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From Red Tape to Smart Tape
Administrative Simplification in OECD Countries

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Administrative Simplification in the United Kingdom*

Abstract. *There have been sustained attempts since the 1980s to reduce administrative burdens placed on citizens and businesses in the UK. The agenda of the government has become over time more diverse and comprehensive ranging from better regulation, alternatives to administrative regulation, to small business support to e-government. An array of institutions and taskforces (among them the Regulatory Impact Unit or the Better Regulation Task Force) have been set up to drive regulatory policies and to enhance cross-departmental and public-private co-operation in particular issues.*

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Introduction

Efforts to reduce the regulatory and administrative burdens imposed by the state on business and individuals were undertaken by the Conservative Government in the mid-1980s and have been continued, with a slightly changed emphasis by the Labour Government since 1997. The United Kingdom (UK) offers therefore a primary example of the increasing international emphasis on regulatory quality. One part of the concerns with regard to regulatory quality is issues relating to administrative simplification or, to use the more widely used and rhetorical term, to cutting "red tape".

Efforts in administrative simplification address, in particular, concerns to reduce administrative rather than regulatory burdens. In the former case, the emphasis is placed on reducing the reporting and other formal requirements involved in interactions between individual actors and government, while in the latter case, the key concern is with the economic and social impact of regulatory measures. The UK is unusual in making this distinction explicit: for example Regulatory Impact Assessments (RIAs) are required to describe "policy" and "implementation" costs of regulation separately. But, while making this distinction, most UK "better regulation" policy initiatives have been aimed at reducing both types of burden simultaneously and, in doing so, the regulatory burdens, which are quantitatively more significant, have often loomed larger. Programmes relating specifically to administrative burdens have tended to be quite narrowly focused – on tax administration or forms reduction, for example – and, although these have been well documented, there has not been the sort of comprehensive evaluation or programme for reducing administrative burdens that there have been in some countries. However, it should be noted that the United Kingdom has, by comparative standards, a relatively low administrative burden. Administrative burdens arise in particular due to opportunity costs (costs incurred due to prohibitions on particular actions), disincentive costs (costs which may prohibit otherwise efficient action), compliance costs (costs imposed due to administrative and regulatory requirements), and information search costs (costs imposed due to searches for necessary compliance obligations, but potentially also in the wider context, all costs incurred in searching for particular government services).

In this report, emphasis will be placed on how the UK government has aimed to reduce the administrative burden on business and citizens. Additionally, the new emphasis on reducing administrative and regulatory burdens on public sector bodies will be discussed as there may be potential for reading across from this domain into policies on regulation of business. Similarly, policies directly targeted at the public sector may have indirect beneficial effects for businesses and citizens (for example by releasing additional time of front line public service workers such as police officers and teachers).

This report looks at initiatives encouraging administrative simplification, but does not deal with the wider context of public sector reform in the United Kingdom. It first offers an account of the historical background of simplification measures up to 1997 and then describes in more detail the initiatives taken by the British Government since 1997, in

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particular its "Modernising Government" programme, and more specific initiatives. These initiatives specifically targeted the regulatory burden imposed on small and medium sized enterprises, in relation to compliance and wider administrative costs.

Historical development of administrative simplification and burden reduction policies

The first initiative to account for the burdensome effect of regulation was the introduction of Compliance Cost Assessment (CCA) for regulatory measures in 1985. This reflected an increasing interest of the Government in enhancing competitiveness by reducing regulatory and related administrative barriers that inhibited a more entrepreneurial business environment. Government departments were required to provide CCAs in a systematic way in order to account for the predicted costs to business from the respective measures. This measure was part of the initiative announced in the White Paper, *Lifting the Burden*[1] which addressed the negative effect of over-regulation on business. Any regulatory measure was to be accompanied by a structural analysis by the sponsoring department. The adoption of CCA followed criticism of the costs imposed through regulation, in particular on the asymmetric burden of regulation placed on small and medium sized enterprises. However, rather than relying on cost-benefit analysis, the emphasis of costing was placed particularly on the administrative burdens of having to comply with regulation. Therefore, departments were not required to conduct a cost-benefit analysis, but rather to produce a less extensive and more limited cost-effectiveness exercise. It was seen as an aid to policy making within government, but it was also a tool that could be applied with administrative discretion.[2]

This theme was further explored in the White Paper, *Building Business – Not Barriers*, in 1986.[3] It led to the establishment of a central agency, the "Enterprise and Deregulation Unit" which was sited in the Department of Employment. This Unit was given the power to oversee and co-ordinate the "anti-red tape" efforts of the individual departments. These activities included the conduct of CCAs and a review of regulations which had produced unintended effects, duplicated regulatory efforts, and which had placed inappropriately high burdens on business – thus combining a focus on both regulatory as well as administrative burdens.

In 1987, the Unit, now re-named the "Deregulation Unit", was moved to the Department of Trade and Industry (DTI). It was assisted by an appointed task force of business people. It was perceived to conduct its activities in an adversarial and inquisitorial way, permanently challenging ministers and departments to deregulate by establishing an annual process of targets and tables that scored departments on the number of regulations committed to the "de-regulation" initiative. Furthermore, while targets and outputs were achieved, the desired outcome – fewer regulatory burdens on business – was not obtained. By 1992, the initial drive had dissipated given also the absence of continuing political pressure. Departments had reduced the status of their own internal deregulation units considerably. This was regarded as evidence that across central government, the culture of deregulation had not been embedded sufficiently, while departments were facing limited resources and therefore did not, or were unwilling to, conduct radical examinations of existing regulations.

The initiative to simplify administrative burdens was re-launched in 1992 with the appointment of a senior politician as the President of the Board of Trade at the DTI. This re-launch, which maintained the previous adversarial approach, included departmental

reviews of existing regulations as well as the creation of task forces to combat excessive regulation. These task forces consisted mainly of representatives from the business sector, and their objective was to identify areas of burdensome regulatory and administrative requirements. These task forces launched 605 deregulatory initiatives. An overall "Deregulatory Task Force" was established, as was an international group, the "Anglo-German Deregulation Group". Departmental reviews led to the implementation of 30 proposals. The major landmark of this administrative simplification initiative was the 1994 Deregulation and Contracting Out Act, which offered a legislative means to abrogate legislative regulatory burdens. This was accompanied by a small-firms initiative, after it had been shown that small firms, a large part of British economic activity, were over-proportionally affected by government regulation. Thus, departments were encouraged to "think small first". From 1992, the application of CCA was widened. Previously it had been applied only in relation to regulatory reforms contained in statutory instruments. Since 1992, its application became mandatory for parliamentary bills and EC draft directives. Thus, it aimed to influence decision-making and it became mandatory for Cabinet and Cabinet committee discussions to assess regulatory proposals, surveys and public inquiries.

