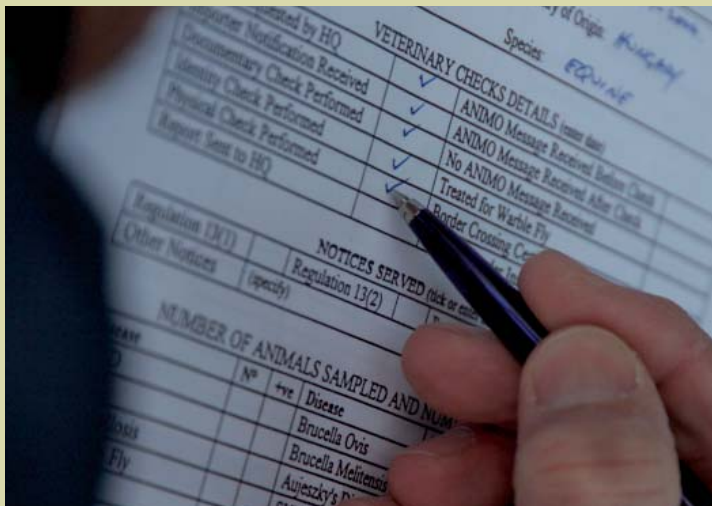


The Defra Simplification Plan: Maximising Outcomes, Minimising Burdens

November 2006



Department for Environment, Food and Rural Affairs
Nobel House
17 Smith Square
London SW1P 3JR
Telephone 020 7238 6000
Website: www.defra.gov.uk

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Further copies of this publication are available from:

Better Regulation Division
Defra
Area 2B
17 Smith Square
London SW1P 3JR

Or email: simplificationproposal@defra.gsi.gov.uk

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Contents

Ministerial foreword	3
Summary of actions	5
1 Introduction/executive summary	7
2 Departmental information	11
3 Related Agencies and NDPBs	12
4 Regulatory Powers	13
5 Stakeholder engagement	14
6 Administrative burdens target	16
7 Progress against the admin burdens target	19
8 Better Regulation and Europe	25
9 Links to the Davidson review	26
10 Links to the Hampton report	28
11 Facilitating Culture Change	36
12 Delivery, update and review	37
Annexes:	
A1 Summary of major simplification initiatives	38
A2 Simplification projects completed	43
A3 Simplification proposals	48
B Regulations that came into force June 2005 – May 2006	66
C Pipeline regulations	69

Ministerial foreword



Regulation has a key role in delivering the many outcomes that Defra is responsible for and in providing wider public benefits. In some cases we can help business to help themselves, for example through grants and information on energy efficiency *through which they can both save money and help reduce carbon emissions*. This is the classic win-win. But where there are market failures government intervention is a fully justified response. So issues such as climate change emissions, clean air and water, natural landscapes, biodiversity, safe food, and the responsible care of disease-free animals require an effective legislative framework, which includes regulation in its broadest sense.

But we need both to get the balance right between costs and benefits, and to ensure that what we do helps stimulate real behaviour change and innovation rather than mindless compliance (or even more mindless non-compliance) and the automatic selection of end of pipe solutions. Reducing non productive administrative burdens, using market based instruments, targeting inspections on high risk operations, improving comprehension, joining-up customer interfaces are not anti-environmental, they are our license to operate. In a competitive world, they allow us to maximise outcomes, while minimising burdens.

Defra and the agencies it works with are committed to a comprehensive programme of regulating better. That means simplifying and improving regulations, reviewing and where necessary removing redundant old legislation, without compromising environmental standards. It means questioning whether traditional regulation is the right approach or whether other types of policy instruments might be more effective. It also means having the right structures in place for the administration and enforcement of regulations. To do this well it is key that we develop a new partnership with business and our other stakeholders.

Defra led the way across Whitehall in setting a 25% target for reducing net administrative burdens. In November 2005 we published an initial simplification plan, *Lifting the Burden*. This gave an early indication of our planned actions. I am delighted to say that we have made significant progress since then. Initiatives described in this plan are scheduled to deliver **£158.8m/yr** reduction in administrative burdens by 2010; well over our 25% target. There is considerable support from the European Commission and other Member States for taking this work forward in Europe, tackling the administrative burdens associated with Directives, and we expect further progress.

The plan demonstrates that action is being taken across the Defra family of regulators. However, there are new regulations, scheduled to come into force over the next few years, that could add to the overall administrative burden. We need to ensure that these new requirements do not undermine the intentions set out in this plan and we

will continue to develop other initiatives to ensure that we continue the downward trend in the overall net burden of regulation. The Simplification Plan will be updated on an annual basis to highlight what we have achieved and what we are planning.

We want business to feel a real difference. This means that administrative burdens are just one part of the picture. The end result we are seeking is more competitive industry, coupled with significantly enhanced environmental outcomes. New measures on how well businesses understand our regulations, compliance rates, the customer experience, and achievement of regulatory outcomes will be central to our work.

If the initiatives we are undertaking do not resonate with you, we want to know why and how you think we should be doing things better. The Ministerial team at Defra look forward to hearing from you.

A handwritten signature in black ink, appearing to read 'David Miliband', written in a cursive style.

David Miliband

Summary of actions

Defra's plan must help improve outcomes in terms of our existing Departmental targets and in making progress towards 'One Planet Living'¹. The actions arising from our plan must demonstrably make business's whole experience of regulation better, and reduce administrative burdens. We will only achieve improved outcomes if businesses really understand our regulations and, as a result of this, comply with them more willingly and effectively. Working with our regulators and delivery partners we want to foster an environment where UK businesses voluntarily seek to move beyond compliance, seeing competitive advantage in global markets in so doing.

Key aspects of the plan are:

Burden reduction

- Initiatives that are scheduled to reduce Defra's administrative burdens by £158.8m per year by 2010, 30% of our total of £527.8m, and almost half the burden of the 'category B and C' regulations to which our 25% reduction target applies
- Initiatives which have already reduced burdens by around £55m per year
- A modern environmental permitting system which will reduce administrative burdens by £9m per year from 2008
- Reforms of veterinary medicines regulations with the potential to make considerable savings from a total administrative burden of about £40m per year and which streamline the regulations in force
- Work in Europe to reduce the burdens of EU regulations, with increasing support across the commission and EU member states. There is the real prospect of a burden reduction target for EU directives being agreed next year, with direct impact on environmental, farming and animal health. Key directives in all three areas are under review

A major programme of *culture change*:

- Internal challenge processes to ensure new regulations are fit for purpose
- Improved ministerial challenge in Defra with direct CBI and NFU involvement
- Better policy making training programme
- A dedicated Regulation directorate, aimed at securing culture change towards regulating better across the Defra family
- Regulatory improvement units established in all policy directorates, to act as a source of expertise and quality assurance

1 The idea of "One Planet Living" was developed by WWF to capture the scale of the environmental challenge facing us and the interdependence of our actions. The idea is simple: if everyone in the world were to consume natural resources and generate carbon dioxide at the rate we do in the UK, we'd need three planets to support us.

Summary of actions

- Better integration of practical delivery into policy making, with an 'outcome' rather than implementation focus
- The Environment Agency's Strategic Change Programme
- New tools to ensure our interventions are intelligent and make sense to stakeholders
- A strategic business engagement programme, including partnership working with the CBI and other key stakeholders in a number of specific areas

Moving to *risk-based regulation*:

- The Environment Agency modernising regulation programme is rolling out modern, risk based approaches to all its regulatory regimes
- The State Veterinary Service is moving to risk based approaches
- Drinking Water Inspectorate's risk-based technical audits

IT has a significant role to play in improving *services to business*, both for submitting and receiving information. Ensuring that businesses don't have to submit the same piece of information twice to different regulators is the long-term goal, as are greater co-ordination of inspections, and common portals. Initiatives include:

- The Whole Farm Approach, an on-line service for farmers and growers in England
- Support for SMEs through Business Link and the EA's Net Regs websites
- New customer database projects, and improvements to existing packages

Improving the way that regulations are delivered and enforced on the ground through having *the right organisations* in place. This work will conclude in 2009 but already significant changes have taken place:

- Natural England came into being on 1 October 2006, created from the Rural Development Service, the Countryside Agency and English Nature, as part of the implementation of the Haskins Review. At the same time the Dairy Hygiene Inspectorate was assimilated into the SVS
- The Horticultural Marketing Inspectorate was merged with the Rural Payments Agency Inspectorate on 1 April 2006
- Reviews are underway/have recently concluded on the Plant Health and Seeds Inspectorate, Rural Payments Agency Inspectorate and the way animal health regulations are administered and enforced

1 Introduction/executive summary

- 1.1 If everyone on the planet consumed resources at the rate we do in the UK we would need three planets rather than one to sustain us. As part of our drive towards One Planet Living Defra is working for continuing and sustainable improvement in the quality of our environment and in maintaining public and animal health. It follows that we will only achieve this if the methods that we use to promote and secure our outcomes are themselves efficient and effective. This simplification plan provides an opportunity to review the current impact of some of our interventions and to set out our approach to reducing our impact on business. Regulating better is an essential and core part of our work: doing this well provides us with our licence to operate and to achieve more of the things we care passionately about.
- 1.2 Defra has a very diverse regulatory portfolio with responsibility for over 700 regulations, more than any other Government Department. These impact across business sectors and on society at large. In recent years Defra with its partners inside and outside government has successfully secured many outcomes through regulation which impact directly on the quality of life: clean air and drinking water, high standards of waste water treatment making UK rivers the cleanest they have been for hundreds of years. Other regulations are in place to ensure that the public money available for supporting farmers and the environment is correctly targeted and well-used, protecting the food chain and natural landscapes. Tackling and mitigating climate change is now the major challenge for the Department.
- 1.3 The way we work with business is critically important and our interventions need to be intelligent and well targeted if we are to jointly achieve our outcomes. Our aim is to work closely with key industry groups to
- achieve real and demonstrable reductions in burdens, whilst improving real world outcomes
 - increase comprehension and understanding of our aims and methods
 - increase competitiveness
 - prevent a bias towards going for technical compliance rather than trying to achieve optimal outcomes
 - enable and support businesses to go beyond regulation
 - stimulate productivity and innovation
 - give clear and prioritised messages about the areas where society expects business to act
 - listen and communicate more effectively with mainstream business about the whole of our agenda, not just those who are already convinced or engage with us on single issues

1 Introduction/executive summary

If we can achieve this we should also optimise the use of the Department's resources and build a new and progressive relationship with business.

- 1.4 To ensure that our interventions constantly improve we have instigated a number of initiatives to test and check that, wherever possible, best practice has been used. On the delivery side, the principles set out in the Hampton Report² provide a clear and correct philosophy. Risk based regulation, and customer facing operations are not excuses for delivering less: they are central to focusing joint efforts on maximising outcomes while minimising business costs.
- 1.5 We are also reviewing the process through which we develop policy and its subsequent operation. Looking at the development of regulation as an end-to-end process will ensure continuity between policy makers, operational delivery, engaging business and achieving outcomes. We have opened dialogue with key industry groups about this and look forward to consolidating this in future years.
- 1.6 Within Defra we have created a new Regulation Directorate, with roles including quality assurance, developing and supporting the regulatory community and running a number of central projects. These projects include the development of this simplification plan and the development of other key tools for the Department, including better understanding of risk in our decision making. This team is supported by Improvement Units in all of Defra's main policy areas.
- 1.7 The reduction of unnecessary administrative burdens is an important prerequisite of our licence to operate and Defra adopted its own 25% reduction target in December 2004. This was ahead of publication of the Hampton Report and BRTF's 'Less is More' report³, and the Cabinet Office study to measure administrative burdens and subsequent target setting. Considerable progress has been made, both culturally and against targets within Defra, leading to some of the reductions reported in this plan. However, administrative burdens are just one aspect of our goal of regulating better and this plan highlights many broader simplification initiatives. We are also developing wider measures to give a better indication of our progress on regulating better and to allow us to identify and prioritise those initiatives that will have optimum effects and provide tangible improvements to those we regulate.
- 1.8 The wider measures, or indicators of regulating better could include:
 - Comprehension, why are we regulating and what are we trying to achieve: better comprehension will both improve satisfaction and could lead to greater moves 'beyond compliance' – in some cases, such as energy labelling of white goods, customer demand is now the leading factor and the regulations merely reflect business as usual

2 <http://www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf>

3 <http://www.brc.gov.uk/downloads/pdf/lessismore.pdf>

1 Introduction/executive summary

- Elimination of irritation factors such as multiple form filling, conflicting advice and overly complex and overlapping regulations
- Improved outcomes
- Removal or improvement of obsolete regulations
- Improved compliance against licence conditions
- Reduced criminal activity, fly tipping and damage to the environment
- Reduction in costs to Defra and to those we regulate
- Better understanding of the benefits of regulation, for society and business

We will report progress on wider measures in future simplification plans, and we will need support and feedback from our customers to achieve this.

- 1.9 The Hampton Report has had far-reaching consequences for Defra in terms of restructuring regulators and in the creation of thematic regulatory bodies. However, it is the wider recommendations around risk-based regulation, improved advice and rationalisation of data submissions that will determine whether business will really feel that the whole experience of regulation has improved. We are working to embed these elements across the Defra family and there are a number of initiatives underway to enable this which are described later in the plan.
- 1.10 This Plan builds on our draft simplification plan 'Lifting the Burden'⁴, which was published in November 2005, setting out many initiatives, planned or underway, to improve the regulatory experience. It includes our progress on reducing administrative burdens. Defra has already identified and started work on projects that will deliver £158.8m reduction in administrative burdens by 2010, over 30% of the total annual burden of £527.8m from regulations in force in 2005. There is however, a considerable pipeline of new regulations that will come into force and new initiatives will be required to ensure that we can deliver the net reduction by 2010.
- 1.11 The plan has a number of sections covering:
- Overview of Defra and the wider Defra family
 - Stakeholder engagement
 - Administrative burdens imposed by the Department and targets for reducing that burden
 - Simplification projects already identified

4 <http://www.defra.gov.uk/corporate/regulat/pdf/lifting-burden.pdf>

1 Introduction/executive summary

- Activity in Europe
- Changes taking place linked to the Hampton Report
- Culture change in Defra
- Delivering the plan

The plan also has a series of annexes listing simplification initiatives delivered and planned for the next five years and the known pipeline of future regulation.

- 1.12 We welcome comments and views on any aspect of this Simplification Plan. They can be sent to simplificationproposal@defra.gsi.gov.uk

2 Departmental information

2.1 **Scope and objectives**

Defra regulations focus on achieving agreed outcomes, and in many cases controlling risks. They must also support the Department's overarching ambition of enabling a move towards "One Planet Living" through its high level goals of avoiding dangerous climate change, and maintaining and enhancing the natural asset base of the United Kingdom. To support this Defra is looking at the effectiveness of the interventions that it currently makes and the policies behind them.

2.2 As a regulator Defra has a broad remit: environmental regulation, covering water, waste, air quality, energy consumption and climate change; regulations affecting agriculture, fisheries, animal health and welfare; regulations to enhance biodiversity and protect natural landscapes and rural areas. The Department's regulations have impacts on all sectors and on all sizes of business and in many cases across sectoral boundaries.

