



National Audit Office

# Evaluation of Regulatory Impact Assessments 2006-07

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL | HC 606 Session 2006-2007 | 11 July 2007

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National Audit Office

# Evaluation of Regulatory Impact Assessments 2006-07

LONDON: The Stationery Office  
£13.50

Ordered by the  
House of Commons  
to be printed on 9 July 2007

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

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**3 July 2007**

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# SUMMARY

**1** The aim of Regulatory Impact Assessments (RIAs) is to assess the need for, and impact of, proposed regulations and amendments to existing regulations. They are a tool to help policy makers understand the consequences of possible Government regulation. RIAs are required for all forms of government intervention that impose, or reduce, costs on businesses, the third sector or the public sector.<sup>1</sup> They are a central element of the Government's objective to regulate only where necessary and reduce the burden of regulation on business and the third sector.

**2** The number of RIAs produced by government departments has increased steadily since 2003 (**Figure 1**). The National Audit Office (NAO) has reviewed the quality of RIAs for the last three years. Last year we concluded that the standard was disappointing and RIAs had not yet altered the way that Government thinks about regulation (see Appendix 2). This report evaluates the quality of RIAs produced by the Department of Health (DH) and the Department for Communities and Local Government (CLG), and considers how these departments are seeking to raise standards and improve their use. We also consider the extent to which RIAs can deliver their aims within the realities of policy making.

<sup>1</sup> RIAs need to be completed for primary and secondary legislation, codes of practice and guidance. RIAs are required for proposals affecting the public sector if expected costs are over £5 million.



## Summary text continued

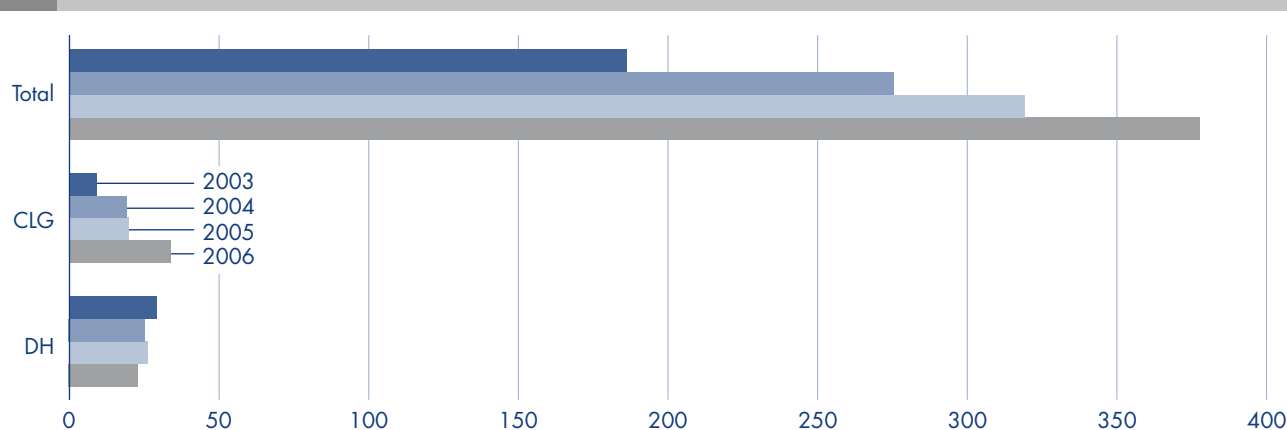
## Overall conclusion

**3** RIAs should be a cornerstone of evidence-based policy making but our results indicate that they were not always being used effectively. The majority of RIAs were competent, with fewer cases of poor quality analysis, although there were continued weaknesses in the quality of economic analysis and insufficient consideration of the impact of proposed changes. All too often, however, RIAs were not an integral part of the policy making process as they were not used to inform and facilitate all stages of policy formation – from initial development through to implementation and review.

## Key findings

The quality of Regulatory Impact Assessments at the Department of Health and the Department for Communities and Local Government

**4** The results of our assessment of this year's sample of RIAs show that the quality was mixed (Figure 2).<sup>2</sup> The majority of RIAs were assessed as competent and consultation was again the strongest area in the RIAs assessed. The assessment of costs and benefits was, however, again the weakest area, with deficiencies

**1** The number of published RIAs 2003-06

Source: Cabinet Office Command Papers

**2** National Audit Office analysis of RIAs

Scope and purpose	Consultation	Costs and benefits	Compliance and enforcement	Implementation, monitoring and evaluation	Competition assessment
15	16	5	4	8	12
4	1	10	12	10	5
0	2	4	0	1	0
0	0	0	3	0	2

Source: National Audit Office

## NOTES

<sup>1</sup> A 'green' assessment indicates good quality analysis; 'amber' indicates some good assessment but room for improvement; and 'red' indicates some major defects in the analysis. A 'blue' assessment indicates the component of the assessment criteria was deemed not applicable to the particular RIA.

<sup>2</sup> The results are drawn from our analysis of a sample of 19 RIAs (see Appendix 1).