The DTI unit moved to the Cabinet Office in 1995. Again a review of activities indicated that despite much activity, there had been slow progress. To enforce a more active departmental drive towards the elimination of "red tape", departments were to present monthly reports on any planned legislative activities. Departments were warned not to use to transposition of EC Directives for "gold-plating" activities (*i.e.*, the inclusion of extra measures not required by the European legislation). Furthermore, in 1996, the CCA measurement was widened into a "Regulatory Appraisal". Besides the traditional emphasis on CCA, it incorporated risk assessment measures. It represented a more ambitious programme than the original CCA approach, requiring departments to quantify the benefits derived from risk reduction as well as the additional costs – not only compliance costs, but also the administrative costs and equity issues.

Since 1997, there has been a shift from the rhetoric of "deregulation" towards "better regulation". Thus, more emphasis is placed on administrative discretion to consider alternative options to proposed regulatory measures, to encourage wider consultation outside and within government, and to promote self-regulation and self-enforcement. It was, however, emphasised that the need for better regulation had to reflect the public interest and any deregulation should primarily reflect the costs of "form-filling" and other bureaucratic burdens on business. The so-called "regulatory impact assessment" was not to provide a strict guideline but rather a template and framework to advance the quality of regulatory policy making. Furthermore, a "Better Regulation Task Force" (BRTF) was established, the majority of whose members were drawn from a business background, although there were also members with trade union, consumer and academic backgrounds, to monitor and advocate "better regulation" rather than mere deregulation. This reflected the acceptance that to some extent regulation was necessary and that the challenge for government was to find the most appropriate form of regulation. For example, in November 1998, the BRTF was asked to study regulatory barriers that inhibited the creation and sustainability of small businesses.

The reliance on "task forces" was intended to reduce the adversarial character which had shaped previous attempts and to delegate key responsibility for regulatory simplification to departments. An emphasis on encouraging self-improvement within

departments was to support the embedding of a "better regulation culture" within the civil service; thus the key emphasis rested on establishing templates for actions for departments rather than detailed prescriptions on administrative simplification. This reflected the realisation that administrative simplification did not depend on the enforcement of centrally set targets, but on the initiative of departments to develop best practices.

Background to recent administrative simplification and burden reduction policies

Initiatives, including measures targeting the reduction of administrative burdens, were presented in the Labour Government's 1998 White Paper, *Modernising Government*. It established five central commitments, which to some extent represented attempts to simplify administration and to establish a long-term programme of improvement:

- Policy making – with a changing emphasis from inputs to outcomes, improving the management of risk and cross-departmental policy making ("joined up government"), and better regulation and impact evaluation.
- Responsive public services – aiming to offer joined-up delivery across levels of government through a co-ordinated approach through, where practicable, a single location of delivery.
- Improving quality of public sector – emphasising in particular improved target-setting and public service agreements which shift the focus from input to outcome benchmarking in order to facilitate the spread of best practices as well as a focus on the whole system of delivery rather than a fragmented approach.
- Information age government – the aim to utilise the possibility to facilitate information of government and for the requirements of e-commerce.
- Public service – the aim to improve civil service performance through better training, incentivisation and an emphasis on innovation through the import of private sector skills.

Among the criticisms of government regulation has been the argument that the regulatory burden falls disproportionately on small business. Thus, demands were made to simplify administrative procedures and to allow for exemptions for smaller businesses. These accusations have been made particularly with regard to the Government's recent initiatives in employment law and increased payroll burdens. The Government has mainly responded by the creation of "red tape busters", namely the Better Regulation Task Force (launched in July 1997), the Small Business Service, and the Cabinet Office's Panel for Regulatory Accountability, as well as by giving detailed guidance to ministers. The Department of Trade and Industry, in 1999, also initiated a review of regulatory measures within its departmental brief, claiming that the guiding presumption should be against regulation. It has also become government policy, embodied in RIA guidance, that "sunset clauses" and small business exemptions or simplified procedures should be considered for all regulators.

The initial proposals to simplify service delivery included initiatives, discussed below, such as "24-7" services (most prominently NHS Direct in health care) the encouragement of so-called "joined up government" via electronic communications (setting a target that all dealings with government would be deliverable electronically by 2008), and the removal of unnecessary regulation via "high quality" regulatory impact assessments. Furthermore, it

Box 7.1. **Learning Labs**

The "Learning Lab" initiative was intended to improve public service delivery and reduce administrative burdens. Based on the US "Reinvention Labs", the "Learning Labs" aim to offer learning for public services through the active involvement of frontline staff, in particular challenging burdensome administrative rules and promotion of new and more flexible working methods as well as for dissemination of "best practices". This joined-up approach has been tried, for example, in the case of "personalised prisoners'" passports in Teeside in Northeast England, which were to facilitate the re-integration of former prisoners by reducing the information costs in registering and with local public services. A further example is the joint learning lab between London's Metropolitan Police, the Police Complaints Authority, and the Crown Prosecution Service to reduce the time for resolution of citizens' complaints against the police.*

* See the Learning Lab Home Page at: *www.servicefirst.gov.uk/2000/learninglabs/learninglabs.htm*

aimed to establish incentives to improve the delivery of the public service through "Learning Labs" for frontline delivery, financial rewards and a departmental shift of emphasis towards delivery and the inclusion of outsiders. The emphasis on more effectively co-ordinating government policy, and thereby aiming to decrease complexity in policy delivery, was through "unit building", *i.e.*, issue-specific units established to tackle crosscutting issues. This included areas such as social exclusion, women, crime reduction, and drugs. A so-called "Performance and Innovation Unit" was established to analyse major policy issues and to design strategic solutions cross-departmentally. So-called "Integrated Service Teams" were set up to identify practical "life problems" of ordinary citizens when having to deal with government, for example, leaving school, changing addresses, or becoming unemployed. These teams offered evidence that the same information was often required more than once, that there was no identifiable person in the public sector to offer support, and that there was a lack of integrated information and minimal use of new technology.

To spread "best practices" of better regulation and administration, the Government also initiated a major Public Sector Benchmarking Project. This initiative was not only linked to the greater emphasis placed on policy delivery, but was also to reduce the burdens on individuals due to administrative complexity within the public sector. The Public Sector Benchmarking Team seeks to apply the business practice of comparing performance across units and sectors to the public sector generally. At the local government level, the creation of the so-called "beacon council" scheme aims to identify model service providers and give them a lighter regulatory touch in return for an obligation to share best practices through the facilitation of study visits and the like. The principles of good regulation have been applied to enforcement (through an enforcement concordat) and applied to burdens placed on the public sector. Similar themes were also adopted in the field of local government, where the policy of "Best Value" aimed to deliver highly responsive services underpinned by performance measurement and independent inspection and audit in order to achieve continuous improvement.

Institutional framework

The Regulatory Impact Unit (RIU) (formerly the Deregulation Unit) is located at the Cabinet Office and is directed to work with government departments, agencies and regulatory bodies to find the "right" balance in regulation according to the "Principles of Good Regulation" (see Section on Alternatives to administrative regulation), to identify the risks and options of different options, support the Better Regulation Task Force (BRTF), remove regulatory burdens via the measures to be implemented, and improve the instruments of conducting regulatory impact assessment. Its activities are not only targeted at the national, but also EU, rulemaking. At the departmental level, regulatory impact units act in co-operation with the RIU in preparing Regulatory Impact Assessments (RIAs) in order to assess the impact of departmental proposals and to encourage early and effective consultation with affected parties while also managing the transposition of EU legislation.