3 Related Agencies and NDPBs

- 3.1 Most Defra regulations are administered and enforced by other organisations, collectively referred to as the Defra family of delivery partners. These include the Environment Agency, Natural England, the Rural Payments Agency, and State Veterinary Service as well as many smaller organisations such as the Bee Health Unit, the Drinking Water Inspectorate and Gangmasters' Licensing Authority.
- 3.2 These organisations are themselves undergoing change to deliver a better experience to the businesses they regulate and this is considered in more detail in sections 9 and 10. They have also been major contributors to the simplification initiatives set out in this plan. Defra recognises that the prime concern of business is about how regulations impact on them rather than which organisation is responsible for imposing and enforcing them. All of the Defra family are undertaking their own internal simplification initiatives, but they do not intend to produce separate published plans at this stage. Defra also interacts with independent regulators such as the water industry regulator Ofwat and the energy regulator Ofgem and supports the better regulation initiatives of these organisations.

4 Regulatory Powers

- 4.1 Defra has over 700 regulations currently in force. These range from highly prescriptive regulations which tightly govern the way that a business operates to codes of practice which are designed to help businesses to achieve good environmental outcomes. Defra enforcers may have powers of entry and powers to close down businesses that are in flagrant breach of regulations. However, all the evidence shows that most businesses want to comply with regulations, and it is the role of regulators to provide advice and guidance to ensure that they can. The simplification initiatives described in the plan include those associated with procedures for obtaining grants and subsidies as well as with regulations and codes of practice, projects that consolidate and amend regulations, projects that lower fees paid, and some that reduce compliance costs.

5 Stakeholder engagement

- 5.1 Regulating better has broad consequences for Defra. We want to bring about fundamental and lasting change to the culture of the Department so that stakeholders see a real difference in the way Defra goes about developing and implementing regulations. The Secretary of State, David Miliband, wants to establish a new environmental contract with business and society. This means that the Department must become more customer focussed. This will involve more collaborative work with those who are impacted by regulations to develop practical solutions, improving the way that business and the public can engage with Defra, and ensuring that there is a real partnership with those who we regulate.
- 5.2 Defra is committed to positive and improving engagement with stakeholders. Ideas for ways in which Government can regulate better cannot be generated and delivered through a narrow academic approach developed by civil servants in Whitehall. Defra has to facilitate channels for business to put forward practical solutions for the real-world problems that the Department has to tackle. Many of the initiatives that contribute to this plan have been developed in response to and with businesses. Defra already holds regular bilateral meetings with many industry representative groups such as the CBI, NFU, EEF, CLA, Water UK and many NGOs. The Department also runs regular stakeholder meetings on particular topics such as hazardous waste, food, and dredging. However, Defra can do better and a programme of work is underway to improve Defra's engagement with business, particularly SMEs.

One recent innovation has been the establishment of a 'Wiki'. This is a website which can be edited by anyone and is being used as an experiment in collaborative working. In particular, Defra wants stakeholders' help in developing the idea of an 'Environmental Contract'. This Wiki will allow people directly to input into the process of drafting the contract. <http://wiki.defra.gov.uk/WikiHome>

- 5.3 A group of stakeholders⁵ has helped to monitor the project which measured administrative burdens. Defra is continuing to liaise with this group and they have commented on an early draft of the plan. We will work with the group to review progress on our delivery of the plan. The plan will be sent directly to many organisations and will be available on-line for comment and feedback.
- 5.4 Internally Defra has a Ministerial Challenge Panel to review and challenge regulatory proposals and the Department's progress on simplifying regulations. The CBI and NFU have joined that panel and along with members from the Better Regulation Commission and Small Business Service they provide a business perspective and external challenge.

5 The Defra monitoring group comprises the CBI, NFU, CLA, FSB, NFFO, an independent farmer

5 Stakeholder engagement

- 5.5 Defra has engaged with business to develop specific sectoral simplification initiatives. 'Lifting the Burden' described simplification projects that have been set up with the water industry and fishing industry. Progress on those projects is detailed in section 7 of the plan. Defra would like to hear from other sectors who would like to work with us in this way.
- 5.6 We have also established a regional partnership with the Anglian region. Working with the Government Office for the East of England, the East of England Development Agency and local Business Link offices will lead to better understanding of how Defra regulations are applied and work on the ground, as well as concrete ideas about how they can be simplified and improved.
- 5.7 Over the next year we will be working with our delivery partners to do more analysis on the impacts of our regulations on different business sectors so that we can identify which areas of regulation should be prioritised for review.
- 5.8 **90 day Simplification Proposals**
On 15 September 2005, a new initiative was launched across Government. This invited businesses to submit ideas on how regulations could be simplified. This was in direct response to the Better Regulation Task Force's recommendation to develop a rolling programme of simplification. Cabinet Office has set up a one-stop on-line portal for business to submit these ideas.⁶ Government Departments have 90 working days in which to reply to a business proposal and must set out how they intend to progress the proposal further, or give a reasoned response of why it would be inappropriate to do so.
- 5.9 Defra has encouraged industry and stakeholders to submit proposals on regulations that could be simplified, improved or repealed. Over sixty proposals have been received by Defra through this initiative, a third of which relate to waste regulations. Various new initiatives, including the Environmental Permitting Programme, the Environment Agency's modernising waste regulation Programme, and Defra's review of waste exemptions will help address the issues raised by business. Other proposals relate to areas of regulation where reviews will take place shortly and the ideas will feed into the review process. Specific proposals that are already being taken forward form part of annex A to the Simplification Plan. These include a proposal submitted by Somerfield on repealing the Game Act and Game Licences Act, which forms part of a public consultation issued in July 2006, and one from the Environmental Services Association, a trade body for the waste industry, on replacing monthly reporting requirements for waste management licenses with quarterly reporting. This proposal is being implemented by the Environment Agency.
- 5.10 Defra welcomes further ideas. These can be e-mailed directly as can comments on this plan to: simplificationproposal@defra.gsi.gov.uk

6 <http://www.betterregulation.gov.uk/>

6 Administrative burdens target

- 6.1 Defra committed to reduce the net administrative burden its regulations place on business by 25% by 2010. During 2005/6 the administrative burden imposed by Defra regulations was assessed using the Standard Cost Model⁷. Only 362 of Defra's 700 plus regulations that were in force in May 2005 were judged to impose such a burden. This was calculated to be **£527.8 million** each year, excluding business as usual, that is those things which businesses would do whether regulations were in place or not. This figure is indicative rather than statistically robust, but nevertheless it provides a starting point. To meet the 25% target based on this figure means achieving a reduction of at least **£132.0m** on the stock of regulation included in the measurement exercise, or a net annual administrative burden of no more £395.8m.
- 6.2 The break-down of where the £527.8 burden falls amongst Defra's four policy areas is set out below:

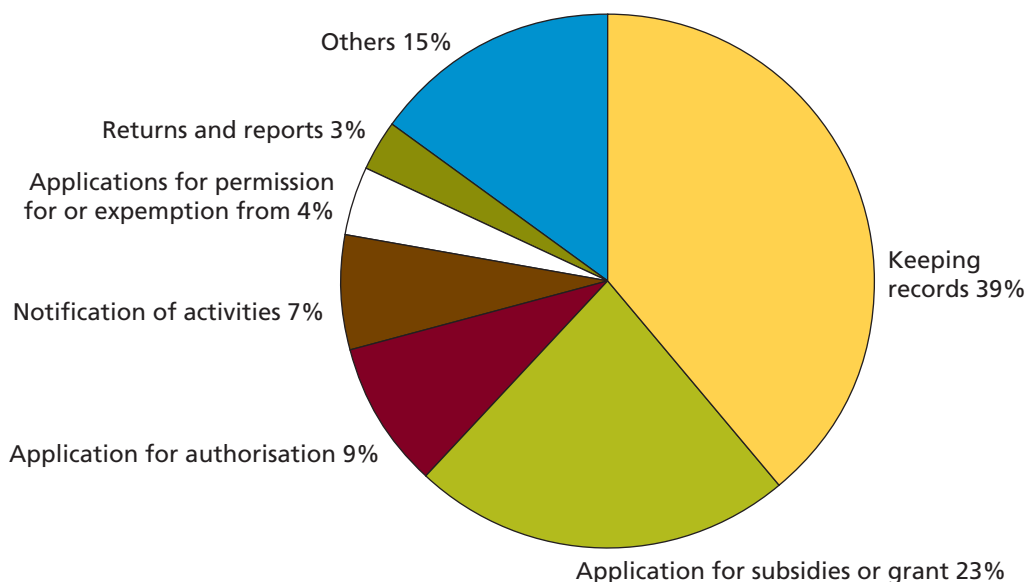
Defra regulations in force with an administrative burden		
Animal health and welfare regulations for farm and domestic animals	Number of Regulations	78
	Total Admin Burden (£m)	222.1
	Proportion of Total	42%
Food and farming regulations	Number of Regulations	107
	Total Admin Burden (£m)	149.3
	Proportion of Total	28%
Environmental regulations	Number of Regulations	82
	Total Admin Burden (£m)	122.1
	Proportion of Total	23%
Rural, wildlife and fisheries regulations	Number of Regulations	95
	Total Admin Burden (£m)	34.3
	Proportion of Total	7%
Defra totals	Total number measured	362
	Total Admin Burden (£m)	527.8
	Proportion of Total	100%

- 6.3 The most burdensome administrative activity was found to be keeping records, imposing 39% of the total burden, followed by applying for subsidies and grants at 23%, applying for authorisation at 9%, and notifying the competent authority of an activity at 7%. A range of other activities accounted for the remaining 22%.

7 The Standard Cost Model provides a consistent framework to estimate the administrative burden costs imposed on business by central government. The model takes into account how many businesses carry out a specific administrative activity and how often in a given year, the time taken by a business to carry out that activity and how much it costs in terms of wages and any goods or services they need to procure to carry out that activity.

6 Administrative burdens target

Administration Cost by Type



- 6.4 Of Defra's £527.8 million total burden, 42.2 % was imposed by European legislation where Member States have little discretion as to how it is implemented (Category A). 22.5 % also has its origins in Europe, but here individual Member States have discretion as to how they implement (Category B). The remaining 35.3 % is of domestic origin (Category C). The 25% target does not yet formally apply to Category A burdens, so in strict terms it only requires us to secure burden reduction of £80m. However, with reviews of some Directives already underway in Europe Defra has already started to reduce burdens in all these categories. Defra is working with the Commission and other Member States to reach agreement on an ambitious and time-bound target. We support Commissioner Verheugen's proposal of a 25% reduction at EU level. This would complement the target Defra has set itself.

6 Administrative burdens target

- 6.5 Defra has analysed the sectors on which the 50 most burdensome regulations fall:

Sector	Total burden (millions £)	Comment
Arable farmers and livestock keepers	297.2	
Veterinary – Medical Products	45.2	£11.1m shared with Livestock keepers
Manufacturing, energy supply and waste management industries	61.7	£39m of which is PPC
Fishing industry	18.9	
Water Industry	16.9	
Total	439.9	

- 6.6 Details of how burdens on the top ten regulations are being reduced are set out in section 7.

6.7 Using the SCM to measure regulations beyond May 2005

The standard cost model will continue to be used by Defra to assess new administrative burdens. A number of additional regulations have come into force since May 2005. Those imposing a burden are listed in annex B. The additional burden of these new regulations has been assessed as **£13.5m** per year. The known pipeline of regulations (see Annex C) would suggest that there are a large number of additional administrative burdens that could come in over the next few years.

- 6.8 Defra is seeking to minimise the burdens of these new regulations through effective negotiation in Brussels, and by working with delivery bodies and businesses to develop practical and light-touch ways to implement new legal requirements. Some of the mechanisms for doing this are described in following sections.

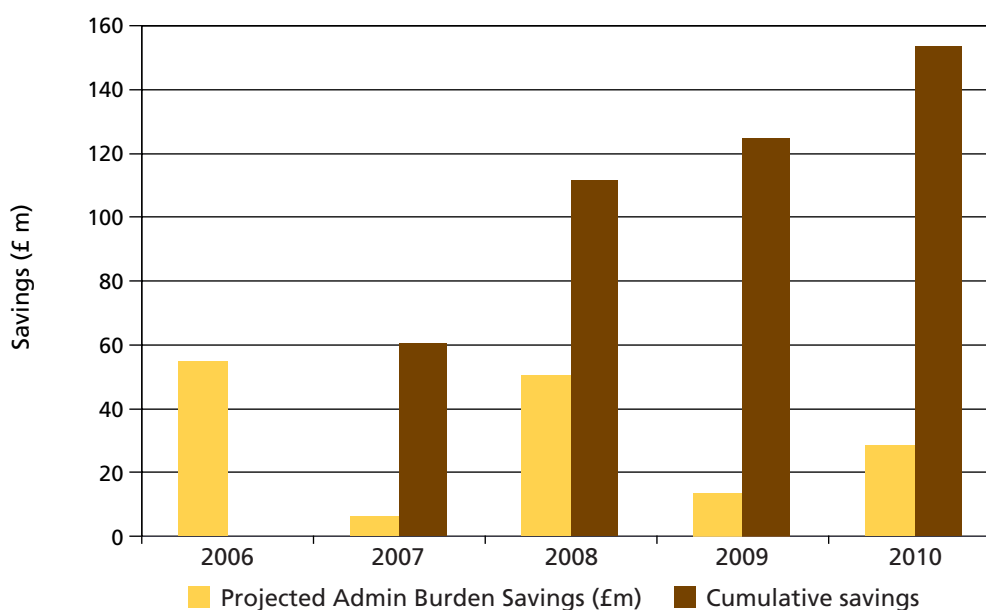
7 Progress against the admin burdens target

- 7.1 The target for reducing annual administrative burdens is around £132m from the 2005 baseline of £527.8m. Defra has already identified how an estimated **£158.8m** worth of savings can be achieved. The detailed projects that lie behind this figure are set out in annexes A1, A2 and A3. It is possible that some will not prove practical, or cost-effective when further developed. However, other ideas will emerge and Defra does not envisage any lessening in the level of burden reduction that can be achieved. In summary the burden reductions that have taken place or currently planned against the 2005 baseline are:

Defra administrative burden reduction targets	25% of total of A B and C category regs (£m)	25% of category B and C regs (£m)	Projected savings identified
Animal health and welfare regulations for farm and domestic animals	55.5	38.5	86.5
Food and farming regulations	37.3	8.7	46.6
Environmental regulations	30.5	22.9	25.0
Rural, wildlife and fisheries regulations	8.5	6.1	0.7
Defra totals	132.0	76.2	158.8

We have broken down on a year by year basis when the simplification initiatives are scheduled to be delivered:

Projected Administrative Burden Savings (£m)



7 Progress against the admin burdens target

However, these reductions will mean little for businesses which are in a sector where no change is happening. During the next year Defra will undertake more sectoral analysis to identify where new simplification initiatives should be targeted. This will be reflected in the 2007 plan.

