groups.	by regulators
Regulatory Delivery Directorate (Business, Innovation and Skills)	Regulatory Delivery (formally NMRO) has a range of administrative, civil and criminal sanctions available in order to dispose of offences in a proportionate manner. Over the past 12 months the team has issued 24 Notices of Remedial Action and 39 Warning letters and/or similar administrative notices. The team has administered 3 civil sanctions; 1 enforcement notice and 2 enforcement undertakings. The team has not initiated criminal proceedings during this reporting period.	Fines and penalties
Animal and Plant Health Agency	APHA use administrative and cross compliance penalties in a couple of work areas to improve the level of compliance with disease control legislation and in support of compliant businesses. However, there have been no new measures introduced or any amendments to existing processes in this period.	Fines and penalties
Claims Management Regulator	We have fined five businesses over £2 million in total for a range of rule breaches, including unlawful, unsolicited marketing and coercing clients into signing contracts without giving them enough time to understand the terms before taking payment.	Fines and penalties
BIS (Recognised professional bodies for Insolvency Practitioners (RPBs) and Insolvency Practitioner	The reduction in the number of RPBs has meant that some IPs have had to seek authorisation with alternate RPB, but the spread of practitioners across the RPBs has remained reasonably static over the last few years	Changes to the organisation and management of the regulator

Department/Non-Statutory Regulator	Summary	BIT exemption
Regulation Section (Oversight regulator)		
Animal and Plant Health Agency	<p>APHA have undertaken a project, Organisational Reform, to design a new operational structure to implement and embed a sustainable, effective and integrated field service and specialised administration functions. This will improve APHA's resilience capability whilst also delivering increased consistency and efficiency by reducing operating costs across all animal and plant health matters; including examining lowest unit cost operating model and estates savings potential.</p> <p>APHA have relocated 5 offices in England as part of the Defra wider strategy to improve the way we work together with other Agencies and to maximise the efficiency of our delivery.</p> <p>Electronic TB Licences. Prior to this change TB movement licences were prepared manually. The change now enables automatic letter/licence generation and posting which is to the benefit of external stakeholders.</p>	Changes to the organisation and management of the regulator
Veterinary Medicines Directorate	Our Director of authorisations, Jackie Atkinson, left the VMD and was replaced by Marie-Odile Hendrickx.	Changes to the organisation and management of the regulator
Claims Management	A fundamental review of CMR has been undertaken which will result in a different CMR regime and regulator. These changes require a significant amount of work	Changes to the organisation and management of the

Department/Non-Statutory Regulator	Summary	BIT exemption
Regulator	together with primary legislation and will not happen before 2018.	regulator
Animal and Plant Health Agency	<p>APHA are responsible for the implementation of 3 new primary pieces of legislation that implement EU Regulations. These are The Welfare of Animals at the Time of Killing (England) Regulations 2015 that lays down the rules for the protection of animals at the time of slaughter and implements all the technical requirements of EC No.1099/2009. Also, The Plant Health (England) Order 2015 which implements a range of European requirements in relation to the preventing the introduction and spread of harmful plant pests and disease; and The Animals and Animal Products (Examination for Residues and Maximum Residue Limits) (England and Scotland) Regulation 2015 which implements EU legislation on the control of administration of certain substances to farmed livestock.</p> <p>We have also implemented the requirements of 4 amendments to legislation that directly implements EU Regulations. Two of these have been amendments to The Plant Health (England) Order 2015 that were introduced subsequent to it coming into force. There has been an amendment Order to The Sheep and Goats (Records, Identification and Movement) (England) Order 2009 since May 2015 and this makes changes to the EU rules surrounding the traceability of sheep and goats. Also, The Animal By-Products (Enforcement) (Amendment) Regulations 2015 have been released that amend The Animal By-Products (Enforcement) Regulations 2013 – these implement the EU Regulations in relation to the control and disposal of animal by-products.</p>	European Union Regulations, Decisions and Directives (and other international obligations)
Maritime and Coastguard Agency	We have published 15 documents providing guidance on international requirements for personal protective equipment, Maritime Labour Convention 2006 substantial equivalence, survey and certification of ships, safe release of lifeboats, marine pollution, carriage of cargo and bauxite. We also reported on the UK National	European Union Regulations, Decisions and Directives (and

Department/Non-Statutory Regulator	Summary	BIT exemption
	Enforcement Body.	other international obligations)
Animal and Plant Health Agency	Whilst APHA are currently reviewing a number of its statutory charges, no amendments have been made in this period.	Price controls
Animal and Plant Health Agency	<p>Avian Influenza - HPAI Lancashire</p> <p>On 13th July 2015, Defra confirmed High Pathogenic Avian Influenza (HPAI) at a laying hen farm in Lancashire. The farm was declared an Infected Premises (IP) and all poultry were culled and all eggs destroyed. On the IP, poultry and other captive birds must be kept in their buildings or kept isolated as far as practicable from other poultry and wild birds, and movements of poultry to and from the premises were prohibited</p> <p>Upon confirmation A 3Km Protection Zone (PZ) and 10Km Surveillance Zone (SZ) were put in place. Within the zones there are restrictions on movements of poultry, meat, eggs etc. and a ban on bird gatherings or the release of wild birds.</p> <p>As there were no further confirmed cases after cleaning and disinfection took place, the inner 3 km protection zone was merged with the surveillance zone to create a single 10km SZ on 7 August 2015. As there were no further confirmed cases since the zones merged, the restrictions around the affected site were lifted in accordance with the Avian Influenza revocation declaration made on 16 August 2015. This is the earliest point allowed under EU rules to end the controls.</p>	Civil emergencies

Department/Non-Statutory Regulator	Summary	BIT exemption
Centre for Environment Fisheries and Aquaculture Science (Fish Health Inspectorate)	Under AAHR 2009 we enforced 13 Confirmed Designations to control the spread of Koi Herpes Virus and 1 for Oyster Herpes Virus and continue to maintain the sites that are already under controls from previous years.	Civil emergencies
Animal and Plant Health Agency	Disclosure of TB disease breakdown information and publication of TB Epidemiology reports publicly online. The descriptive epidemiological reports for counties in the Edge & Low Risk TB Areas are readily available to farmers/ customers about the disease presence in their areas. This data disclosure benefits the Government, general public as well as TB affected farming community who are better able to make informed decisions about cattle sales/purchases.	Pro-competition
Animal and Plant Health Agency	We are part of the Defra's programmes to change the way we work together in future; includes Estate rationalisation, creation of corporate centres for HR, IT, finance and communications to create a simpler and better service for customers, with less duplication and improved performance.	Large infrastructure projects
Department of Energy and Climate Change	In October 2015 the Secretary of State made the decision to approve the Funded Decommissioning Programme (FDP) and related documents which concern the provision EDF must make for their waste and decommissioning liabilities for the Hinkley Point C (HPC) nuclear power plant. The decision is conditional upon, and shall only take effect upon, the execution by all parties to, and the coming into legal effect of, the contract for difference for HPC. The operator is required in its FDP to make prudent provision for its waste and decommissioning liabilities and these liabilities are strictly the operator's responsibility.	Large infrastructure projects

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