The Regulatory Impact Unit's "Scrutiny Team" acts as an overall cross-departmental unit, which also deals with the wider public sector. The Scrutiny Team was established to reflect a diverse background with the aims of removing regulation, supporting the overall regulatory policy of the government, and spreading good practices across departments. It consists of secondees from industry, and representatives from a mixture of government departments and the wider public sector. Its tasks are to remove outdated regulations, improve burdensome existing regulation, and encourage the application of the Principles of Good Regulation. In co-operation with the departmental impact units, it is supposed to assess the impact of proposals and consider possible alternatives, undertake the regulatory impact statement on significant proposals, facilitate early consultation with the parties affected by regulatory proposals, and enhance the efficient and fair transposition of EU legislation.

The Better Regulation Task Force (BRTF), established in 1997 and the Public Sector Team (PST), established in 1999, are both located in the RIU. The BRTF, whose function is to act as an independent advisory group, replaced the Deregulation Task Force. It has a chairman with a considerable reputation in the business community. It also includes members from citizen and consumer groups, the voluntary sector, small and large businesses, and the "enforcement community". Its task is to advise the Government on the effectiveness and credibility of regulatory measures by ensuring that they are necessary, fair and affordable. Furthermore, the BRTF is supposed to ensure that regulations are simple to understand and administer, while also accounting for the needs of smaller business and "ordinary" people. Arguably, it has two roles. In its published work and analysis, it represents an advocacy body to motivate departments to consider a lightening of regulatory and administrative burdens. However, beyond the power of its analysis and recommendations, and its political support, it has few powers to force departments to comply with its recommendations. The second role could be described as an "informal gatekeeper." In this role, it is allowed early access to legislative and regulatory proposals and is therefore able to shape the content of forthcoming initiatives. This gate-keeping role is informal and there is no published information on the impact the BRTF has had in providing a relatively systematic check on any tendencies in government departments towards administrative complexity. Again, the effectiveness of this role depends to a large extent on the personal backing of the BRTF's activities by the Prime Minister. While the BRTF highlights successful initiatives, it has noted recommendations which have not been taken up and indicated that a number of departments fail to provide adequate justification for what appears to be unjustifiable complexity. A key example of this is provided in the BRTF's criticism of the so-called IACS form filled in by farmers in connection with intervention

Box 7.2. **Successful administrative simplification initiatives of the BRTF**

Report on Liquor Licensing: The report set the agenda for subsequent legislative initiatives to ease the path for the White Paper on reform of the provisions regulating the sale of alcohol to include consolidation of licensing regimes to include a single licence for sale of liquor, public entertainment, etc.

Report on Voluntary Sector Funding: the report made recommendations in order to reduce opportunity and information search costs as well as to promote a greater degree of interaction between government and voluntary sector organisations. The Government responded by publishing a code of good practice and launching a single application form.

Other initiatives included reports on the administrative burden placed on head teachers, on hotels and restaurants, as well as on the impact of environmental regulations on farmers.

applications. The relevant ministries have proved reluctant to find ways to share data to reduce the burden on farmers of supplying the same data for both census and IACS purposes.[4]

The aim of reducing the dependence on regulation has been pursued through a BRTF report, *Alternatives to State Regulation,*[5] which argues a detailed case for more self-regulation and linked reforms to make self-regulation more legitimate and effective (see also Section on Alternatives to administrative regulation).

The Panel for Regulatory Accountability was established by the Prime Minister in November 1999 to add political weight to the co-ordinating activities of the RIU and to provide political brokerage on contentious issues. The Panel generally meets monthly and is chaired by the Minister for the Cabinet Office. Its other members are: the Secretary of State for Trade and Industry, the Chief Secretary to the Treasury and the Cabinet Office Minister of State. The Chairman of the Small Business Council and the Chairman of the Better Regulation Task Force are also invited to attend. Ministers may appear before the panel to report on their department's programmes of regulatory reform and to justify specific costly or controversial proposals. Ministers also report to the Panel on the regulatory activities and performances of their department. The Cabinet Office Regulatory Impact Unit provides the secretariat support to the Panel.[6] While there was some criticism that an additional oversight committee was an unlikely instrument to enhance administrative simplification, it was suggested that the high-level membership of this "chamber," including both ministers and business representatives, offered a unique means to motivate administrative simplification across ministerial departments.

Description of programmes and practices

Technologically driven mechanisms to streamline transactions and reduce costs

The Conservative Government published a Green Paper in late 1996 on the application of information technology in government and for government service delivery. The theme of IT-based government services gained increased importance as part of the Labour Government's policy to modernise government, which established three policy priorities:

- Interconnection between departments to increase the immediacy of communication between ministers and officials, and the effectiveness of the central process of government – in particular through the development of the Government Secure Intranet (GSI). Once

connected, departments were able to exchange information with each other and with their customers. Questions of system compatibility were greatly reduced and, in many cases, eliminated altogether. The GSI was to provide the conduit for many of the electronic government services of the future.

- Intensive use of IT within departments' major processes. Many key systems [*e.g.*, Social Security benefits and contributions, income tax, value-added tax (VAT), driver and vehicle licensing, and many others] are already heavily based on electronic processing.
- More imaginative use of IT in the direct interface between government and citizens or individual businesses.

The White Paper, *Modernising Government*, stressed the importance of progressing towards an "information age government", aiming to establish a fertile e-commerce environment by 2002, and by advancing informatisation throughout government. By 2002, 25% of all dealings with government were to be capable of being done by the public electronically, with 100% coverage achieved by 2008. By 2002, individual citizens were to be able to electronically apply for driving tests, conduct job searches, submit self-assessment tax returns, receive information on benefits, receive online health information, connect to the so-called "National Grid for Learning", and apply for training loans and student support.

By March 2001, 90% of low cost purchases by government were to be conducted electronically. A corporate IT strategy, facilitated by central co-ordination and the monitoring of progress according to targets was to facilitate this strategy which was to evolve around clusters of government activity and be strengthened by close consultation and market research.

Business was supposed to be able to do such things as: submit VAT registers and returns with Customs and Excise, make on-line payments for the Inland Revenue's pay-as-you-earn scheme, supply returns at Companies House, register claims for EU farm subsidies and other support grants, and receive payments from government.

Within Government, the Office of the e-Envoy was set up in September 1999 as part of the Cabinet Office. The creation of the Office of the e-Envoy (OeE) followed a central recommendation of the Performance and Innovation Unit's report *e-commerce@its.best.uk*. The role of the Office is to "lead the drive to get the UK online, to ensure that the country, its citizens and its businesses derive maximum benefit from the knowledge economy". To support this aim, the Office has four core objectives:

- To make the UK the best place in the world for e-commerce.
- To ensure that everyone who wants to can access the internet by 2005.
- To deliver electronically, and in a customer-focused way, all government services by 2005.
- To co-ordinate the UK government's e-agenda across different departments.