Reducing top burdens:

7.2 The ten most burdensome Defra regulations identified in the exercise were:

	Title	Cost in £m
1	Common Agricultural Policy Single Payment and Support Schemes Regulations 2005	111
2	TSE (England) Regulations 2002	45
3	Pollution, Prevention and Control Regulations 2000	39
4	Retailers' Records for Veterinary Medicinal Products Regulations 2000	34
5	Code of Recommendations for the Welfare of Livestock: meat chickens and breeding chickens	16
6	Waste Management Licensing Regulations 1994	14
7	Cattle Identification Regulations 1998	13
8	Tuberculosis (England and Wales) Order 1984	12
9	Sheep and Goats Identification and Movement (Interim Measures) (England) (No.2) Order 2002	11
10	Welfare of Farmed Animals (England) Regulations 2000	10

Plans for reducing these top burdens are described in the following paragraphs.

7.3 **The Common Agricultural Policy Single Payment Scheme Regulations** set out the domestic powers and decisions necessary to supplement detailed EU rules introducing the new Single Payment Scheme (SPS) and related CAP schemes in 2005. The administrative burdens related to the scheme were estimated to be £111m and account for some 21% of Defra's total estimated burdens on business. By far the largest component of this cost was applying to establish and claim payments against SPS 'entitlements'.

7.4 By contrast, the CAP schemes that the SPS replaced had a smaller overall take-up than the SPS, with the number of claimants for the old IACS schemes being around 80,000. This makes it likely that *per head* the SPS is already costing less in administrative costs than the CAP regime but because the two regimes are not precisely comparable the extent of saving is harder to estimate. In addition, 2005 was the first year of operation of the SPS, which was likely to result in above-average costs as farmers familiarised themselves with a new scheme and undertook a number of one-off activities, such as claiming under a national reserve. By contrast, the 11 CAP schemes were well established, and despite their complexity they were well-understood.

7 Progress against the admin burdens target

- 7.5 Defra and the Rural Payments Agency (RPA) are now undertaking a two-pronged approach to simplify the SPS. Firstly, Defra and RPA are continuing to challenge whether the individual scheme requirements are necessary (for example set-aside) and, if so, if they are designed in the least burdensome way. Significant progress on this front is unlikely in advance of planned CAP reform 'health check' negotiations which are scheduled for 2008, although implementation of any changes might take a further eighteen months. However, in the meantime, the UK is working closely with other Member States and the European Commission to identify and seek agreement on 'technical' changes under the CAP simplification programme. Additionally the European Commission is carrying out a study of the administrative burdens imposed by the Single Payment Scheme.
- 7.6 Secondly, the RPA is continuing to explore with the farming industry how the application process can be simplified and how applicants' experience in dealing with the RPA can be improved. For example, by pre-populating forms. The RPA recognises that it needs to be more customer focussed. It will re-examine business processes and harness front-line staff expertise to deliver a better service, based on customer needs. Engagement with staff, Defra, customers and other stakeholders in design and implementation of schemes and the accompanying guidance will be critical to achieve burden reduction. The RPA aims to create an environment in which real engagement with customers becomes normal business practice. This will build on the work of the RPA Customer Strategy. To respond to the need for better communication with the farming industry, the RPA will publish plain English SPS literature, and as a first step has published its internal detailed instructions for carrying out SPS and cross-compliance inspections. This will enable farmers to be aware of what to expect when an inspector visits and to plan accordingly.
- 7.7 The **TSE 2006 Regulations** revoked requirements for recording information on the transport and consignment of mammalian meat and bone meal and processed animal protein which were duplicated by similar record keeping requirements of the **Animal By-Products Regulations 2003 (now the 2005 regulations)**. These were identified as a major burden, although most businesses would in practice require a single set of records to satisfy both regulations. The ABP requirements were assessed as significantly less burdensome and the effect has been to reduce the estimated burden by £44.5m.
- 7.8 The Environmental Permitting Programme (EPP) is designed to streamline the permitting systems for waste and major industrial operations covered by Pollution Prevention and Control (PPC). Its purpose is to reduce administrative costs, provide greater simplicity and lower charges for customers. Efficiency savings will also be delivered by regulators through the integration of two permitting regimes, some of which can be passed on to business. Additional reductions in burdens on industry will result from having a modern system,

7 Progress against the admin burdens target

which is easy for industry to access, understand and operate. It is envisaged that the EPP will develop a flexible permitting system which could be extended to include other areas of regulatory control. The EPP is a joint initiative between Defra, the EA and the Welsh Assembly Government. Respondents to the first public consultation on options in early 2006 were generally supportive of the aims of EPP, and the plans to reduce administrative burdens on industry and to streamline permitting processes were overwhelmingly welcomed. A second consultation on the proposed regulations was published in September 2006, with a view to the implementation of EPP starting in 2007. The second consultation is complemented by a separate joint Defra/DCLG⁸ consultation which seeks views on how to improve the interface between land use planning and pollution control systems. The programme will reduce administrative burdens to business by £9m per year and produce wider economic benefits.⁹ The baseline administrative burden for IPPC was measured in the peak year for permit applications (approximately 1,000) resulting in a very high administrative cost of £39m. In all subsequent years we expect the number of permit applications to be much lower, settling down to around 100 per year. Although there will be an increase in administrative burden arising from compliance activities in the corresponding period, we still expect the net overall burden for IPPC to be significantly lower from 2008 onwards. Other plans to improve waste and PPC processes are described in annex A, including the forthcoming review of waste exemptions.

- 7.9 The **Veterinary Medicines Regulations 2005** were the result of a major exercise reviewing and bringing together more than 50 separate measures to provide a single regulation and reference point for business. These regulations came into force in October 2005. Two further areas of work are intended to reduce burdens associated with record keeping. The Veterinary Medicines Directorate is encouraging and facilitating industry initiatives to develop two dimensional bar codes for medicinal products to allow scanning and completion of records electronically. The VMD is also looking for support in Europe for proposals for EU amending legislation by 2015 to make major reductions in record keeping requirements, in particular for companion animals. The total estimated burden for record keeping in respect of veterinary medicines for farmed and companion animals is around £40m and the work underway will deliver significant savings, in some sectors potentially up to 100%.
- 7.10 **Animal movement and identification** rules are a complex mixture of EU and national rules applying different regimes to different species. Some nine measures will be combined in the proposed Cattle Identification and Database regulations, but the major change is likely to result from changes resulting from the Madders review of livestock movement controls (August 2006)¹⁰. The key

8 Department for Communities and Local Government

9 The annual administrative burden from PPC is also falling as the permitting of sites is completed.

10 http://www.defra.gov.uk/animalh/movements/pdf/livestock_movement_controls-review.pdf

7 Progress against the admin burdens target

recommendations of the review were based on the need to simplify the current rules for cattle and sheep movements, to allow livestock keepers to understand the rules and their responsibilities under them.

- 7.11 Recent changes in **TB** rules meant a small increase in burdens where pre-movement testing of animals cannot be made as part of the routine testing regime. Costs in respect of TB are mostly from gathering animals for testing, and there is limited scope for changing these. Defra is looking at how the many forms associated with TB rules can be rationalised and simplified.
- 7.12 Codes of Recommendations for **Animal Welfare** for farmed livestock were identified as particularly burdensome in respect of record keeping. Defra has taken a steer from the admin burdens exercise and will review the Codes of Recommendations to clarify the difference between measures that are recommended in order to demonstrate compliance and others that, although germane to animal welfare, relate primarily to business and emergency planning and health and safety. Inspections will no longer include assessment of practices that are primarily business planning and management criteria. The Animal Welfare Bill will be a major regulatory simplification, consolidating and bringing up to date 21 existing measures. It provides the opportunity to modernise existing regimes using risk based inspections. Changes to current arrangements and new obligations will be introduced in consultation with business. It is anticipated that better focussed and informed inspections will help business to comply and reduce burdens on inspectors.

A project has been set up in light of the administrative burden measurement exercise to look at exactly how data collected from businesses in connection with some of the regulations exerting the most onerous administrative burdens is used and the scope for reducing it. These include waste management licences and PPC permits, the Single Payment Scheme and TB regulations. This project has offered some immediate ideas for tackling administrative burdens in some areas and a methodology for analysing whether information is really needed.

Other major simplification initiatives

- 7.13 **Reducing red tape in the water industry**
Defra started working with the water industry and its main regulators – the EA, Ofwat and the Drinking Water Inspectorate (DWI) – in 2005 to look at the scope for reducing administrative burdens. Significant activity to reduce burdens on the water companies is now well underway. These include projects to:
- Improve facilities to submit data to regulators through the use of common information systems.

7 Progress against the admin burdens target

- Remove duplication of data provision
- Improve data-sharing
- Review annual reporting requirements
- Introduce operator and pollution risk appraisal (OPRA) for discharges to water
- Move to self-monitoring of discharge consents

A Water Sector Plan called “Not Drowning but Waving” has been prepared with the regulators, water representatives and the Consumer Council for Water. Stakeholder representatives are also monitoring progress on the various work-streams on the Programme Board which is chaired by Defra. Most measures have not yet been fully costed but estimates of the current work-streams have identified savings of over 10% compared to the baseline burden of about £26m for all water industry related regulations, with all initiatives scheduled for completion by 2009.

7.14 **Fishing industry project update**

Since 2005, the Fisheries Simplification Programme, which was developed with and for the industry, has delivered improvements in the guidance available to fishermen, including a Code of Practice for Marine Fisheries Agency inspections, and a reduction in the burden of notifications. The programme is continuing. At the European level, the UK has secured a commitment from the Commission to a Simplification Plan. Defra has submitted concrete ideas and is waiting for the Commission’s response.

7.15 **The Whole Farm Approach** (WFA) is designed to lighten the regulatory burden on farmers and growers in England. It is an on-line service for farmers and growers in England and offers a faster and more efficient way of doing business between government and the farming industry. It will help reduce the number of duplicated requests farmers receive from Defra and its agencies for information. The Whole Farm Approach went live in March 2006. Since then the Agricultural Survey and Waste Questionnaires have been added, enabling farmers to complete the survey and waste exemptions on-line. The next phase of enhancements including the December Agricultural Survey, is scheduled for release in November 2006. Release 3 of the WFA is currently being planned and is likely to be launched in the first half of 2007. 4000 farmers have started the registration process with 1400 having returned a questionnaire, which is on target. Generally feedback has been positive and improvements to overcome some of the perceived problems will be made in the next release. By 2008 savings for farmers could amount to £2.9m per year, with further savings anticipated.

8 Better Regulation and Europe

- 8.1 Defra is playing an active role in Europe to improve regulation, both by proactively submitting ideas to the Commission and through joining forces with other Member States. In 2005 the EU Vice-President, Günter Verheugen, head of DG Enterprise and Industry, launched a Rolling Simplification Programme with a list of about 200 legislative acts that will be subject to simplification proposals within 3 years. Member States also submitted proposals for consideration. A report on a package of Commission better regulation initiatives was published in November 2006. The UK will submit further proposals for simplification for consideration by the Commission during the autumn. Defra has put forward 23 specific proposals to the Cabinet Office for this submission.
- 8.2 This is in parallel to sectoral work at the European level. DG Agriculture is carrying forward their plans to simplify the Common Agricultural Policy. An international conference of stakeholders took place in October to discuss the Commission's proposed Action Plan. Defra is supporting this process by co-ordinating a project to look at administrative burdens across Europe on the agricultural sector and has also recently submitted 13 specific simplification proposals for possible inclusion in the Commission's Action Plan. DG Agriculture has also initiated a project to measure the administrative burdens associated with the Single Payment Scheme in different Member States; this will include burdens that are intrinsic and burdens that result from different methods of application. The study will support the preparation of further simplification proposals.
- 8.3 Following the June European Council Conclusions, the Commission is showing increased ambition on simplification, and agreed to put together a strategy for measuring burdens and setting reduction targets. The Commission plan to start new work in the autumn, using existing Member States' data, to identify areas where the benefits of reducing burdens are greatest. Vice-President Verheugen has put forward a 25% reduction target by 2012. The European Council will discuss the Commission's plans in Spring 2007 and will take a decision on targets. Ahead of a European target, planned reviews of European directives such as the current review of the IPPC Directive have presented a good opportunity for Defra to put forward ideas for streamlining the application of the Directive and its interface with sector specific legislation.
- 8.4 In 2005 the Commission revised its guidelines on Impact Assessment (IA) and committed to accompany all new legislative proposals on the annual work programme with a proportionate IA. The UK Presidency introduced routine scrutiny of Commission Impact Assessments by Council Working Groups, a practice that is being followed by successive Presidencies. Such scrutiny is key to driving up the quality of Commission impact assessments and securing evidence based debates in Council, and to ensure they are used to select the most appropriate policy tools. The Commission will set up an internal scrutiny panel to check the quality of all new IAs.

9 Links to the Davidson review

- 9.1 Lord Davidson was appointed by the Chancellor in November 2005 to lead an independent review to look at the issue of over-implementation of EU law.¹¹ The review is identifying and considering ways to simplify any unnecessary burdens created by over-implementation, from transposition (writing EU legislation into national law) through to enforcement.
- 9.2 The review published an interim report in July 2006 summarising responses to a call for evidence from business and other stakeholders on allegations of UK over-implementation and comments on how European legislation is implemented and how the process could be improved.
- 9.3 Some of Defra's legislation was included in the interim report. The review team is now investigating in more detail a number of case studies from the responses submitted. The review will report finally with conclusions and recommendations around the time this plan is published.
- 9.4 The interim report also highlighted several Defra family initiatives which are improving the development and delivery of European environmental legislation:
- The European network of Environmental Lawyers set up by Defra during the UK presidency to enable lawyers in each Member State's Environment Ministry to exchange views on European legislation;
 - The use of programme and project management techniques to ensure the timely implementation of European legislation;
 - The Whole Farm Approach – web based 'one stop shop' to enable farmers to understand more easily regulations affecting their specific sector and submit the same information just once; and
 - NetRegs – the website jointly developed by the Environment Agency, SEPA and EHS NI to help small and medium sized enterprises understand complex environmental regulations.
- 9.5 The Defra family has been actively engaged with the review and has worked with the team to consider in more detail some of the concerns raised. In some instances simplification proposals will address the issues raised by business. For example:
- **Overlapping regimes in relation to waste management and pollution prevention and control** – the Environmental Permitting Programme is designed to streamline and simplify permitting and compliance systems. We are also currently pursuing with the European Commission, in the context of a European review of the legislation, the need to align the Animal By Products Regulation and Waste Framework

¹¹ http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/davidson_review/

9 Links to the Davidson review

Directive in terms of what both regimes require when using Animal By-Products or disposing of them as waste.

- **Late cattle passport applications not permitted** – amendments are proposed to the Cattle Identification Regulations to allow passports to be issued for late applications where supported by a DNA test proving that the calf is the offspring of the registered dam
- **Implementation of the Environmental Impact Assessment Directive** whereby all projects had to go through a screening process to decide if a full Environmental Impact Assessment should be carried out – proposed new Environmental Impact Assessment (Agriculture) Regulations will simplify the existing EIA rules on proposed changes to semi-natural land, making them more transparent, easier for farmers to comply with, cutting red tape and inspections and introducing thresholds below which the rules will not apply.