The UK's e-Government strategy from April 2000 sets out a range of objectives and requirements supportive of simplifying and reducing the burdens of administrative regulations (see Box 7.3).

The OeE established an e-business network in order to support departments and agencies in the development of their e-business strategies. The Labour Government made great efforts to fulfil its self-imposed target to make the UK a major e-commerce location. However in December 1999, the National Audit Office published a report on the Government's

performance and delivery of Web-based services. It showed that the UK's response to the opportunities of the Internet had been patchy, that its targets were not sufficiently ambitious and that there had only been limited progress in establishing a government-wide Intranet. It also recommended the provision of more extensive services via the Internet (see also the DTI's White Paper, *Our Competitive Future: Building the Knowledge Driven Economy*), and the strengthening of the central machinery for co-ordinating and promoting development of the government Web-based service delivery.

Since the publication of the report, the Government has increased its efforts to widen its Web-based information and make government services more interactive, although they are arguably still not as extensive as government services in the US or Australia. Thus, the provision of NHS Direct (see below) was facilitated both by telephone and by the Internet.

Box 7.3. **E-government strategy**

In order to establish a government-wide strategy towards e-government, departments were required to establish special framework programmes. The direction was to transform their businesses in accordance with the e-government strategy, including:

- Plans to converge with corporate standards and frameworks.
- Plans to make services accessible via the Government Portals for citizens and businesses.
- A report on progress towards implementation of targets for electronic delivery of government services.
- Plans to deliver internal processes electronically, for example, via an intranet or the GSI for joined-up services.
- Plans for responding to the Office of the e-Envoy's review of major IT projects.
- Plans for meeting deficiencies identified in the information skills audit.

These strategies should reflect the outcome of the 2000 Spending review and the results from the Policy and Innovation Unit's study of electronic delivery of services to citizens, including:

- Analysis of business requirements and benefits of applying e-business methods.
- Examination of existing information flows and transactions between the department and the citizen, the department and business, the department and suppliers, and the department and other public sector bodies.
- Proposals for the application of customer service techniques to transactions with citizens and businesses.
- Identification of opportunities for working with partners in delivering services.
- Identification of opportunities to deliver early results.

The OeE established an e-business network in order to support departments and agencies in the development of their e-business strategies. The e-business strategy process in each department is governed by the e-Champion whose role is to identify how roles and responsibilities for implementation of the plan should be allocated. The network was to promote best practices in deploying e-business methods in the public sector. It offered a meeting place for those developing e-business strategies and provided advice on training and development. It encouraged private sector involvement and engagement with e-business strategists.

The Passport Agency was provided with a central telephone call centre as well as regional centres, equipped with interactive sites. Furthermore, in response to criticism by the National Audit Office as well as by industry, tougher targets for achieving e-government were established.

Progress on the issue of e-government is monitored by semi-annual reports, while the target for all services to be provided has been advanced from 2008 to 2005. The development of departmental strategies has gone in tandem with putting an increasing number of services online. Progress towards the 2005 target is measured in terms of the proportion of key services that were fully electronically enabled. Many of the services available by 2001 are primarily about making information available in a way that is more accessible and better targeted to the needs of service users. Already though, there are a number of significant transactional services online, and the proportion of services that are fully transactional were set to increase steadily towards 2005. Furthermore, a new central government gateway was established, (*www.UKonline.gov.uk*), designed to offer a more user-friendly interface. The so-called "Government Gateway" allows users to undertake secure electronic transactions with government. Registering with the Government Gateway allowed users to sign up for any of the UK Government's services that are available over the Internet.

As part of the e-government strategy, the Office of the e-Envoy published technical framework policies on call centres, Web sites, digital TV, security, authentication, electronic records management, and smart cards. Policies were developed on metadata, privacy, and interoperability.

The e-envoy attracted criticism from the House of Commons' Trade and Industry Committee.[7] It was suggested that the e-envoy was not sufficiently critical in auditing the progress across government departments, but had rather become too self-congratulatory in its strategy. Furthermore, the Committee criticised the planned increase in its staff from 61 in October 2000 to 212 by April 2002.

The UK Government's aim is still to make all services available electronically by 2005, but priority is given to enable and maximise the take-up of certain key services. These include services in the following areas: services to businesses; benefits and personal taxation; transport information and booking; education; health; citizen interactions with the justice system; land and property; agriculture and e-democracy.

Box 7.4. **Payroll regulation**

The Better Regulation Task Force's report on payroll regulation (2000) highlighted the potential benefits from a widespread use of modern technology. The report focused in particular on UK social regulation, which required employers to become responsible for paying out the so-called "working families" tax credit. In light of studies that showed that compliance costs fell asymmetrically on small businesses, the report stressed, apart from suggesting particularly targeted incentives for smaller businesses, the potential benefits of automated payroll systems and the need to enable smaller businesses to access newest technology. The Inland Revenue (IR) is working on the use of an Internet payroll system, which will be directly linked to the IR system with the objective of reducing other and more costly forms of contact between businesses and the IR.

One-stop shops

There has been no centralised development of a coherent policy of developing one-stop shops in UK central government. One-stop shops have been quite widely used in local authority service provision, but these local initiatives have not been used as the basis for learning about the innovations so as to develop a central policy. Where one-stop shops have been used by central government, the chief objectives have been to draw together information provided by more than one department that applies to small business and local authorities. A key example is the info4local initiative (see Box 7.5). The agenda to combine departmental activities has raised the profile of one-stop shop arrangements as mechanisms in theory. However, problems remained in actual policy delivery, given different regulatory agendas and initiatives across departments.

Box 7.5. **Info4local – A virtual one-stop shop**

The Department of Social Security (reformed and renamed in June 2001 as the Department of Work and Pensions) has been instrumental in establishing a "virtual one-stop shop", a portal called info4local (*www.info4local.gov.uk*). The site "provides the first, online, one-stop gateway for local authorities to get quick and easy access to local government-related information that is published on the Web sites of central government departments and agencies". It is run by a group of four departments: Department of the Environment, Transport and the Regions (reformed and renamed the Department of Environment, Food and Rural Affairs in June 2001), Department for Education and Employment (reformed and renamed the Department of Education and Skills in June 2001), Department of Health, Home Office and the Department of Social Security (reformed and renamed the Department of Work and Pensions in June 2001) with co-operation from the Cabinet Office and the Department of Trade and Industry and the ambition to draw in other departments. It aims to follow current leading standards for accessibility and currency of information for users.

No targets have been set for the use of one-stop shops by UK central government. Therefore no measurement and monitoring systems for one-stop shops have been established centrally. There are a number of examples of centrally driven one-stop shops affecting services that are provided locally. "Business Link" schemes were established during the 1990s to enhance the interaction between business and (mostly local) government and to simplify administrative processes affecting business. These programmes were particularly concerned with supporting small and medium sized enterprises. The Business Link approach included the Chambers of Commerce, Training and Enterprise Councils, Local Authorities, Enterprise Agencies, and the Government.

A further one-stop shop type of agency was the Small Business Service (see text Box 7.6). The Government has also announced plans to develop one-stop shops in respect of meeting land-use planning obligations,[8] and to integrate licensing for alcohol, public entertainment and other functions.[9] A related development is the piloting of a "single application form" for voluntary sector organisations applying to government departments for grants, intended to simplify the administrative processes associated with making such applications.[10]

In January 2001, the Government initiative "think small first" enhanced the role of the Small Business Service. It encouraged the secondment of business people to the DTI and

Box 7.6. **The Small Business Service**

The Small Business Service, the only institutionalised one-stop shop in central government, was established in April 2000. Its duties included primarily an advocacy role, strengthening the input of small business views into the government process, in particular with regard to simplifying and improving the quality and coherence of business support. It was broadly based on the US Small Business Administration. In November 2000, the Small Business Service published the *Guidelines on Implementation Periods – Timing of the Issue of Guidance to Business on Compliance with New Legislation*. These guidelines recommended that business should be provided with at least 12 weeks preparation period before a regulation came into force ("implementation periods") as of January 1, 2001. In more complex cases, these preparation periods should be further extended. Only in exceptional cases, should the time frame be reduced to below 12 weeks. SBS has a strong institutionalised position in the regulatory process, for example the right to have its views recorded in the RIA in a wording of its own choice. As per June 2001, the SBS had a total staff of 281 of out which 27 are concerned with regulatory issues.

Box 7.7. **NHS Direct**

NHS Direct represents an e-government initiative which functions as a one-stop shop. This initiative, which offers health advice both via the Internet (*www.nhsdirect.nhs.uk*) and the telephone was supposed to reduce the burden on casualty departments and general practitioners (GPs). It is intended that NHS Direct develop a single point of access for a large range of NHS services. Thus, by 2004, it is planned that calls will be transferred to after-hours services, that referrals to pharmacies will be possible and that ambulances could be summoned. Furthermore, it was intended that all consultations should be directly communicated to the responsible GP and that appointments could also be handled via this service. Early studies suggested a reduced growth in the usage of after-hours calls to GPs, but no reduction in the usage of casualty departments. The Government also intended to enhance Web-based information on all areas of health provision, including hospitals, primary care commissioning groups, General Practices, and health authorities (see *www.doh.gov.uk*).

also considered the potential introduction of "sunset clauses". This followed a report on how to support smaller firms and which called for ministries to give priority to the cutting of regulation. Furthermore, flexible exemptions from some legislative provisions were introduced for small businesses, companies below five employees were exempt from the stakeholder pension, union recognition was not necessary for companies below 20 employees and certain accounting standards had only to be met by forms with more than 50 staff. However, these initiatives were not expanded, due to a fear that a wider application might create perverse incentives that could distort the market and business behaviour.

Legislated time limits for administrative decision-making and sunset clauses

Although it has been government policy since 2000 that the appropriateness of time-limiting the whole or parts of legislation or including a commitment to review legislation should be considered for all new regulation, legislated time limits, defined either as time

limits applied to particular decisions or sunset clauses (providing for the extinction of regulatory regimes or parts of regimes after specified periods), have not so far been widely used in the UK for primary legislation (A large amount of secondary legislation with purely local effect is time limited, for example, statutory instruments imposing temporary road closures to allow repairs or improvements to be made). The only area of central administration where sunset clauses have been used to any degree is in the utilities sectors, where price control regimes were designed by economists to maximise incentives to efficiency of regulated firms while restricting the discretion of regulators. Thus, each of the main regulatory regimes for utilities established between 1984 and 1990 (telecommunications, gas, electricity, and water) deployed time-limited price control mechanisms. Time limits were typically of four or five years. The price controls could be renewed in existing or revised form by the regulator only with the consent of the licencee or after a favourable review by the Monopolies and Mergers Commission (renamed the Competition Commission under the Competition Act 1998). This type of licence provision was also used by the telecom regulator "Oftel" in 1996 to introduce time-limited requirements not to engage in anti-competitive conduct.

The option to include sunset clauses was discussed in the House of Lords debate on the Regulatory Reform Act 2001. However, the Lords' Committee on Delegated Powers and Deregulation had previously rejected sunset clauses as too crude and not appropriate. Instead it was proposed that legislation should be limited to five years unless it was renewed by an affirmative instrument and a Government report. This proposal was rejected by the Government – instead it gave an assurance that the Government would offer a report on the operation of the Act three years after its enactment. However, there is the perception that the issue of "sunset clauses" will receive further consideration under the newly re-elected Labour Government.

"Silence is consent" rules

The application of "silence is consent" rules is not widespread in British administrative practice. In general the nature of the British state, with a centralised bureaucracy and an absence of different levels of legislative action, has led to little pressure for such initiatives to be considered. There are some measures affecting the action of delegated agents, such as in the application of planning law by local authorities, and, broadly defined, with regard to estate agents (principle of negative licensing) (see Box 7.8), company directorships, and class licences in telecommunications.

Alternatives to administrative regulation

The UK has a long tradition of promoting alternatives to state regulation as a means of securing public policy objectives. An early example is the development and application of self-regulatory instruments. Leading examples of self-regulation (each with co-regulatory elements) are the Advertising Standards Authority (established in 1962 and periodically reformed with Government encouragement), the approved codes under the Fair Trading Act 1973 and the private British Standards Institution. The Conservative Governments of the 1980s and 1990s promoted the development of competition as an alternative to regulation where this was possible in the key public utility services. This has resulted in a gradual deregulation of the dominant telecommunications and energy suppliers as competition has been nurtured by the regulatory agencies.

As noted above, the deregulation programme of the 1990s introduced a set of principles that policy makers should consider to introducing any new regulatory requirements.

Box 7.8. **Negative licensing of estate agents**

The Estate Agents Acts of 1979 provides that any person can establish themselves as a (real) estate agent, but that they may be issued a warning order or barred from the industry by administrative decision if their conduct falls below certain standards. The Office of Fair Trading (OFT), the regulatory authority responsible, has indicated that criminal convictions for violence, fraud or other dishonesty are central reasons for triggering the revocation power. This is, thus, a form of negative licensing broadly equivalent to a "silence is consent" regime. In practice the OFT uses the power to revoke as incentive to estate agents to take notice of its advice and warnings – an example of the pyramidal approach of "responsive regulation". The OFT was challenged in court over its interpretation of the legislative provisions and now has a duty act to bar estate agents where there is evidence of a single act of misconduct. There is no need to show sustained misconduct. Notwithstanding this development, the OFT does not find the negative licensing regime to be satisfactory and would prefer to have positive licensing powers as exist for consumer credit lenders. From the perspective of estate agents the current limits on OFT regulatory power clearly reduces the time and cost associated with setting up in business.

Since 1997 a number of more systematic overviews have been undertaken of alternatives to state regulation. These include the Better Regulation Task Force report, *Alternatives to State Regulation*, The Office of Fair Trading work on Consumer Codes (subsequently developed by the DTI as the core principles for consumer codes in the 1999 Consumer Protection White Paper), and work by the Office of Telecommunications drawing together the various elements of self-regulation and other alternatives to classical regulation in the telecommunications sector (which includes the promotion of industry-produced comparative performance indicators to stimulate informed market competition).