10 Links to the Hampton report

- 10.1 In the 2004 Budget the Chancellor asked Philip Hampton to report on what could be done to reduce the administrative burden of regulation on business. The Hampton Review reported in March 2005 and the Government accepted the Hampton Report in full.
- 10.2 Key recommendations from the Review, were captured in the 'Hampton principles'. These include:
- Regulators, and the regulatory system as a whole, should use comprehensive risk-based assessment to concentrate resources on the areas that need them most;
 - Regulators should be accountable for the efficiency and effectiveness of their activities, while remaining independent in the decisions they take;
 - All regulations should be written so that they are easily understood, easily implemented, and easily enforced, and all interested parties should be consulted when they are being drafted;
 - Businesses should not have to give unnecessary information, nor give the same piece of information twice;
 - No inspection should take place without a reason;
 - The few businesses that persistently break regulations should be identified quickly, and face proportionate and meaningful sanctions;
 - Regulators should provide authoritative, accessible advice easily and cheaply;
 - Regulators should be of the right scope and size, and no new regulator should be created where an existing one can do the work;
 - Regulators should recognise that a key element of their activity will be to allow, or even encourage, economic progress and only to intervene when there is a clear case for protection;
 - When new policies are being developed, explicit consideration should be given to how they can be enforced using existing systems and data to minimise the administrative burden imposed.

Structural reform

- 10.3 One of the key ways that Hampton identified to help deliver these principles was to simplify the delivery landscape by merging twenty one of Defra's inspectorates into six thematic regulators. The thematic regulators envisaged by Hampton are the Environment Agency, Natural England, Animal Health

10 Links to the Hampton report

Agency, Agriculture Agency, Food Standards Agency, and the Health and Safety Executive. Some of these mergers were already planned as part of Defra's Delivery Strategy, and Hampton thus complements this work going forward.

- 10.4 The first phase in this process of structural change and mergers, providing real benefits for business, will be realised in terms of the new thematic regulators which embed the Hampton principles. This means for example, taking a risk-based approach to inspection and enforcement, sharing data and information, and reducing the number of forms and inspections. Larger, thematic regulators are better placed to design and implement more robust risk management processes and methodologies – enabling a better prioritisation and co-ordination of work both from a business perspective and an internal organisation perspective, and using resources to target those most persistent offenders.
- 10.5 A number of the mergers have already been undertaken, and a number are in the process of occurring.¹² For the remainder, Defra is currently undertaking some further analysis of the current and future delivery landscapes in order to inform decisions on the future of the remaining in-scope bodies where a decision has yet to be taken. This analysis will also take into account the Strategy Refresh the Department is currently undertaking, and will also be informed by the Hunter Review of the Rural Payments Agency, due to report at the end of 2006 and the review of the Animal Health and Welfare Delivery Landscape, undertaken by David Eves, which reported in June 2006. This will ensure a consistent and strategic approach is taken to Defra's future delivery landscape.
- 10.6 Once the initial structural changes are completed, the focus will be extended to include post-merger integration e.g. combining the best practice of all organisations to influence the future direction of the new thematic body, and embedding the Hampton principles. This work is likely to consider regulatory and risk frameworks and processes, and will of course focus on streamlining inspections and visits where possible. It is anticipated that some of the smaller inspectorates will have well developed business processes and practices e.g. on risk-based approach to inspections, and the intention is to ensure that these are transferred and translated into the larger thematics, thus sharing best practice across the Defra family.
- 10.7 Some of the structural changes have already taken place:
- The **Defra Investigations Service** merged with the Rural Payments Agency in January 2006.
 - The **Horticultural Marketing Inspectorate** merged with the Rural Payments Agency Inspectorate on 1 April 2006.

12 <http://www.defra.gov.uk/corporate/regulat/pdf/hampton-update-061006.pdf>

10 Links to the Hampton report

- The **Wine Standards Board** merged with the Food Standards Agency on 1 July 2006.
- **Dairy Hygiene Inspectorate** merged with the State Veterinary Service on 1 October 2006.
- **Natural England**, one of the thematic regulators, was formally vested on 1 October 2006, created from the Rural Development Service, the Countryside Agency and English Nature, as part of the implementation of the Haskins Review¹³, which examined the delivery of rural policies.

10.8 Other mergers agreed:

- The **Egg Marketing Inspectorate, the Wildlife Licensing and Registration Service** (which deals with Convention on International Trade in Endangered Species (CITES) animal and plant licensing and bird registration) to merge with the State Veterinary Service on 1 April 2007.
- **Agricultural Wages Team** will be subject to the outcomes of the Hunter Review.
- **Gangmasters Licensing Authority** – to merge with the Health and Safety Executive by April 2009.

10.9 Decisions are still to be taken on a number of bodies:

- **Pesticides Safety Directorate**. Subject to a comprehensive review of the options to be carried out by the Government's In-House Consultancy which began in September 2006.
- **Plant Health and Seeds Inspectorate**. An independent review on the best fit for PHSI has been undertaken and the final report was produced at the start of September 2006. The conclusions from this review will be considered alongside those of the Hunter Review of the RPA, due to report end 2006.
- **Plant Varieties and Seeds**. An independent review on the best fit for PVS has been undertaken. The final report from the review indicated that PVS work already embraced many Hampton principles and that a restructured, combined policy and delivery unit was currently the best option. The Steering Group for this review agreed, and restructuring is now being taken forward, although the final decision on a future home will not be made until other related reviews have been completed.

13 <http://www.defra.gov.uk/rural/ruraldelivery/report/default.htm>

10 Links to the Hampton report

- **National Bee Unit and Fish Health Inspectorate.** A project is underway on the best fits for these two bodies, including the operating model under which they would best operate. The conclusions of this project are expected in autumn 2006, and will inform the decision making process, which is linked to the outcome of Defra's Laboratories Strategy Review.
- **Drinking Water Inspectorate.** A consultation will take place in Autumn 2006 on the options for the DWI.
- **Veterinary Medicines Directorate.** In the first quarter of 2008, VMD will develop a business case for the merger to inform decision making, taking into account related reviews. In the interim VMD is continuing to operate according to the Hampton principles.

Technology and Information Sharing

- 10.10 Hampton also recommended increased data and information sharing within and between regulators, in order to reduce the administrative burden on business. IT solutions can help the Defra family to deliver a better experience to businesses that are being regulated. The Whole Farm Approach has been described elsewhere in the report but there are a number of other initiatives underway designed to assist specific business sectors.
- 10.11 Defra is working towards providing access to all its services via the Defra website. This process will range from the provision of fully web enabled systems where the whole process will be incorporated into a new online application form, to the provision of the static Portable Document Format (pdf) forms on the website as well as targeted advice. Help for SMEs to identify which regulations apply to them is being made available through the EA's NetRegs¹⁴ and Defra's contributions to Business Link¹⁵.
- 10.12 Rationalising the number and content of forms, whether web or paper based, is also an important aspect of improving businesses experience of providing information and work is underway to address this. For example, the Environment Agency is carrying out a review of forms and guidance, driven by regulatory efficiency and minimising burdens on business. This will conclude by the end of 2006 and action will be taken over the following year to reduce the stock of forms and improve the design of those that are retained.

14 <http://www.netregs.gov.uk/>

15 <http://www.businesslink.gov.uk>

10 Links to the Hampton report

'BeeBase' is an initiative which is delivering real benefits to bee keepers. It was set up in 2005 on behalf of the National Bee Unit (NBU). For the first time it allows Beekeepers to access their own apiary, diagnostic histories and details over the web and improves the NBU's beekeeper database. The transformation to web-enabled has expanded the functionality of the database, which contains all the apicultural information relating to the statutory bee health programme in England and Wales, producing easy access to a centralised information warehouse and management system on all regulatory and advisory aspects of apiculture. The access is secure and tailored to meet individual requirements and accessible at the touch of a button. It includes all the information relating to the bee health programme: research data, general reports, news items and advisory articles, scientific publications and interactive maps of disease incidence/spread for use by all of the apiculture industry stakeholders.
<http://beebase.csl.gov.uk>

10.13 However, the majority of the IT development currently underway to improve services is not apparent yet to customers, but will in future result in improved data sharing, reducing the need for businesses to submit the same piece of information to Defra more than once. Such initiatives currently underway include:

- **Aligning existing IT investment programmes.** Each current major IT investment programme within the Defra family is being asked to consider whether it can provide simplification benefits to customers. This will ensure that no opportunities to improve data sharing, and reduce administrative burden, are missed within current programmes. This will be achieved by December 06.
- **New work required to enable data sharing.** As regulatory bodies merge into the larger thematic areas the need to share data will become increasingly necessary. Projects are also underway to look at how data-sharing might be possible in the short-term, before the mergers occur. Work on data sharing for the mergers should be completed by May 07.
- **Reviewing the Information Services (IS) Strategy and IT policies.** The Defra IS Strategy is currently under review, and we will use this opportunity to embed data sharing principles within the policies and plans contained in the Strategy. These principles will also be embedded in all IS development programmes within the Defra family, to assist in data sharing between thematic bodies and hence reducing data gathering burden on customers. Delivery milestone October 2006.

10 Links to the Hampton report

EDomero has been developed to meet the commitment on e-business in the area of plant health by establishing a system for electronic application, receipt and processing of application data. This includes the ability to electronically deliver the associated certificates and authorisations. The system will also electronically process pre-notification and release of plant health controlled imports, as required by the new import legislation. This work directly contributes to plant health trade facilitation activities in support of Defra's aim and objectives for the delivery of a sustainable food and farming supply chain. Potential users include all stakeholders applying for plant health services, for example Importers, Exporters, Growers, Nurseries, Farmers, Merchants, Food processors, Packers, Traders (incl. agents) and Wholesalers. At the moment there are 20,000 customers for plant health services.
<http://edomero.defra.gov.uk/>

10.14 In addition a number of short studies will be undertaken to resolve outstanding issues:

- **A review of the impact of Data Protection legislation.** In collaboration with the Data Protection Officer we are undertaking a review of Defra Data Protection Statements attached to different forms which can vary considerably and hampers data-sharing. Defra also has many regulated sole traders, particularly farmers, and work is underway to look at solutions to share data about them whilst maintaining confidentiality of personal information. Delivery milestone December 2006.
- **Design of a Single Business Identifier (SBI).** Burden reduction from data sharing (i.e. pre-populating forms and collecting customer information once only) requires the ability for multiple organisations to identify business customers with a common, unique identifier. We are participating in a study, with the agreement and support of the BRE, liaising with the e-Government unit and Cabinet Office to establish the most appropriate SBI and plan for its introduction. Delivery milestone March 2007.

Regulatory Justice: Sanctioning in a Post-Hampton World

10.15 Defra has taken an active role in the Better Regulation Executive's Penalties Review which is being led by Professor Richard Macrory and published its final consultation paper in May this year. Professor Macrory's final report will be published in November 2006. Defra has also been carrying out detailed reviews in two specific policy areas, environmental regulation and fisheries. The Review of Enforcement in Environmental Regulation reported in October 2006¹⁶. A consultation on the introduction of Administrative Sanctions for regulatory non-compliance in the Fisheries Industry was completed in May 2006. Outcomes

16 www.defra.gov.uk/environment/enforcement

10 Links to the Hampton report

from these reviews will assist the Department with its strategy of simplifying processes, whilst striving to improve environmental, public health and animal welfare outcomes.

10.16 Risk Based Enforcement

Defra is promoting best practice in risk-based enforcement, by developing and providing tools for enforcement agencies. A new course on enforcement is being rolled out to policy makers and delivery partners from October 2006. A statement of policy is being produced which will highlight best practice and identify areas where further work is needed in this area. Over the next year it is hoped to develop an on-line enforcement handbook for policy makers. Defra also supports the cross-Whitehall work which is being led by DTI to prioritise what government is asking from local regulators, and to ensure more consistency between local authorities on government's high priority areas. Defra is working with DTI on a retail enforcement pilot scheme which aims to reduce the number of different local agencies that need to visit any one business.

10.17 Many parts of the Defra family are already demonstrating best-practice. For example, the EA has a Risk based regulation programme. The programme covers all of the EA's regulatory regimes including PPC, Waste Management Licensing, Water Quality, Water Resources, Radioactive Substances and Land Quality (Agriculture). Key elements include:

- Standard permitting systems (ultimately one unified system) to make it easier for business to access, understand and operate environmental permits. PPC, WML now, and being rolled out for others
- Modernised compliance assessment (including OPRA 2008 Project). PPC, WML now, being rolled out for others.
- Waste Low Risk Panel (in place)
- Online registration, application and monitoring returns IT system (being introduced via Core Regulation)
- Sector Plans
- Unified Charging Framework (UCF)

10 Links to the Hampton report

The Drinking Water Inspectorate has implemented a rolling programme of technical audits based on a Risk Ranking Database of all water company operational assets. This novel database, developed by DWI during 2005, assesses all data held by it about water company operations and drinking water quality, and calculates a risk score for each asset. A team of 9 inspectors (covering 26 water companies and 5 combined licensees) now work from the database selecting the asset with the highest risk score regardless of water company. The new approach ensures that the burden falling on each water company is directly related to the risk of their operations. The database is constructed from data that DWI receives routinely from companies (as part of their regulatory duties), therefore, DWI is maximising the value of existing company data returns, and companies were not required to carry out any additional work to implement the new arrangements.

Advice

10.18 Providing the right advice to business about regulations is vital to ensure comprehension and improve compliance rates. Defra is tackling this from a number of angles, including the Whole Farm Approach which has been described earlier in section 7. Another initiative is the advice co-ordination project which aims to ensure that land managers receive consistent and co-ordinated messages on the same issue. The project will develop a protocol for how Defra should deliver advice, and it is planned to extend this approach to other areas.

11 Facilitating Culture Change

11.1 Training

Defra recognises that its staff needs to be fully equipped to work effectively and understand how to regulate better. A full package of Policy Training courses are being provided to meet the training needs required by policy teams to enable them to deliver the Department's simplification/better policy agenda. Around 1400 Defra staff have been through the courses so far. One of the four courses on offer, "Better Policy Benchmarking", has been recognised as best in class by the National School for Government who have adopted it for use Government wide. Future plans include certificating courses against the Professional Skills for Government and making the introductory course to policy making mandatory for all new staff working in policy.

11.2 Recognising good practice

Defra has for the first time introduced a Better Regulation award as part of its Team Awards. The Defra Team Awards were launched in 2004 by former Secretary of State, Margaret Beckett. The awards are a way of recognising and rewarding those who have delivered work to an exceptionally high standard and demonstrated behaviours linked to Defra's values and objectives.

11.3 Minimising the burden of new regulations

Defra is tackling this from a number of angles. Internal processes have been set up to challenge policy makers about whether proposed approaches for implementing new policies are the best they can be and compliant with the principles of Better Regulation. The Better Regulation Minister chairs and takes an active lead at the Ministerial Challenge Panel on Regulation. This is also attended by external stakeholders. In Europe the UK has been actively seeking to minimise the burdens of new regulations. For example, with the Registration, Evaluation and Authorisation of Chemicals Directive (REACH), effective UK negotiation helped to reduce the potential cost of the Directive by £6bn across the EU.