No measurement or monitoring systems for use of alternatives to state regulation have been established beyond the review methods of the BRTF. In January 1998, the BRTF proposed a set of Principles of Good Regulation. The principles, which were marginally revised in 2000, have been accepted by the government and incorporated into the Government's Guide to Regulatory Impact Analysis. The principles should be met by good regulations and their enforcement to ensure that regulations are "necessary, fair, effective, affordable and enjoy a broad degree of public confidence". In total, the BRTF has an array of 13 criteria for testing regulations including five "basic" principles of better regulation:

- Transparency – that regulation should be open, simple and user-friendly.
- Accountability – towards Ministers, Parliament as well as the users and the wider public.
- Targeting – in that regulation focused on the problem and minimised side effects.
- Consistency – that regulation would be applied coherently.
- Proportionality – that regulatory responses fitted the extent of the risk.

The BRTF's Principles of Good Regulation also outlines eight "Tests of Good Regulation and Pitfalls to be Avoided" which also should be applied to state regulation as well as to alternatives to regulation. According to the eight tests regulations must:

- Have broad political support.
- Be enforceable.
- Be easy to understand.

- Be balanced and avoid impetuous knee-jerk reactions.
- Avoid unintended consequences.
- Balance risks, cost and practical benefit.
- Seek to reconcile contradictory policy objectives.
- Identify accountability.

Additionally, the Guide offered more detailed guidance on operationalising these principles in regulatory decisionmaking. Among the recommendations were that: 1) a "prior options approach" which emphasises the need to find "minimum level responses" should be used; 2) consultation should be taken seriously to enhance regulatory quality, cross-departmental consistency, and compliance both outside and within government; 3) self-regulation and self-enforcement should be considered as viable options; and 4) a regulatory impact assessment should accompany in new regulatory legislation. While directed at regulatory issues, the Task Force emphasised in particular the problem of regulatory opacity, which is directly responsible for substantial administrative burdens.

The Guide emphasised the use of a wide range of instruments as alternatives to regulation. The Cabinet Office indicated that it accepted that advice and that it would encourage policy makers to consider alternatives to regulation such as:

- Relying on consumer choice, competition and innovation.
- Improving advice or information.
- Using a code of practice.
- Economic instruments *e.g.*, user charges, taxes or tax concessions.
- Asking the industry to regulate itself.
- Simplifying or better targeting existing regulations through a "deregulation order".

These principles have been incorporated in the subsequent RIU guide, *Good Policy Making: A Guide to Regulatory Impact Assessment* (2000).[11] Linked to the advocacy of alternatives to state regulation are proposals to enhance complaint handling both against public and private sector service providers in order to empower users against businesses.

Furthermore, departments have increasingly become involved in drafting "codes of conduct" in contrast to requiring regulation. While self-regulation has a long history in Britain, it is now being increasingly used with regard to corporate governance issues, consumer relations, and health concerns such as passive smoking in restaurants.

There have been attempts to measure the effects on businesses, citizens and voluntary sector organisations of the implementation of the preference for self-regulation in particular cases, such as the Health and Safety Executive's study of the costs of the hospitality industry's code of conduct on smoking, but there have been no systemic academic or government studies covering the whole economy. It is generally believed that schemes of self-regulation and co-regulation impose fewer administrative costs and are simpler for businesses to work with than does public regulation. However, there are insufficient data to establish whether this is, in fact, always the case.

Deregulation orders

The purpose of the Regulatory Reform Act, which became law in April 2001, is to enhance and widen the use of Deregulation Orders, a mechanism created by the Deregulation and Contracting Out Act of 1994. The 1994 Act gave Ministers new powers to

repeal and amend by secondary legislation a provision in primary legislation that imposed a burden, so long as its reduction or removal did not reduce or remove any necessary regulatory protection. Thus, here again the emphasis was not solely on the regulatory impact, but also on the administrative burden caused by over-complex, overlapping or outdated regulation. There was also a requirement in the 1994 Act for thorough and mandatory consultation. The deregulation process offered a low profile, consensual approach, which has led to a significant number of mainly small but worthwhile regulatory amendments and it has been widely regarded as a success. But its main intention was to deal with measures limited in scope and for small items that would not otherwise warrant legislative attention.

Among the deregulation orders agreed to were the allowance of three yearly deductions of trade union dues from salaries, the permitting of bookings at registry offices up to one year rather than three months in advance and the relaxation of restrictions on opening hours of licenced premises (pubs) on December 31, 1999. Three initiatives were rejected by the committees (on Sunday dancing, civil aviation, and consumer credit).

The Labour Government argued that the 1994 Act was too limited to be of any further utility, pointing out the decreasing number of deregulation orders enacted.[12] Under its terms it could only be used to amend legislation enacted through the 1994 parliamentary session and had arguably been designed under the assumption that "red tape" and over-regulation had been caused by small and clearly defined regulatory requirements that could easily be removed. However, the pool of such small measures was limited and the process was ill-suited for addressing over-complex and overlapping regulatory regimes.

The 2001 Regulatory Reform Act (RRA) widened the deregulation order-making power to include:

- Making and re-enacting statutory provision.
- Allowing the imposition of additional burdens, but only if the burdens are proportionate and are needed to remove or reduce burdens on others.
- Removing legislative inconsistencies and anomalies.
- Dealing with burdensome situations caused by a lack of statutory provision.
- Application to legislation passed after the RRA, if it is at least two years old.
- Relieving burdens from anyone, but not simply from ministers and government departments where only they would benefit from reform.

Regulatory Reform Orders are subject to thorough public consultation followed by detailed two-stage scrutiny by the Deregulation and Regulatory Reform Committee in the House of Commons and the Delegated Powers and Regulatory Reform Committee in the House of Lords. The special Parliamentary procedure which Regulatory Reform Orders undergo (sometimes called the "super-affirmative" procedure), affords a strong Parliamentary scrutiny. The process for scrutinising orders made under the Regulatory Reform Act is expected to take between nine months and a year. The Regulatory Reform Act specifies – in the law itself – the procedural requirements ministers have to follow when making regulations (Orders) under this Act.

The Act also empowers the government to produce a code of good enforcement practices. Its main intention is to provide safeguards against potential problems linked to the use of voluntary approach to the Enforcement Concordat (see below).

The Enforcement Concordat

Much concern of the business community has been directed at the enforcement of regulation. This in particular concerned the actions by enforcement officers in central and local government, where it was argued that procedural safeguards were required. Section 5 of the Deregulation and Contracting Out Act of 1994 offered protection against the unreasonable application of regulations, but it had been only applied directly once. As a result, in 1996, the Conservative Government consulted on a widening of the application to further activities, but the initiative was opposed by various stakeholders on the grounds that the inflexibility of the provision made it inappropriate for a more general application.

The Labour Government did not initially aim to replace or amend Section 5, but instead planned to rely on voluntary means such as the Enforcement Concordat. This is a non-statutory code prepared by the Better Regulation Task Force, designed to encourage local and central enforcement agencies to develop a more responsive and proportionate approach to regulatory enforcement.