12 Delivery, update and review

- 12.1 The plan has been developed as a cross-Defra family initiative with considerable input from policy teams, regulators and delivery partners.
- 12.2 Ministers have taken an active role in developing the plan and have signed up to the overall approach. They have committed to its delivery and have ensured that it is consistent with the strategic direction of Defra. There is significant commitment to make progress at the most senior levels in the Department. A number of key stakeholders were consulted on drafts of the plan and we will continue to work with them to monitor our progress.
- 12.3 A Steering Group and Programme Board will oversee the further development and delivery of this plan. Programme and Project Management (PPM) methods will be used to ensure delivery of key elements. This is important because the ownership of the delivery projects will rest with policy teams in Defra and delivery partners that own and operate the regulations and who are responsible for making and implementing changes to regulations on the ground. The Steering Group and Programme Board will ensure that key skills, knowledge and best practice are shared across the Defra family
- 12.4 The Simplification Plan is a living document. For 2007 Defra will carry out additional sectoral analysis. How the recommendations of the Madders¹⁷ review of livestock movement rules will be taken forward will by then be clear. The EU reviews of PPC, and Air Quality Directives, and the Animal By-products Regulation will have concluded. All of these will offer further opportunities for simplification. This plan will be updated on an annual basis to reflect additional ideas and progress on existing initiatives. Comments and further ideas can be submitted to Defra via the e-mail address: simplificationproposal@defra.gsi.gov.uk.

17 <http://www.defra.gov.uk/animalh/movements/default.htm>

Admin Burden Reductions until 2010

Summary of implemented and projected admin burden reduction

Regulatory area	Area of simplification	Projected admin burden savings by 2010 (£)	Brief description of simplification initiative outcomes
Food and farming regulations	Single Payment Scheme (SPS) Regulations 2005	26.5 m	Since its launch in 2005, customers have undergone and continue to undergo a process of increased familiarity with the application process as well as requirements for notifying RPA of business activities and record keeping. Claim forms will be pre-populated from 2007 which will underpin the simplification process. Farmers will spend less time in the application process and the regulator reduces data processing time.
	International Trade Single Window (ITSW)	4.2 m	ITSW the 'single-window' web based portal covering all aspects regarding regulatory requirements for international trade will allow import/export businesses (or their agents) to submit all information required for regulatory compliance in a single message via the portal, as well as undertake a range of other transactions with government departments and agencies.
	Set aside removal	3.5 m	Negotiate the removal of the EU requirement to have set-aside under SPS. Reduction of admin burden on farmers and government by removing the need to understand and police the set-aside (including non-food set-aside) rules. Reduced land management / measurement downtime for farm business.
	Older Cattle Disposal Scheme (OCDS)	3.5 m	Replacement of the Over Thirty Month Scheme (OTMS) with the Older Cattle Disposal Scheme (OCDS) for animals born before 1/08/96. Covers removal of OTMS application process for livestock producers, as a result of review of BSE infection risk.(Implemented)
	Fruit and Veg Marketing Standards	3.2 m	Checks on conformity to the marketing standards applicable to fresh fruit and vegetables (Commission Regulation (EC) Regulation No. 1148/2001). Replacement of 150,000 paper certificates issued to importers and freight clearance agents with "virtual" electronic certificate that can be transmitted electronically.
	Whole Farm Approach (based on current take up trends)	2.9 m	Amongst a range of benefits, WFA will reduce the number of requests for data made to the farming sector, make data easier to access and maintain accurately. Farmers and growers could use the system to confirm the accuracy of information as a basis for subsidy payment; use data to develop and submit plans for regulatory compliance; access advice and guidance tailored to the farm's characteristics

Annex A1

Regulatory area	Area of simplification	Projected admin burden savings by 2010 (£)	Brief description of simplification initiative outcomes
	Cross Compliance (Scheme Literature)	1.0 m	Reduction of administrative and compliance burden on farmers by simplifying and clarifying the Handbook and other requirements
	Export Refunds (Article 16 of Regulation No. 800/99)	0.5 m	The UK proposes to simplify arrangements for differentiated refunds by accepting other import proofs such as invoices/proof of purchase, thus reducing the amount of time that customers spend procuring evidence. Possibility to risk assess shipping documents to minimise diversion of goods to destinations with higher rates of refund. Proposals have been submitted in the CAP Simplification for raising the de-minimis level to allow for a single container to be exported without the need to comply with the full proof-of-requirements. Derogations allowing for documents that are easier to source to be accepted as proof of import (applied to milk and sugar sectors) to be introduced on a more permanent basis (currently valid to end 2006).
	Cross compliance: Inspections	0.7 m	More clarity for customers on what inspectors check – leading to higher compliance rates and reduced preparation time. Leading to easier inspections and fewer penalties. (Implemented)
	Total of other initiatives each below £250k	0.6 m	
Total		46.6 m	
Animal health and welfare regulations for farmed and domestic animals	TSE	44.6 m	Update and consolidate regulations including repeal of record keeping obligations. Savings to business (retailers) from lifting of prescriptive record keeping requirement. (Implemented)
	Veterinary Medicines	31.9 m	Includes development and use of two dimensional bar codes and to consider and explore changes in EU rules to reduce record keeping requirements for food animals and non food animals.
	Animal Welfare	10.0 m	Review codes to clarify content and remove recommendations that, although they may affect animal welfare, are primarily business, emergency or other management planning criteria. Inspection regime will no longer assess these criteria.
Total		86.5 m	

Annex A1

Regulatory area	Area of simplification	Projected admin burden savings by 2010 (£)	Brief description of simplification initiative outcomes
Environmental regulations	Environmental Permitting Programme	8.9 m	A joint Defra/Environment Agency/Welsh Assembly Government initiative designed to streamline and simplify permitting and compliance systems for Waste Management and Pollution Prevention and Control (PPC). The new system will lead to a range of administrative burden savings for industry, through the introduction of Standard Rules Permits for example. It will enable regulators to make efficiency savings (e.g. through simplified IT systems), which may be shared with industry. The new, risk-based approach will enable regulators to focus on the poorest performers. The system can be extended to other environmental permitting and compliance systems, bringing further benefits.
	NetRegs	3.2 m	Net Regs web-based compliance self-assessment tool aimed at SMEs, provides advice and guidance covering 34 categories of environmental regulation and over 100 individual business sectors. It is currently undergoing a programme of enhancements aimed at providing more personalised and tailored information which will lead to time savings. An example is a "what do I do with my business waste?" tool.
	Modernising Water Quality Regulation Programme	2.2 m	Move to EA generic permitting framework. Simplifying regulation low risk STWs. OPRA for consented discharges. Operator self-monitoring. Prepare for WFD. 1) The STW discharge measure will remove the need for a permit for discharges that meet "low risk" criteria. Water Industry (STWs), private domestic households and small business/offices would benefit. 2) Removing need for s166 consents 3) Removing unnecessary duplication of monitoring and non-risk based monitoring due to unclear overlaps between implementation of Shellfish Waters and Shellfish Hygiene Directives 4) Generic permits for WQ consents and longer term shift to use EPP.
	Treatment of small installations in the EU Emissions Trading Scheme (EU ETS)	1.2 m	The UK is seeking a reduced burden for small installations covered by EU ETS in current European negotiations. The Commission Monitoring and Reporting Decision is currently being revised and has already, as a priority, recognised a need to consider lower and lighter tier verification requirements which are related to emissions thresholds. Revised guidelines to enter into force by 1 January 2008, coinciding with the start of the second trading period. The Commission are also reviewing the directive for future post-2012 phases of the trading scheme.

Regulatory area	Area of simplification	Projected admin burden savings by 2010 (£)	Brief description of simplification initiative outcomes
	Packaging Waste: Initiative (1): to simplify the Packaging Regulations to reduce SME burden and costs.	1.0 m	SMEs no longer have to collate data on the packaging handled by the business, supply this to EA, and calculate their recovery and recycling obligations using this data. This was delivered through amendments to the Producer Responsibility Obligations (Packaging Waste) Regulations. Change to statutory requirement to provide data, and replacement with allocation of recycling obligations to SMEs instead. Outcome for SMEs is removal of need to collate and maintain data, and calculate obligations; and a reduction in their costs of compliance.
	Modernising Waste Regulation Programme – linked to many other waste initiatives	2.0 m	Programme undergoing development to implement 'Waste Big Picture' initiative, building on Core Regulation, Hazardous Waste Regulation, Agricultural Waste Regulation, EPP etc. Sub-programmes of this are likely to address for example, proportionate regulation of inert waste, simplification of the packaging regulations including use of revised IT estimated to reduce burdens between £1 to £3m by 2010.
	Environment Agency review of forms and guidance	1.0 m	Review driven by regulatory efficiency and business stakeholder requirements. Procedure for design and use of forms to be revised to ensure admin burdens minimised.
	Environment Agency Core Regulations Project (including Generic Operator Returns Project)	1.0 m	Core regulation will provide for on-line registration of simple waste licence exemptions (October 07). Core regulation (April, 06) has already provided for operators to apply via the EA's national customer call centre (NCCC) where staff will guide them through the simple process. The project is also introducing 'fixed permits' for waste management licensing in 2006/07 and will allow for permits to be applied for in regimes including: WEEE, Hazardous Waste, Emissions Trading, , reservoir regulation, radioactive substances (HASS), abstraction (SAP). Registrations for waste carriers and brokers is also being facilitated by Core Regulation, but this specific project is being funded by BREW.
	Simplify exemption orders under Radioactive Substances Act	0.6 m	Streamlining the 21 individual exemption orders to simplify the regulatory environment. Measures include removing obsolete regulation; consolidation and rationalisation of existing regulation.

Annex A1

Regulatory area	Area of simplification	Projected admin burden savings by 2010 (£)	Brief description of simplification initiative outcomes
	Development of National End-of-waste Protocols	0.5 m	Protocols to assist stakeholders in reaching a decision on when certain waste streams can be considered as fully recovered and to have ceased to be waste for the purposes of the definition of waste in the Waste Framework Directive. For the protocol covering the production of compost from waste, benefits arise by taking many operators outside the waste regulations that would have applied if the material remained waste to point of use rather than point of manufacture. Companies will not require a Waste Transfer note or Exemption, they will have reduced management time dealing with regulatory enquiries and data reporting and downstream savings on the cost of licences and exemptions that would have been required to cover the use of the material if it remained waste.
	Periodic reviews of nuclear site authorisations	0.4 m	Regular periodic reviews of nuclear site authorisations are now required by RSA 93 (as amended by EnA 04). A 'light touch' annual review has been developed and is in provisional use.
	Landfill Gas Engines	0.8 m	Simplified licensing/less onerous regulation for Landfill Gas Engines leading to one off admin savings of £0.8m
	Movements of hazardous wastes.	2.1 m	Simplified paperwork procedures for monitoring the movements of hazardous wastes, benefiting waste producers, the waste management industry and the EA, introduction of electronic notification system.(Implemented)
	Total of other initiatives each below £250k	0.1 m	
Total		25.0 m	
Rural, wildlife and fisheries regulation	Game Licensing Review	0.6 m	Abolishing the requirement for a licence to shoot game, and abolishing two licences to deal in game and venison. Reducing reporting requirement for the sale of deer. Remove restriction on dealing game during the closed season. Removes administrative burdens for game shooters and game dealers.
	Various initiatives each under £250k	0.1 m	
Total		0.7 m	
DEFRA TOTAL PROJECTED ADMIN BURDEN REDUCTION (£000)		158.8 m	

Implemented simplification initiatives over £0.25 million

Animal health and welfare regulations for farm and domestic animals

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/ deadlines for delivery
Farm Welfare				
TSE Regulations 2006	Regulations updated and consolidated, including repeal of record keeping obligations duplicated by animal by-product controls.	Removal of duplicate statutory obligations applicable to anyone consigning, receiving or transporting mammalian meat or bone meal or processed animal protein.	Admin burden savings: £44.6 m	Came into force March 2006.
Veterinary Medicine				
The Veterinary Medicines Regulations 2005	Improved clarity of Regulation – replaces the Medicines Act 1968 and 50 SIs (and a further 50 amending SIs) to a single set of Regulations under European Communities Act, written in plain English.	Farmers and other owners and keepers of animals, the veterinary profession and the pharmaceutical industry including manufacturers, wholesalers and retail suppliers, regulators and the general public will benefit from simplification of regulatory structure, clarity and comprehension.	Not assessed	Came into force on 30 October 2005. The regulations will be revoked and remade each year.

Environmental regulations

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/ deadlines for delivery
Waste				
Packaging Waste: Initiative (1): to simplify the Packaging Regulations to reduce SME burden and costs.	SMEs no longer have to collate data on the packaging handled by the business, supply this to EA, and calculate their recovery and recycling obligations using this data. This was delivered through amendments to the Producer Responsibility Obligations (Packaging Waste) Regulations.	Change to statutory requirement to provide data, and replacement with allocation of recycling obligations to SMEs instead. Outcome for SMEs is removal of need to collate and maintain data, and calculate obligations; and a reduction in their costs of compliance.	£1.00 m for 2006, £1.00 m for 2007 and £1.00 m for 2008. These figures will apply if all smaller producers opt for the allocation of their recycling obligations.	Amendments came into force on 01 January 2006.
Simplified paperwork procedures for monitoring the movements of hazardous wastes.	Reduction in administrative burdens for those producing and managing hazardous wastes through secondary legislation.	Simplified paperwork procedures for monitoring the movements of hazardous wastes, benefiting waste producers, the waste management industry and the EA, introduction of electronic notification system.	Admin burden saving: c£2.10 m	Came into force 16 July 2005.
Water				
Water abstractors: consolidation and updating of licensing procedures; four sets of regulations reduced to one	Water abstractors: consolidation and updating of licensing procedures; four sets of regulations reduced to one	Simplifying the arrangements for applications for abstraction licences. Reducing burden and cost of advertising process.	£0.23 m pa; final RIA for the Water Resources (Abstraction & Impounding) Regulations 2006, SI 2006/641.	New licensing regulations introduced April 2006.

Rural, wildlife and fisheries regulation

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/ deadlines for delivery
Fisheries				
Fisheries Simplification Plan – monthly management periods	Fishermen no longer have to notify Fisheries Departments of the gear they plan to use for every monthly management period (Days at Sea). We have agreed to the industry's suggestion that previously notified arrangements are automatically rolled over unless fishermen tell us of changed circumstances.	Reduced burden on industry.	Admin burden savings: £0.003 m p.a.	Came into force May 2006
Fisheries Simplification Plan – inspections code of practice	Marine Fisheries Agency Code of Practice for inspections at sea, to provide clear, concise guidelines for fishermen on what to expect. Result of joint initiative with the industry.	Improvement in understanding of regulation and in customer experience.	Cost neutral.	Came into force May 2006.

Food and farming regulations

Title/Policy Area/Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/ deadlines for delivery
Arable Farmers/Horticulture/Seeds				
Review of National List testing of new plant varieties.	The co-ordination of most statutory testing for Value for Cultivation and Use (VCU) is being transferred to industry representative organisation (BSPB), to be done under official supervision.		Policy saving: £0.5 m p.a.	Review started in 2001. Implementation began in 2004 and will be completed during 2006.
Dairy Farmers and Processors				
Replacement of the Over Thirty Month Scheme (OTMS) with the Older Cattle Disposal Scheme (OCDS) for animals born before 1/08/96.	Removed weight/category for payment.	Removing weight/category for payment has reduced risk of making incorrect payments and has resulted in reduction in policy costs on slaughterhouse operators.	Government savings: £0.4 m p.a.	Key change to OTMS implemented for the launch of OCDS on 23 January 2006.
Replacement of the Over Thirty Month Scheme (OTMS) with the Older Cattle Disposal Scheme (OCDS) for animals born before 1/08/96.	Removal of OTMS application process for livestock producers, as a result of review of BSE infection risk.	Cattle born after 01/08/96 will be allowed back into the food chain subject to testing negative for BSE. Farmers will be able to take advantage of market prices or receive compensation on those animals born before 01/08/96 who will be permanently excluded from the food chain.	Admin burden savings: £3.49 m p.a.	The OCDS was implemented 23 January 2006 and will last until the end of 2008.