It was intended that all targeted central and all local enforcement agencies should sign up to the principles of the Enforcement Concordat. The adoption of the code is voluntary, but by December 2001, it had been adopted by 96% of local authorities and the vast majority of central government agencies.

According to the Concordat, businesses should receive clear explanations from enforcers, have the opportunity to resolve differences before enforcement action is taken, and receive explanations of their rights of appeal. Its main purpose is to encourage fair, practical and consistent enforcement. Enforcement should be based on standards (service standards, and the publication of performance records), be open, be helpful (aiming to prevent rather than simply penalise non-compliance), offer a widely published and timely complaint procedure, be proportional to the harm, be consistent (ensuring that different enforcers would treat the subject in the same way), and offer an opportunity for consultation before formal enforcement measures take place.

The Government eventually repealed Section 5 of the Deregulation and Contracting Out Act of 1994 by the Regulatory Reform Act 2001 to provide ministers with the reserve power to set out a code of good practice in enforcement, should it become clear that enforcement practices need improvement. This was meant to safeguard against failure of the voluntary arrangements. The use of these measures, only to be applied after consultation, depends on the level and nature of complaints about the enforcement practice and the evidence of compliance with established standards of good practice. The code, if applied would not bind enforcers directly, but the courts would be able to take it into account in legal proceedings, for example in mitigation or when deciding on the award of costs. The aim is to assure business and the voluntary sector that the Government is truly interested in controlling enforcement of regulation, to supply incentives for the adoption of good practice, and to establish a new enforcement culture.

The Cabinet Office has commissioned research on the impact of the Enforcement Concordat on businesses. That research has not yet been concluded and no other documentation on effects of the Concordat has been published.

Public sector team

This unit within the Regulatory Impact Unit, established in 1999, is particularly concerned with the effects of regulation and consequent administrative burdens affecting

the public sector. It published reports recommending the reduction of paperwork from front line services, such as the police.

In its *Scoping Report*,[13] the Public Sector Team set out its agenda for reducing the regulatory burden for the public sector, in particular in the areas of criminal justice (police, Crown Prosecution Service, Court Service), health (GPs and hospitals), education (schools), and local authorities. Its role is to identify bureaucratic burdens affecting front line staff (*e.g.* nurses, teachers, and managers) and then to negotiate their reduction or removal with central government departments and agencies. Having sought strategic reductions in burdens through a process of review of key public services, including the police service and schools, the Public Sector Team moved, in 2001, to the articulation of more general principles for policy making with a regulatory impact on the public sector. A "new" technique, equivalent in its aims to regulatory impact assessment, known as the "policy effects framework (PEF)", has been developed to measure the costs to public sector organisations of administrative burdens in terms of the hours of staff time and physical resources necessary to meet them. The development of the PEF is now complete and is being adopted on a voluntary basis by central government departments. In summer 2002 it was first adopted by the Department for Education and Skills, as well as being used for police-related policy in the Home Office.

Evaluation and perspectives

This report has dealt with initiatives prior to the general election of 2001. During the election campaign, all parties committed themselves to furthering the programme of administrative simplification. The Labour Party committed itself to strengthening the Regulatory Impact Unit, partly by bringing in more people with a business background, partly by requiring every government department to review the impact of significant regulation within three years of implementation, and partly by improving the quality of regulatory impact assessments. A similar package of proposals was advocated by the Conservative Party, which, however, also suggested that the aggregate regulatory burden attributable to every government department should fall every year, that new regulations should include "sunset clauses", that small businesses should be exempt from certain categories of regulation, and that a "deregulation authority" should be established on a statutory basis. The overall consensus on administrative simplification across the main parties, which also included measures to simplify planning law, suggested a continued interest and emphasis on enhancing and taking forward the instruments described in this report.

The analysis of the Regulatory Impact Assessment suggested that its evolution had to become embedded at an early stage in the policy formulation process and should be applied and monitored more systematically across government departments.[14] There was evidence that the "discourse" of regulatory impact assessments had "fertilised" other regulatory domains (in terms of the RRA and the Local Government Act of 2000), thus suggesting that its intention and approach had become embedded in the procedural toolkit and culture in British administration. However, its use and applicability to some extent was constrained by opposition towards such measures as well as by difficulties in applying regulatory impact assessments in particular areas. Furthermore, there was also a risk that the resources that were devoted to the quality of the regulatory impact assessment could divert attention from the worthiness of the policy proposal itself.

The government has set up an array of institutions to drive regulatory policies. The Regulatory Impact Unit (RIU) plays the crucial dual role as scrutiniser and advisor of high quality regulations across government. The Labour Government developed a particular attachment towards establishing so-called "task forces" to enhance cross-departmental and public-private co-operation on particular issues. The Better Regulation Task Force, which has been a strong advocate for reform joins the RIU in continuously pushing for improvements in regulatory policies. It has been taken seriously by other departments and therefore was able to achieve substantial outcomes in terms of their reports and proposals. The Panel for Regulatory Accountability has raised the degree of responsibility in rulemaking and maintained regulatory policies at the centre of government. The importance of such centrally steered agents for change is, however, limited in being dependent on political support – thus the power of the BRTF was particularly reliant on the political support by the Prime Minister. In a related, although somewhat different role, the e-envoy provided both a controlling as well as a consulting and promoting function to the various departments, providing blueprints for action, advice as well as monitoring of progress. In the case of the e-envoy, this also involved annual international benchmarking reports (contrasting the UK with 13 other governments), while in the case of the Regulatory Impact Unit, this involved co-operation with the Dutch equivalent on developing a set of benchmarks.

Sectoral regulators have brought lower prices and in many cases promoted more competition and better services. The Small Business Service has also led to a focus on the concerns of small firms. The administrative culture in the UK is characterised by pragmatism, integrity and professionalism. Furthermore, there is a growing awareness in the British public on the importance of high quality regulation to achieve important welfare goals. Altogether these elements constitute a strong foundation for additional steps.

This report has provided a description of different stages of administrative simplification programmes. It offers evidence of sustained attempts since the 1980s to reduce the burden placed by administrative requirements on citizens and business. At the turn of the century, the modernising government agenda was arguably more embedded across government departments as it no longer simply involved a deregulation emphasis carried forward by a single unit, but rather a number of different agendas, ranging from better regulation, small business support to e-government which as a whole were likely over time to reduce the burden of "red tape" significantly. There are two main obstacles to the development and implementation of programmes of administrative simplification in the UK First, there is a general cultural hostility to the deployment of systematic principle of government within Government departments, reflected in the "Whitehall view" that centrally-driven administrative simplification measures specifically are unnecessary because individual departments can take responsibility for acting professionally. The second main obstacle is the unusual degree of "sovereignty" possessed by government departments in exercising executive power.[15] The advocacy role of the Better Regulation Task Force and the co-ordinating capacities of the Panel for Regulatory Accountability have to be seen as being designed to work within the context of these constraints. This makes progress highly dependent on the level of political support.

Notes

1. White Paper, Lifting the Burden, Cmnd 9571 (1985).
2. E. Froud, R. Boden, A. Ogus, and P. Stubbs, *Controlling the Regulators*, 3-4 (London, Macmillan 1998).
3. White Paper, *Building Business – Not Barriers,* Cmnd 9794 (1986).
4. Better Regulation Task Force, *Helping Small Firms Cope with Regulation* (London, Cabinet Office 2000).
5. Better Regulation Task Force, *Alternatives to State Regulation* (London, Cabinet Office July, 2000).
6. Better Regulation Task Force, *Annual Report 1999-2000* 4 (London, Cabinet Office) (undated).
7. *See Financial Times*, 24 March, 2001
8. Department of Environment Transport and the Regions (DETR 1998), *Modernising Planning,* para. 29 London.
9. Home Office, White Paper, *Time for Reform: Proposals for the Modernisation of Our Licensing Laws*, CM4696 (2000).
10. Better Regulation Task Force, *Annual Report 1999-2000*, p. 41, London, Cabinet Office (undated).
11. Better Regulation Task Force (1999), *Good Policy Making: A Guide to Regulatory Impact Assessment*, London, Cabinet Office.
12. Since April 1995, 48 deregulation orders were passed, with a decreasing number over time:

    1995 Two proposals

    1996 Twenty-three proposals

    1997 Twelve proposals

    1998 Five proposals

    1999 Four proposals

    2000 One proposal

    2001 One proposal (four under consideration)
13. Cabinet Office Public Sector Team, *Scoping Report* (London, Cabinet Office 2000).
14. This was also likely to depend on a review by the National Audit Office, to be published in the autumn 2001. Early press reports on the NAO investigation suggest that the NAO will be highly critical of the failure of key departments to properly and coherently follow the principles of regulatory impact assessment. Recommendations from the NAO are likely to lead to further reform of the system. *Financial Times* (7 June 2001).
15. *See* Alan Page and Terence Daintith (1999), *The Executive in the Constitution: Structure and Internal Control*, Oxford Univ. Press, August.

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Appendix

Federal information collection burden in 1987-2001

In burden hours

Agency	1987	1992	1995	1996	1997	1998	1999	2000	2001
Agriculture	67 700 000	71 600 000	131 091 022	107 248 206	89 290 439	71 950 000	67 680 000	75 190 000	86 720 000
Commerce	5 400 000	4 100 000	8 239 828	7 960 779	8 210 119	13 490 000	7 210 000	38 570 000	10 290 000
Defense	279 700 000	215 200 000	205 847 538	152 490 315	138 511 139	119 000 000	111 730 000	93 620 000	92 050 000
Education	34 500 000	23 100 000	57 554 905	49 111 300	43 725 057	40 900 000	42 070 000	41 980 000	40 490 000
Energy	14 200 000	8 700 000	9 187 531	4 656 053	4 478 981	4 460 000	4 480 000	2 920 000	3 850 000
Health and human services	163 200 000	156 700 000	152 615 502	137 540 947	137 008 078	139 310 000	164 350 000	173 710 000	186 610 000
Housing and urban development	13 300 000	30 300 000	33 769 554	37 245 148	32 210 600	18 480 000	19 750 000	12 460 000	12 050 000
Interior	3 700 000	4 900 000	4 165 429	4 357 370	5 194 780	4 570 000	4 360 000	5 640 000	7 560 000
Justice	40 400 000	32 600 000	36 670 323	36 162 128	39 130 642	26 820 000	36 590 000	36 820 000	40 530 000
Labor	72 600 000	51 800 000	266 447 906	241 077 975	216 810 705	198 990 000	195 960 000	181 590 000	186 110 000
State	1 000 000	2 000 000	8 678 480	596 789	30 557 876	28 900 000	28 850 000	29 190 000	16 560 000
Transportation	75 600 000	65 100 000	91 022 665	66 167 487	111 375 978	138 750 000	140 000 000	117 650 000	80 340 000
Treasury	**852 200 000**	**5 743 700 000**	**5 331 298 033**	**5 352 845 430**	**5 582 121 203**	**5 702 240 000**	**5 909 070 000**	**6 156 800 000**	**6 415 850 000**
Veterans	5 400 000	6 400 000	11 133 887	94 345 522	6 230 103	2 640 000	5 270 000	5 980 000	5 310 000
EPA	68 900 000	60 700 000	103 066 374	107 655 255	115 671 113	119 180 000	118 910 000	128 750 000	130 770 000
Fed. Acquisition Reg. System			22 146 676	23 445 460	24 523 313	24 420 000	23 420 000	n.a.	n.a.
Fed. Communications Comm.			22 644 046	23 879 914	27 805 236	30 340 000	32 490 000	n.a.	n.a.
Fed. Deposit Insurance Corp.			8 502 121	8 633 670	8 536 375	7 560 000	7 970 000	n.a.	n.a.
Fed. Emergency Mgmt. Admin.			5 175 501	4 802 093	5 061 582	4 680 000	4 970 000	n.a.	n.a.
Fed. Energy Regulatory Comm.				5 157 268	5 233 893	5 540 000	3 980 000	n.a.	n.a.
Fed. Trade Comm.	7 100 000	200 000	146 149 460	146 148 091	146 161 341	126 980 000	126 560 000	n.a.	n.a.
NASA			9 561 494	9 228 714	9 087 758	7 710 000	7 340 000	n.a.	n.a.
Nat. Science Foundation			5 691 560	5 760 203	5 794 805	4 730 000	4 740 000	n.a.	n.a.
Nuclear Regulatory Comm.			8 726 244	9 942 882	10 271 588	9 670 000	9 510 000	n.a.	n.a.
Agency	1987	1992	1995	1996	1997	1998	1999	2 000	2001
Securities and Exchange Comm.			191 527 284	142 105 083	148 933 539	75 680 000	76 560 000	n.a.	n.a.
Small business admin.			2 355 150	2 288 365	1 492 925	3 070 000	1 670 000	n.a.	n.a.

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Federal information collection burden in 1987-2001 *(cont.)*

In burden hours

Agency	1987	1992	1995	1996	1997	1998	1999	2000	2001
Social security admin.			25 307 594	25 679 475	24 783 842	22 080 000	21 220 000	n.a.	n.a.
All others	123 600 000	119 900 000							
GRAND TOTAL	1 828 500 000	6 597 000 000	6 898 576 107	6 806 531 922	6 978 213 010	6 952 140 000	7 176 710 000	7 361 720 000	7 651.42
TOTAL excluding treasury	976 300 000	853 300 000	1 567 278 074	1 453 686 492	1 396 091 807	1 249 900 000	1 267 640 000	1 204 920 000	

1. These figures are derived from Office of Management and Budget, Office of Information and Regulatory Affairs, *Information Collection Budget of the United States Government Fiscal Year 2002* (and preceding volumes for FY 1998-2000), and General Accounting Office, *Paperwork Reduction – Reported Burden Hour Increases Reflect New Estimates, Not Actual Charges*, GAO/PMED-94-2 (Dec. 1993).

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