Additional savings delivered for smaller initiatives individually less than £0.25 m = £0.108 m

Smaller Simplification Initiatives already implemented

Food and farming regulations

Arable Farmers/Horticulture/Seeds

Electronic Seeds Project – On-line applications for seed certification

Supervision of Licensed Seeds Personnel – Yearly assessment changed to three yearly

Supervision of seed companies – Audit reduced to one annual visit. Audit visit to merchants discontinued

Supervision of Licensed Seed Testing Stations – One annual visit. Seed analysts now re-assessed at their place of work instead of at NIAB

Maximum cereal seed lot size – Increase in maximum cereal seed lot from 25 to 30t

Implementation of revised EU plant material import regime – Reduce frequency of inspection if material shown to be low risk, with consequent reduction in import inspection charges.

Seeds – Guides/Publications Ten guidance/publications reduced to three and written in plain English.

Implementation of EC Regulation 2003/2003 concerning EC Designated fertilisers. Repealed EC designated part SI, the Fertiliser Regulations 1991 and Fertiliser (Sampling and Analysis) Regulations 1996 and replaced them by one new Statutory Instrument – Brings requirements for EC designated fertilisers together under one Community Regulation.

Dairy Farmers and Processors

Export refunds – Level of proof of arrival at destination to be provided by exporters reduced.

Milk Quotas – Training for purchasers following new legislation. Opportunity to comment on any proposed changes to procedures.

Milk Quotas – Training for inspectors so revised procedures work smoothly and areas covered are compliant with regulations. Instructions for inspectors are regularly updated to reflect their feedback.

Casein in cheese-making (Formerly Commission Regulation 2742/92) – Codification of Regulation

Rules for export licences and export refunds in the dairy sector (To replace Regulation 174/1999) – Consolidation of Regulation detailing rules for export licences and export refunds of milk and milk products.

Cross-sectoral and Non SFF

School milk subsidy scheme – Simpler guidance for LEAs, schools to understand the scheme and apply for subsidies. Streamlined inspections.

Cross Warranting of EMI & SVS inspectors – Allows EMI & SVS to exchange data on inspections that have already been carried out by either party.

Rural and Wildlife

New Environmental Impact Assessment (Agriculture) Regulations – Simplifies existing EIA rules on farming on semi-natural land, cutting red tape and inspections, and introducing thresholds below which the rules will not apply.

Environmental regulations

Review of licensing thresholds of abstractors – Removed 23,000 small abstractors using less than 20m³ per day from need to hold an abstraction license.

Proposed Simplification over £0.25 m

Animal health and welfare regulations for farm and domestic animals

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Farm welfare				
Animal welfare code of recommendations	Review codes to clarify content and remove recommendations that, although they may affect animal welfare, are primarily business, emergency or other management planning criteria.	Livestock farmers. Inspection regime will no longer assess these criteria.	Admin burden saving: c£10 m p.a.	Review in 2007, revise codes over five years.
Animal Welfare Bill	In addition to simplifying the legislative base, existing regulatory regime will be updated, with greater use of risk based inspections and longer licensing periods.	All well run businesses that own or keep animals to benefit from new inspection and licensing process.	Admin burden: for existing legislation – estimated at £1.20 m – expected to decrease, but decrease will be offset by new requirements in areas not currently regulated.	Dependent on Parliamentary timetable A. If Assent given, intended to begin introducing new secondary legislation by 2007.
Veterinary Medicines				
Veterinary Medicines	<ol style="list-style-type: none"> 1) Encourage and facilitate development and use of two dimensional bar codes. 2) Consider and explore changes in EU rules in reducing record keeping requirements for a) food animals and b) non food animals. 	<ol style="list-style-type: none"> 1) Saving in time for veterinary surgeons, pharmacists, merchants and others. 2a) Veterinary surgeons. 2b) Non food animal veterinary surgeons. 	Admin burden savings: c£31.90 m p.a.	<ol style="list-style-type: none"> 1) End of 2009. 2a) October 2008. 2b) October 2009

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Animal Movement and Identification				
Livestock Register	To replace existing silo systems to act as the sole repository for all livestock data held within Defra.	Increased efficiency and reduced costs to Government from processing livestock data and tracing animal movements. These savings will be created largely by a move away from paper channels to increased use of electronic methods of data transfer. There will also be significant cost avoidance to Government and industry through better disease outbreak management.	The final design of the Livestock register will determine the extent of cost savings to business and Government.	The delivery approach to the Livestock Register is being reviewed.
New sheep and goats Inspection Regime	Inspections rationalised so that a single delivery body (RPA) carry out both cross compliance and sheep and goat ID inspections.	Sheep and goat keepers will benefit because there will be a reduction in the number of inspections carried out because a holding selected for both cross compliance and ID inspections will be subject to a single, combined inspection.	Admin burden: not assessed. However, up to 500 sheep/goat keepers will be affected each year.	

Environmental regulations

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Enforcement				
NetRegs	Net Regs is a web-based compliance self-assessment tool aimed at SMEs, established in 2001. It provides free environmental advice on how to comply with regulations by both 'environmental topic' and by business sector.	Net Regs provides advice and guidance covering 34 categories of environmental regulation and over 100 individual business sectors. It is currently undergoing a programme of enhancements aimed at providing more personalised and tailored information. An example is a "what do I do with my business waste?" tool.	Admin burden savings: c£3.24 m p.a. by 2009/10.	2006/07
Environment Agency Core Regulations Project (including Generic Operator Returns Project)	Core regulation will provide for on-line registration of simple waste licence exemptions (October 07). Core regulation (April 06) has already provided for operators to apply via the EA's national customer call centre (NCCC) where staff will guide them through the simple process. The project is also introducing 'fixed licenses' under waste management licensing in 2006/07 and will allow for permits to be applied for in regimes including: WEEE, Hazardous Waste, Emissions Trading, reservoir regulation, radioactive substances (HASS), abstraction (SAP). Registrations for waste carriers & brokers is also being facilitated by core regs, but this specific project is being funded by BREW.	Key benefits: 1. Reduced amount of information and time to apply for a registration; 2. Easier for companies to register multiple locations (in one online session); 3. Supports standardised permitting; 4. In future business able to input data (e.g. for permit applications, monitoring returns etc) electronically. Data will be transferred automatically into the EAS account and the public registers. Application, permit and monitoring data will be available (online) to EA staff, statutory consultees and public to access.	Admin burden savings: c£0.96 m p.a. by 2009/10.	Electronic registrations (by October 2007), fixed WML licences from April 2006, electronic returns IT system 2007/08

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
<p>Environment Agency review of forms and guidance</p>	<p>Review driven by regulatory efficiency and business stakeholder requirements. Procedure for design and use of forms revised to ensure admin burdens minimised. NB, it should be noted that this project will not look at all of external forms and guidance as some of them are being looked at within other projects e.g. EPP.</p>	<p>Minimise admin burdens of forms and guidance by ensuring:</p> <ul style="list-style-type: none"> - fit for purpose, - accessed and understood easily; - provision for data sharing. 	<p>Admin burden savings: c£1.00 m p.a. by 2009/10. This is based on an overall objective to reduce the administrative burdens arising from forms and guidance. Currently the target is based on a 10% overall reduction from the admin burdens of the forms and guidance that will be considered under this project.</p>	<p>Rollout during 2007/08</p>
Waste				
<p>Landfill Gas Engines</p>	<p>Remove from PPC and keep in WML</p>	<p>Simplified licensing/less onerous regulation for Landfill Gas Engines.</p>	<p>One-off admin burden savings of c£0.83 m in 2006/07.</p>	<p>Regulation amendment made by October 2006.</p>
<p>Development of National End-of-Waste Protocols</p>	<p>Development of protocols (similar in principle to the Quality Protocol developed for the production of aggregates from inert waste) to help determine when certain waste streams can be considered to be fully recovered and to have ceased to be waste. This has now progressed to be the Development of National End Protocols.</p>	<p>Up to ten protocols to assist stakeholders in reaching a decision on when certain waste streams can be considered as fully recovered and to have ceased to be waste for the purposes of the definition of waste in the Waste Framework Directive. Business requires clarity about the definition of the point of full recovery and the regulations they need to comply with. This project should help to provide this. The first protocol covering the production of compost from waste. Companies will: not</p>	<p>Admin burden savings: c £0.45 m p.a. by 2009/10 from the 1st protocol covering the production of compost from waste. If all 10 protocols are successful (this is not guaranteed) the savings could rise to c£5.00 m within 5 years. This is in addition to the potential commercial value that these materials could command in the market place, and the avoided landfill disposal costs which together could</p>	<p>Ongoing. The work of the BREW project is now underway and monthly meetings of the Project Board (on which Defra is represented) have been arranged. First 5 of the protocols to be produced January 2007. Remaining 5 of the protocols to be produced mid 2007.</p>

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Review of Exemptions from Waste Management Licensing	The aim of the review of exemptions is to complement the new Environmental Permitting Programme (EPP) so together they provide a more risk-based and proportionate approach to the regulation of waste recovery and disposal as a whole i.e. the extent of the regulatory control is proportionate to the risk posed by a given activity.	<p>require a Waste Transfer note or Exemption; have reduced management time dealing with regulatory enquiries and data reporting and downstream savings on the cost of licences.</p> <p>The principal aim of the review will be to provide a new set of exemptions that complement the EPP to provide proportionate risk based regulation of waste recovery and disposal activities. This will be supported by the establishment of environmental principles/criteria for determining the boundary between small scale, low risk activities that should benefit from an exemption and those activities that can be better and more flexibly regulated through environmental permits. The review will also investigate whether exemptions can be provided in a different way allowing faster and more efficient amendments to keep pace with legislative and technological development.</p>	amount to c£1.60 m to £2 billion.	Likely to be a 24 month project. More detail on timing will be announced soon.

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
<p>Environment Agency Modernising Waste Regulation Programme – linked to many other waste initiatives</p>	<p>EA programme undergoing development to implement 'Waste Big Picture' initiative, building on Core Regulation, Hazardous Waste Regulation, Agricultural Waste Regulation, EPP etc. Sub-programmes of this are likely to address for example, proportionate regulation of inert waste, simplification of the packaging regulations including use of revised IT systems.</p>	<ul style="list-style-type: none"> • Focus better on protecting and improving the environment • Remove unnecessary bureaucracy • Simplify regulatory and compliance procedures • Minimise work on low-risk wastes and methods • Increase work on high-risk issues and waste crime • Move regulatory emphasis from site-based inspections towards waste producers and waste streams • Use influence and regulations to greatly reduce the production of waste • Encourage the re-use and recycling of waste and remove blocks • Increase flexibility in interpreting the rules • Take an influencing/partnership approach with the waste industry and waste producers at the highest level 	<p>Admin burden savings: c £1.00 m and £3.00 m p.a. by 2009/10. More accurate cost savings to be identified when individual projects within programme confirmed.</p>	<p>Overall 5-10 years (from 2006). Feasibility study 1 July 2006 for 9 months.</p>

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Climate				
Treatment of small installations in the EU Emissions Trading Scheme (EU ETS)	<p>The UK is seeking a reduced burden for small installations covered by EU ETS in current European negotiations. The Commission Monitoring and Reporting Decision is currently being revised and has already, as a priority, recognised a need to consider lower and lighter tier verification requirements which are related to emissions thresholds. Revised guidelines to enter into force by 01/01/08, coinciding with the start of the second trading period. The Commission are also reviewing the directive for future post-2012 phases of the trading scheme. An issue highlighted for consideration is the scope of the trading scheme and the treatment of small installations.</p>	<p>The capacity threshold for participation in the Scheme is currently 20MW. The EU ETS Directive requires that this threshold may be achieved by aggregating all combustion activities from individual units on the same site. As a result, a number of small installations and relatively low emitters (e.g. universities, hospitals) have been included. It is hoped that through an amendment to the Directive small installations and low emitters will be excluded from the Scheme. The option of lighter monitoring requirements for small installations is also being pursued at European and national level.</p>	<p>Admin burden saving: c£1.20 m p.a. by 2009/10. The July 2005 consultation on EU ETS Phase II sought stakeholder views on the treatment of small installations, and requested detailed information on EU ETS related operator costs for Government analysis. Address 65% (approximately £1.20 m) of the administrative burden of the scheme.</p>	<p>The UK will press for an amendment to the Directive and will work with the Commission to ensure that this is achieved as part of the current review of the Directive. Defra due to consult small installations 2nd half 2006.</p>
Radioactive Substances				
Simplify exemption orders under Radioactive Substances Act	<p>Streamlining the 21 individual exemption orders to simplify the regulatory environment.</p>	<p>Removing obsolete regulation; consolidation and rationalisation of existing regulation.</p>	<p>Admin burden savings: c£0.60 m p.a. by 2009/10.</p>	<p>Programme board to decide on feasibility in 3rd quarter of 2006. Legislation currently expected in second half of 2008 when savings would kick in.</p>
Periodic reviews of nuclear site authorisations	<p>Regular periodic reviews of nuclear site authorisations are now required by RSA 93 (as amended by EnA 04). A 'light touch' annual review has been developed and is in provisional use.</p>	<p>More regular, but less resource-intensive periodic review to consider whether limits/conditions remain "fit for purpose".</p>	<p>Admin burden savings: c£0.40 m p.a. by 2009/10.</p>	

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Water				
Modernising Water Quality Regulation Programme	Move to EA generic permitting framework. Simplifying regulation for low risk STWs. OPRA for consented discharges. Operator self-monitoring. Prepare for WFD.	<p>1) The STW discharge measure will remove the need for a permit for discharges that meet 'low risk' criteria. Water Industry (STWs), private domestic households and small business/offices would benefit.</p> <p>2) Removing need for s166 consents.</p> <p>3) Removing unnecessary duplication of monitoring and non-risk based monitoring due to unclear overlaps between implementation of Shellfish Waters and Shellfish Hygiene Directives.</p> <p>4) Generic permits for WQ consents and longer term shift to use EPP.</p>	<p>Admin burden savings: c£1.80 m and £2.60 m p.a. by 2009/10:</p> <p>1) The STW deregulation measure may deregulate 55,000 low risk discharge consents. c3500 new applications will not be made saving c£1.00 m p.a.</p> <p>2) Removing need for s166 consents, c£0.10 m to 0.30 p.a. admin cost savings.</p> <p>3) Removing duplication of monitoring from Shellfish Directives, c£0.20 to 0.30 m p.a.</p> <p>4) Generic permits for WQ consents and shift to EPP. c£0.50 m to 1 p.a. admin savings in new applications from common permit compliance requirements across regimes.</p>	Implement June 2006 to April 2008. STW measure consultation proposed for 2007 - possible proposals may be implemented by 2009

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Cross-sectoral Environmental				
Environmental Permitting Programme	A joint Defra/EAWelsh Assembly Government initiative designed to streamline and simplify permitting and compliance systems for Waste Management and Pollution Prevention and Control (PPC).	The new system will lead to a range of administrative burden savings for industry, through the introduction of Standard Rules Permits for example. It will enable regulators to make efficiency savings (e.g. through simplified IT systems), which may be shared with industry. The new, risk-based approach will enable regulators to focus on the poorest performers. The system can be extended to other environmental permitting and compliance systems, bringing further benefits.	Admin burden savings: c£8.90 m p.a. by 2009/10. Projected reduction of administrative burden of £72.30 m over ten years. This equates to a 17% reduction in administrative burden for Waste Management and a 1% reduction for PPC. In addition, wider economic benefits of £17.00 m forecast over ten years. Annual breakdown of administrative savings to business until 2010 is 2008/9 £1.60 m; 09/10 £8.90 m; 10/11 £8.90 m.	Intend to consult on draft regulations in Autumn 2006. Regulations adopted in December 2007. Anticipate new system fully operational in April 2008.
Review of the IPPC Directive & other related legislation	Through contributing to the European Commission's current review of the IPPC Directive, formulation of UK proposals for amending the Directive to streamline its application and its relationship to "sector specific" Directives on large combustion plant, waste incineration, solvent emissions and landfill.	European Commission proposals which are consistent with its own simplification agenda and which therefore hold the prospect of regulatory savings.	No detailed proposals from EU yet.	Commission proposals expected in 2007; co-decision negotiation thereafter likely to take at least two years; amendments coming into force by 2013.

Rural, wildlife and fisheries regulations

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Rural & Wildlife				
Automatic pooling of the Defra Rural Social and Community Programme in the Local Area Agreements	LAA's simplify arrangements for pooled funding streams from central government to Local Authorities. They join up public services more effectively, thus allowing greater flexibility for local solutions to local circumstances.	LAA's form a key part of the Local Government Vision, a 10-year strategy for Local Government, which seeks a more mature relationship between central and local government.	LAA's offer scope for improved efficiency savings for local authorities through the integration of funding streams possibly leading to lower admin costs and making resources work better through agreeing outcomes and joined up working.	2nd round LAA's come into operation 1 April 06. Negotiation on 3rd round LAA's also commence 1 April 2006, with expected roll out to commence 1 April 07. RSCP will be pooled within LAA's from this date.
Game licensing review	Abolishing the requirement for a licence to shoot game, and abolishing two licences to deal in game and venison. Reducing reporting requirement for the sale of deer. Remove restriction on dealing game during the closed season. Removes administrative burdens for game shooters and game dealers.	Opening up game meat market and compete with foreign imports on a level playing field.	Admin burden savings: c£0.60 m p.a. Government savings: c£0.30 m p.a.	Consultation launched on 28 July 2006. Order set to come into force by June 2007. To be delivered using an RRO

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Fisheries				
Proposed Marine Bill	The Bill is about modernising and streamlining. It will simplify legislation, streamline administration and strengthen partnership working. Significant stakeholder pressure in recent years and some cross party support in Parliament. Potentially anticipates future EU legislation in some respects.	Improve the delivery of policies to marine activities operating in coastal and offshore waters and to marine natural resource protection, in particular, by providing an integrated approach to sustainable management, enhancement and use of the marine natural environment for the benefit of current and future generations. The Bill should create a new, fit-for-purpose framework founded on the principles of sustainable development, better regulation, modern Government and will benefit both the environment and industry.	To be estimated when proposals are more advanced. March 2006 consultation included initial RIAs with indicative costs for a range of options. Full RIA will refine costings when key decisions on policy direction have been taken.	A consultation paper was published on 29 March 2006. The outcome of the consultation will help determine further policy development, future timetable and arrangements. Introduction to Parliament will be dependent on the availability of Parliamentary time, but we are working towards introduction sometime during the 2007/8 session of Parliament.
Fisheries Simplification Plan – quota management system	Stems from Net Benefits report and stakeholders proposals. Quota management system review, including allocation of quotas entitlement and trade of quotas.	Greater clarity/certainty for fishermen over rules on the holding and transfer of quota. This, and other changes to be made under the Quota Management Change Programme, will contribute to achieving an efficient, profitable and sustainable UK fishing industry.	Options need to be developed before cost savings can be assessed.	Options development during 2006/7. Formal consultation end 2007. Implementation during 2008

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
<p>Fisheries Simplification Plan – EU Technical Conservation Regulation 850/98</p>	<p>To revise the EU Technical Conservation Regulation 850/98 by grouping together technical measures by fishery</p>	<p>In response to industry feedback, this would put together rules for specific fisheries, so that individual fishermen have an easier grasp of what they need to do. Ultimately, will improve compliance rates</p>	<p>Cost savings will be identified when proposals are developed.</p>	<p>Ongoing consultation by Commission, Member States, and industry. 2007 proposal phase, adoption by EU Commission and member states. Substantive changes effective in 2008</p>
<p>Fisheries Simplification Plan – Fisheries Control Regulation</p>	<p>Review of Fisheries Control Regulation under EU simplification plan</p>	<p>UK aim is to make the new rules less input-intensive, make full use of existing technology, and iron out anomalies</p>	<p>Cost savings will be identified when proposals are developed.</p>	<p>Complete 2008</p>

Food and farming regulations

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Food Traders				
Checks on conformity to the marketing standards applicable to fresh fruit and vegetables (Commission Regulation (EC) Regulation No. 1148/2007)	Currently, 150,000 certificates are issued to importers and freight clearance agents who have to print them off to give to traders to satisfy HM Customs controls paper-based entry audit system. Once the Internet based application and clearance system called PEACH is linked to the Customs IT system the paper certificate will be replaced by a "virtual" electronic certificate that can be transmitted electronically.	The importing sector of the UK fresh fruit and vegetable industry will enjoy a significant reduction in the administrative burden, namely printing, handling, and retaining paper control certificates. The obligation to apply the EC regulation will still be fully met.	Admin burden saving: c£3.22 m p.a. Government saving: c£0.48 m p.a.	Depending on the International Trade Single Window (ITSW) Project, a delivery date later in 2007 is credible.
Farming Industry-General				
Common Agricultural Policy Single Payment and Support Schemes Regulations 2005	Launched in 2005 customers continue to undergo a process of increased familiarity with the application process as well as requirements for notifying RPA of business activities and record keeping. Claim forms will be pre-populated from 2007 which will underpin the simplification process.	Farmers benefit from less admin interruption to business and the regulator reduces data processing time. Farmers will spend less time in SPS application process.	Admin burden savings: c £26.50m at 5% p.a. for 5 years 2006 – 2010 inclusive.	The burden reduction of 5% per annum is underway.

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
<p>Export Refunds (Article 16 of Regulation No. 800/99)</p>	<p>The UK proposes to simplify arrangements for differentiated refunds by accepting other import proofs such as invoices/proof of purchase, thus reducing the amount of time that customers spend procuring evidence. Possibility to risk assess shipping documents to minimise diversion of goods to destinations with higher rates of refund. Proposals have been submitted in the CAP Simplification for raising the lowest level to allow for a single container to be exported without the need to comply with the full proof-of-requirements. Derogations allowing for documents that are easier to source to be accepted as proof of import (applied to milk and sugar sectors) to be introduced on a more permanent basis (currently valid to end 2006).</p>	<p>Export Traders will receive prompt payment and complete less paperwork. There will be less burden from obtaining evidence of transactions. Exporters are better informed of their requirements under the scheme.</p>	<p>Admin burden saving: c £0.50 m p.a.</p>	<p>UK Proposal for simplification presented to Commission July 2006. Workshop to be held with supportive Member States in autumn 2006 to identify further proposals to be put to the Commission.</p>

Annex A3

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Whole Farm Approach (WFA)	The WFA is a long-term programme to support an integrated solution to develop the farming industry. For the farmer, WFA aims to develop a single set of core data that will identify, from the farmers' perspective in particular, where there is a regulatory requirement and the actions necessary to fulfil that requirement. It is an electronic portal distinct from the main Defra website through which farmers will be able to carry out all of their interactions with regulators. It will give access to government information currently held in different databases – animal records, integrated administration and control information, habitat maps, water catchment area data, land designations, archaeological sites etc. Emphasis is being placed on maximising the advantages of sharing data, while avoiding duplication of information.	Amongst a range of benefits, WFA will reduce the number of requests for data made to the farming sector, make data easier to access and maintain accurately. It will also make clear that information provided once may be used across Defra, its agencies, and other government regulators and at farmers' discretion for non-regulatory purposes. Farmers and growers could use the system to confirm the accuracy of information as a basis for subsidy payment; use data to develop and submit plans for regulatory compliance; access advice and guidance tailored to the farms' characteristics.	Admin burden savings for farmers: estimated £2.90 m 2009/2010 (based on current take up rate).	The Whole Farm Approach was released on 28 March. The June 06 Agricultural Survey was released as planned on 1 June 2006 and the Waste Questionnaires were released on 29 June and enable farmers to complete waste exemptions. The next phase of enhancements including the December Agricultural Survey, are scheduled for release in November 06. Release 3 of the WFA is currently being planned but is likely to be within the first half of 2007.
Nutrients Management– RB209 review and PLANET	Review of RB209 nutrients guidance will reduce length of documentation and level of complexity.	Benefit to farmers and agronomists. Also an NVZ enforcement tool for EA.	Admin burden savings: £0.47 m	Delivery of revised RB209 in Spring 2008.
Set-aside (Council Regulation (EC) 1782/2003, Commission Regulations (EC) 795/2004, (EC) 796/2004 and (EC) 1655/2004)	Negotiate the removal of the EU requirement to have set-aside under SPS.	Reduction of admin burden on farmers and government by removing the need to understand and police the set-aside (including non-food set-aside) rules. Reduced land management/measurement downtime for farm business.	Admin burden savings: £3.50 m. Policy savings: £14.00 m. Regulatory savings: not quantified.	The 2008 Health Check is the next opportunity to pursue this long-term UK objective. Dependent on agreement from Commission & other Member States.

Title/Policy Area/ Measure/Initiative	Description of simplification measure	Outcome (including sector/s to benefit)	Estimated cost savings; Admin or Policy (£)	Milestones/deadlines for delivery
Arable farmers/horticulture/seeds				
Review of UK and EU seeds and plant breeders' rights rules.	Initial consultation seeking views on better regulation proposals at EU and UK levels. For example, one option is to abolish UK legislation on Plant Breeders' Rights.	Seed manufacturers and plant breeders	Savings will depend on how specific options are shaped.	Consultation to be issued in late Autumn 2006.
Cross sectoral & NON-SFF				
Cross Compliance: scheme literature	Introduction of: calendar of cross compliance, set-aside, SPS and agri-environment scheme dates; summary paragraphs of each standard as part of calendar – grouped by farm type; colour coding the Handbook by farm activity; Plain English process for the Handbook.	Reduction of administrative and compliance burden on farmers by simplifying and clarifying the Handbook and other requirements.	Admin burden savings 2006 to 2008: c£1.00 m.	Effective from January 2007. Colour-coding of Handbook and Plain English revision effective from 2008.
International Trade Single Window (ITSW)	ITSW is a 'single-window' web based portal covering all aspects regarding regulatory requirements for international trade (import and export), including trade within the EU. The portal helps businesses understand what regulatory requirements applies to them, keeps them up to date with these, and enable them to handle the regulatory and information requirements online. When fully implemented, the portal will allow import/export businesses (or their agents) to submit all information required for regulatory compliance in a single message via the portal, as well as undertake a range of other transactions with government departments and agencies. ITSW is being developed as a cross-departmental project which will drive forward more joined up government working and better sharing of information between government.	There are about 150,000 SMEs engaged in international trade. They have to deal with a number of different departments and agencies in terms of paperwork and inspections. These government organisations do not share information effectively and often require businesses to present physical documentation. By e-enabling these interfaces and moving transactions online, the compliance burdens for businesses is significantly reduced.	c£6.20 m savings for traders in the period 2006/07-2010/11 from improved transactions; £20.40 m from better information and guidance; and £10.30 m from automatic licence verification	The timetable for implementing a full ITSW is 2010.

Additional savings anticipated for smaller initiatives individually less than £0.25 m = £0.865 m

Smaller Simplification Initiatives planned

- **Food and farming regulations**

Food Traders

Food industry surveys – Improved survey designs, greater use of administrative data, reduction in frequency of some surveys, and ending some surveys (by December 2006)

Farm industry general

Cross Compliance: exemptions – Further exemptions and derogations (e.g. generic exemption re: electric fences) (by January 2007)

Export refunds Proof of arrival 2007 onwards – Trying to simplify the proof of arrival requirements on a more permanent and cross-sectoral basis (by 2007).

Dried Fodder (Regulation 1786/2003) – Reduced form filling for fodder processors making claims (by 2015)

Livestock Keepers

December Survey 2006 – Combining the collection of December survey sheep questions with the required annual inventory of sheep and goat keepers required under animal health legislation (by December 2006)

June Survey 2007 – Reduction in sample. Introduction of simpler form. Reduction/merging of some questions. Use of data from CTS enabling the cattle questions to be dropped or substantially reduced (by 2007)

Dairy Farmers and Processors

Dairy Produce Quota Regulations 2005 – Guides and forms (paper and electronic) reviewed on a regular basis, based on changes in schemes, RPA's own observation of consistent problems with specific questions, and feedback from trade forum – (annual activity)

EU Council Regulation 1788/2003, EU Commission Regulation 595/2004, Milk Supplementary Levy: Temporary Reallocation of Quota (TRQ) Herd Movement Restrictions (MQ 16) – At the moment. UK is requesting an ability to switch quotas to minimise this liability on direct sellers for levy even though nationally the UK has spare (wholesale) milk quota. The need to test for butterfat content is particularly onerous for small scale purchasers/producers, asking Commission to apply a threshold.

Eggs

Egg Marketing Regulations (cutting across the Welfare of Laying Hens Directive) – Risk based decision to remove inspection requirement for producers who registered because of Registration of Laying Flocks Order but who direct sell to the consumer.

Arable farmers/horticulture/seeds

Review of UK and EU seeds and plant breeders' rights rules. – Consultation seeking views on better regulation proposals at EU and UK levels.

For example, abolishing UK legislation on Plant Breeders' Rights

Review of seed certification fees – Proposals to rationalise the fees structure, simplifying the calculation of payment, and removing one fee type (by January 2007)

New EU legislation on potato ring rot and brown rot – Technological improvements in official testing procedures and improved official outbreak notification requirements (by April 2007)

Fruit, Vegetables & Potatoes Aids (FVP) – Negotiating removal of the need for FVP growers to hold authorised entitlements. Reduction of admin burden for farmers and government by removing the need to understand and police the separate FVP rules (by 2008)

- **Rural, wildlife and fisheries regulations**

Rural & Wildlife

Dangerous Wild Animals Act Licensing system – Regulation more focussed on risk and seek to minimise regulatory burdens. The beneficiaries will be animal-farming organisations and private animal keepers by 2007

Registration of certain birds (those listed on Schedule 4) under section 7 of the Wildlife and Countryside Act 1981 – Consultation on proposals to reduce the burden on bird keepers changes (by end 2007)

Fisheries

Fisheries Simplification Plan – guidance To provide improved and timely UK guidance, tailor made for specific groups/categories of fishermen: on log, handling and transhipment; sells, buyers and transporters; effort control in Western Waters, the Biologically Sensitive Area and the Cod, Northern Hake and Sole Recovery Zones – industry reviewing proposals

Annex B

Burden Imposed by Legislation Implemented in Gap Year (1 June 2005 to 31 May 2006) costing over £0.25m if known

Animal health and welfare regulations for farm and domestic animals

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
Sheep and Goats (Records, Identification and Movement) (England) Order 2005	<ol style="list-style-type: none"> 1) Movements between holdings within a sole occupancy approval must be recorded; 2) Movement tags required for moves to slaughter; 3) All eartags must be officially approved; 4) Eartag numbers must be centrally allocated; and 5) Animals for intra-community trade require two identical eartags. 	<p>More streamlined and less burdens Order on,</p> <ol style="list-style-type: none"> 1) Sheep and goat keepers; 2) Eartag manufacturers; 3) Defra; and 4) Exporters. 	<p>Admin burden: £0.39m. Policy cost: £5.63m. Regulator costs: £1.0m.</p>	<p>Came into force November 2005</p>
TB Order 2006	<p>Introduced pre movement testing of animals moving from farms in affected areas. Where possible these additional tests are carried out at the same time as routine tests. Obtaining and retaining records of pre-movement skin tests.</p>	<p>Introduced a new requirement to pre-movement testing all cattle over 15 months of age moving out of a herd with a testing interval of 1 or 2 yearly. This will impact on the Cattle industry.</p>	<p>Admin burden increase = £0.45m Net benefit to industry = £1.1m Net benefit to the regulator = £5.1m</p>	<p>In force March 2006</p>

Total cost of other admin burdens in this policy area that are individually less than £0.25m equals £0.069 m

Environmental regulations

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
Climate				
The Greenhouse Gas Emissions Trading Scheme (Approved National Allocation Plan) Regulations 2005	This regulation designates the "approved National Allocation Plan" published by Defra on 24 May 2005, as the National Allocation Plan (NAP) referred to in SI 925, 2005. It does not itself impose any regulatory burden, but it grants legal status to the NAP, and therefore the administrative requirements of the NAP.		The admin requirements of the National Allocation Plan (NAP) are estimated £2-5k for small firms and £6-14k for larger emitters. In 2005, approx 700 installations in total - 426 small emitters (<25,000 tonnes of CO2 per yr) and 267 large emitters. Average admin costs amounting to £4.20m/yr	14 June 2005

Annex B

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
<p>Waste</p> <p>The Waste Management Licensing (England and Wales) (Amendment and Related Provisions) (No.3) Regulations 2005</p>	<p>Introduces notifiable exemptions from waste management licensing.</p>	<p>Sectors affected: Specialist land treatment contractors, landowners and farmers, abattoirs and poultry preparation plants, paper manufacturing and recycling, the food and drink industry, inland waterways maintenance, textile manufacture, tanneries, water treatment, construction industry, demolition contractors, road building and repair contractors, British Waterways, Network Rail, rail maintenance contractors, British Sugar, the leisure industry, organisations improving local amenities, water companies, owners of private sewage treatment works, contractors for the de-sludging of septic tanks, Port Authorities, shipping companies will be impacted by this regulation.</p>	<p>Admin burden cost: £1.06m p.a.</p>	<p>01 July 2005</p>

Total cost of other admin burdens in this policy area that are individually less than £0.25m equals 0.00

Annex B

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
The Hazardous Waste (England and Wales) Regulations 2005	Implements requirements of EC's Hazardous Waste Directive. Impact on anyone producing hazardous waste(except householders) and also on waste management companies and the Environment Agency. The Environment Agency has introduced simplified paperwork procedures for monitoring the movements of hazardous wastes – see entry in Annex A2.	<p>The Hazardous Waste Regulations:</p> <ul style="list-style-type: none"> - Define what hazardous waste is - Require producers of hazardous waste to notify their premises - Ensure safe management of hazardous wastes - Provide cradle-to-grave documentation for the movement of hazardous waste - Require people who receive hazardous waste to keep thorough records of it and provide the EA with quarterly returns. 	Admin burden cost: £4.44m. This figure is expected to decrease with time as more people start using the electronic recording and reporting systems facilitated by the regulations.	16 July 2005
Water				
The Drought Plan Regulations 2005	Prescribes how water undertakers should prepare and publish drought plans.		Admin burden cost: £1.49m	01 October 2005

Annex B

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
Radioactive substances				
The High-activity Sealed Radioactive Sources and Orphan Sources Regulations 2005	The Regulations provide for cradle-to-grave tracking of each individual radioactive source, and thus require reports to be made to the Environment Agency of their individual radioactive acquisitions and disposals. The Regulations also extend the protective security requirements of the HASS Directive (aimed at denying unauthorised access, e.g. by terrorists), but not the tracking/reporting requirements, to radioactive sources that are out with the HASS definition, but which have a "similar level of potential hazard".		£0.23 m admin burden – £0.13m one-off costs; £0.10m annual costs.	20 October 2005
Cross-sectoral Environment				
The Boiler (Efficiency) (Amendment) Regulations 2006			Admin burden cost c£0.2 m p.a. – subject to change with consultation results due at the end of this year.	21 February 2006

Total cost of other admin burdens in this policy area that are individually less than £0.25m equals 0.00

Annex B

Rural, wildlife and fisheries regulations

Title/Policy Area/Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
Fisheries				
Marking and Identification of Passive Fishing Gear and Beam Trawls (1549/2006)	Laying down detailed rules for the Marking and Identification of Passive Fishing Gear and Beam Trawls	Fishermen	Admin burdens thought to be negligible. Policy cost: £0.29m p.a.	Came into force 10/07/2006

Total cost of other admin burdens in this policy area that are individually less than £0.25m equals 0.00

Food and farming regulations

Title/Policy Area/Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed; Admin or Policy	Milestones/ deadlines for delivery
Farming Industry – General				
The Common Agricultural Policy Single Payment and Support Schemes (Cross Compliance) (England) Regulations 2005	Introduce a further 6 cross-compliance standards. Farmers need to apply for exemption in writing but this will be beneficial in the long term. Farmers will have to fill in a one-off soil management plan (SPR) template costing £18 – £36 per farm.	Farmers	Admin burden cost: £0.53.	Came into force on 12/01/06

Total cost of other admin burdens in this policy area that are individually less than £0.25 M equals £0.126 M

Estimated burden imposed by pipeline legislation (coming in force date 1 June 2006 and beyond) over £0.25 million if known

Animal health and welfare regulations for farm and domestic animals

Title/Policy Area/Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Farm Welfare				
Animal Welfare Bill	In addition to simplifying the legislative base, existing regulatory regime will be updated, with greater use of risk based inspections and longer licensing periods.	Please see Annex A3		2007
Animal welfare code of recommendations	Review codes to clarify content and remove recommendations that, although they may affect animal welfare, are primarily business, emergency or other management planning criteria.	Please see Annex A3		Review in 2007
Animal identification and movement				
Pigs Records and Movement Order	Amendments to UK legislation to clarify that: 1) Pigs over 1 year of age are to be identified with a permanent marker each time they leave the holding; and 2) all pigs moving to market to be identified with a permanent mark from the holding of departure.	Farming industry will be impacted.	Not able to estimate at this time. An RIA is currently being drafted.	6 April 2007 anticipated coming into force date.
Livestock Register	To replace existing silo systems to act as the sole repository for all livestock data held within Defra.	Please see Annex A3		In review

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Veterinary Medicines				
Veterinary Medicines	<ol style="list-style-type: none"> 1) Encourage and facilitate development and use of two dimensional bar codes. 2) Consider and explore changes in EU rules to reduce record keeping requirements for a) food animals and b) non food animals. 	Please see Annex A3		2009

Environmental regulations

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Climate				
Regulation on certain Fluorinated Greenhouse gases	<p>The principal objective is to contain, prevent and thereby reduce emissions of F gases covered by the Kyoto Protocol. This Regulation will make a significant contribution towards the European Community's Kyoto Protocol target by introducing cost-effective mitigation measures and to prevent distortion of the internal market.</p> <p>The main focus is on containment and recovery of F gases, together with harmonised restrictions on the marketing and use of F gases in applications where containment of F gases is difficult to achieve or the use of F gases is considered inappropriate and suitable alternatives exist.</p>	<p>Quantitative benefits (and costs) are rationalised against the social cost of carbon. Annualised benefits for the regulation are in the region of £58 million – £110 million. The actual benefits will be dependent on the cost of carbon. Details of these benefits are available in the draft partial RIA, upon request. This range does not take into account the broader environmental and standard of living benefits the regulation can bring about as F gases are powerful and dangerous anthropogenic greenhouse gases, as recognised in the Kyoto protocol. If these benefits were distilled into financial terms the above range would be much higher.</p>	<p>Policy & admin burden cost: between c£24m – £40m p.a.</p>	<p>Dec 2006 – First meeting of EU F gas Committee. Early 2006 training and certification discussions with other member states. Early 2006 Combined Ozone and F gas consultation. 4 July 2007 majority of Regulation's obligations become active.</p>
Stage 2 petrol vapour recovery	<p>To require large petrol stations to install equipment to capture and recycle petrol vapour that escapes when car tanks are filled</p>	<p>Benefits to overall public health and environmental protection as a reduction in summer smog</p>	<p>Admin burden cost: c£1.40m p.a. Policy cost-saving: £0.30m p.a.</p>	<p>Phased in between 2006 and 2009. Full costs not incurred before 2010</p>

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Chemicals				
EU Chemicals policy (REACH)	Draft Regulation on EU chemicals policy, will require UK manufacturers importers to register and assess their chemicals over 11 years and keep records.		£403m over 11 years to EU but this appears to include both policy and admin costs. Based on latest RIA total admin burden costs of £13.70m for 11 year phase in period. The annual costs broadly equate to £45.50m for policy and £1.20m for admin burdens which relate to the Registration and Authorisation elements of the proposal.	Second reading begins 4/9/06; if agreed entered into force 4/07; review of annexes 4/08; review of Reg 2019.

Annex C

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
General – Environment				
Environmental Liability Directive	Directive of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage.	Two main outcomes expected: 1) More preventive and remedial measures taken in response to threats of or actual environmental damage 2) Precautionary actions by some operators who choose to take risk- reduction measures in response to increased liability. The Directive indicates in broad terms which activities fall within its scope on either a strict or fault-based basis. Almost any business is potentially exposed to liability save those specifically excluded (e.g. shipping and nuclear) or which can invoke defences (e.g. for compliance with specified permits). Main sectors expected to be affected are those causing the highest levels of relevant damage – agriculture, waste, water and manufacturing.	For England, Wales and Northern Ireland (which is geographical scope of consultation prepared by Defra): Admin cost (business and public authorities): 2007/8: £6.20m. 2008/9 onwards: £2.00m per annum. Admin burden (business only): 2007/8: £4.70m. 2008/9 onwards: £1.50m per annum (Total of £6.20m up to May 2010). Policy cost: 2007/8 and 2008/9: £12m per annum. 2009/10 onwards: £6m per annum. Figures subject to revision following public consultation.	Implementation deadline: 30 April 2007. Report to EC on directive deadline: 30 April 2013
Floods Directive	Proposal for a Directive of the European Parliament and of the Council on the assessment and management of floods.		Partial RIA completed. Total costs range between £0-£41.00m. The majority of this falls on government. 1-2% would be admin burdens, the rest compliance. Figures for England only.	

Annex C

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Energy				
Energy Performance Commitment	Mandatory emissions trading for emissions outside EU ETS and CCAs – See UK ETS future section of DEFRA website, especially report by NERA/ ENVIROS on scheme design from Better Regulation perspective	£970 m NPV benefits to participants, taking into account all private costs and benefits. Wider benefits to society estimated at £2.257bn	£250m PV costs (equates to £33m/year)	Policy could begin April 2009

Rural, wildlife and fisheries regulations

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Rural and Wildlife				
Deer Regulatory Reform Order/ Wildlife Management/ Reform of the Deer Act	Increase in the open season for deer control; permit the issue of licences to control deer during the closed seasons.	Increased ability to control deer causing damage to property (inc. agricultural interests), protect health and safety and safeguard the natural heritage.	Reduction in annual cost of accidents involving deer collisions (cost in excess of £5m/yr). Reduction in agricultural damage (estimated at £1.92m-£4.57m/yr). (Indicative savings of £700,000). Improvement of natural heritage in key protected areas. We are expecting c60 licences, so additional admin burdens overall will be small. Increased admin burden for licensing authorities (Natural England) – approx cost < £100k/yr.	Consultation paper due for launch late August – Order to come into force by June 2007

Annex C

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Soils Framework Directive		Owners and managers of land (including farmers, developers, housing, infrastructure etc)	Potentially big new burdens. Initial RIA estimated that the only cost would fall to Government and would be incurred in any case, in furtherance of national soil strategies. However the scope of the Commission proposals has recently changed and we are undertaking a new RIA. New proposals on contamination could be very costly and burdensome for the UK.	Commission proposal not yet published. Expected 2009 at the earliest
Fisheries				
Salmon and Freshwater Fish – Sale of Rod Caught Fish	Revising guidance. Additional inspection of hotel eating premises, and introduction of penalties to ensure compliance	To discourage anglers from killing large numbers of salmon and thereby adding to significant pressure on some stocks. A ban would also reduce opportunities for the sale of illegally caught salmon. The only fish that would then be sold within the law would be those taken by licensed nets and traps.	New measure so no comparatives, but expected cost of this measure will be approximately £125k in the first year which includes one off guidance for 24,000 salmon anglers.	New measures require a change in legislation. 10% probability but not considered essential for viability of any future Legislative Project

Title/Policy Area/ Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Salmon and Freshwater Fish – Obstructions	To improve the natural production of fish stocks by ensuring the provision of fish passes in obstructions in inland waters which facilitate the passage of fish to complete their life cycles.	Improving the level of fish stocks, and through this measure angling would be enhanced and also a potential increase in the economic value of the fisheries.	Likely cost of around £81.5k based on the EA undertaking stage work of tackling 50 obstacles per year out of a total of 2,500 obstacles	10% Probability

Food and farming regulations

Title/Policy Area/Measure/Initiative	Description of new regulatory burden	Outcome (including sector/s impacted)	Estimated burden imposed: Admin or Policy	Milestones/deadlines for delivery
Livestock Farmers				
Cost- and responsibilities-sharing mechanisms for animal health	The Joint Industry-Government Working Group is currently developing options.	Livestock farmers	Will be estimated when options are shaped	Options to be consulted on in late 2006. May come into force Autumn 2007
Arable farmers/horticulture/seeds				
GM thresholds in seeds	Awaiting Commission proposal	Seeds manufacturers		2008 at the earliest
Farming Industry – General				
The Common Agricultural Policy Single Payment and Support Schemes (Cross Compliance) (England) Regulations 2005	Commission are proposing to increase inspection rates for cross-compliance standards where high levels of failure are being recorded	Farmers		
Food Traders				
Export Refunds	Commission are proposing to increase inspection rates	Food traders		

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Nobel House
17 Smith Square
London SW1P 3JR
www.defra.gov.uk