<sup>2</sup> We assessed a random sample of 19 RIAs: 10 from the Department for Communities and Local Government and nine from the Department of Health.

in the standard of the evidence base and limited use of recognised economic appraisal methods. There was also insufficient consideration of the impact of regulations following implementation. Only one quarter of RIAs considered compliance and enforcement issues fully; and under half contained sufficient details of how the new legislation would be monitored and evaluated.

## The role of Regulatory Impact Assessments in the policy making process

**5 The quality of RIAs, and the extent to which they influence policy decisions, must be viewed within the wider context of the realities of policy making.** RIAs were often not commissioned or used early enough in policy formation to really challenge the need for new regulations. The ‘do nothing’ was not considered as a viable option in 18 of the 19 final RIAs we examined.

**6 RIAs were not widely used in the Parliamentary process.** RIAs were only occasionally used by Parliamentary Committees and to inform Parliamentary debate. A lack of awareness and Committee clerks’ perceptions of weaknesses in the quality of analysis prevented RIAs from playing a greater role in informing the Parliamentary process. Our analysis showed that eight of the 19 RIAs included predominantly good quality analysis and would, potentially, have provided valuable information.<sup>3</sup>

**7 There continues to be an unstructured and ad hoc approach to post-implementation review across all departments.** The Department of Health and the Department for Communities and Local Government have begun to develop a more systematic approach to evaluating the impact of policy changes, but have not yet begun a rolling programme of reviews. Our census of departments highlighted resource constraints and time pressure as the main reasons why reviews were not more widespread.

## Improving the use and quality of RIAs across Government

**8 The relationship between the Better Regulation Executive (BRE) and departments has been strengthened.** There have been tensions with the BRE, particularly around the adequacy of communication, but changes to the BRE’s role have helped clarify respective responsibilities and strengthen working relationships.

**9 Revisions to the RIA guidance created uncertainty during the period of transition.** Between July 2006 and April 2007 the BRE undertook a public consultation and revised the Impact Assessment Guidance. The new requirements and a standard template – aimed at improving the presentation of results and encouraging impact assessment earlier in the policy making process – will be phased in from May 2007. There was a lack of clarity on the future direction and coverage of RIAs during this transitional phase.

**10 The adequacy of governance arrangements to encourage high quality RIAs is varied. The departments in our sample are strengthening the scrutiny of RIAs.** The Department of Health has taken a number of positive steps to integrate the principles of better regulation into its approach to policy making. The Department for Communities and Local Government is also strengthening procedures to ensure timely expert input into RIAs and robust challenge on the evidence base.

## Recommendations

**11** RIAs increase Government accountability as they improve the transparency of policy decisions and, if used well, can encourage evidence-based policy making that helps deliver more effective regulation. Achieving this will require action to improve the quality and influence of RIAs and, in addition to providing clarification on the content of RIAs, our recommendations encourage departments to review the adequacy of their processes and the support they provide to policy officials. This year’s assessment is based on the Department of Health and the Department for Communities and Local Government but the recommendations are applicable to all departments.

## Improving the content of RIAs

- a** Departments should ensure their guidance, training and procedures emphasise the need for high quality analysis and early engagement with departmental economists. In doing so, they should promote the importance of quantification and a renewed emphasis on analytical techniques.

<sup>3</sup> Eight of the 19 RIAs contained at least four green assessments out of a possible six, and no ‘red’ assessments.



- b** RIAs should more explicitly consider the impacts of legislation when it comes into force. There should be a stronger emphasis on compliance and enforcement issues, including the distribution of compliance and associated cost estimates of the proposed enforcement regime.
- c** Departments need to ensure that RIAs contain explicit statements on how and when post-implementation reviews will be conducted. In addition, departments should develop a systematic programme of reviews of regulations and assign responsibility for reporting results to Senior Management.
- f** The BRE and departments should promote flexibility and proportionality when applying the new RIA guidance, in order to take account of the varied and complex nature of policy development.
- g** To encourage consistent and robust scrutiny, the BRE and departments should work together to identify the key measures of good quality RIAs. The tests should be based on the requirements of the new guidance and incorporate the evaluative criteria applied by the NAO.

## Strengthening processes

- d** Departments should give consideration to potential regulatory implications at the early stages of policy formation, including the establishment of PSA targets. This will assist in the achievement of the Government's Better Regulation agenda – to regulate only where necessary and provide early challenge to regulatory proposals.
- e** Departments should strengthen processes and provide adequate incentives for the development of high quality RIAs by:
  - integrating expertise into RIA development at appropriate stages of the process;
  - strengthening scrutiny processes – for example, peer review – to provide robust challenge on RIAs throughout the process. Challenge panels would be strengthened by including external stakeholders;
  - ensuring principles of better regulation and impact assessment are integrated into a consistent, department-wide approach to policy making; and
  - making much more systematic use of post-implementation reviews and evaluations to improve the process of impact assessment.
- h** Departments need to change the culture of regulation amongst policy officials, by creating stronger incentives and provide appropriate support through a combination of:
  - on-going senior management commitment which provides proactive rather than passive support, and promotes the importance of better regulation. Departments should also ensure better regulation initiatives are included in departmental publications; for example, business plans;
  - greater awareness and an improved understanding of the requirements of RIAs – by communicating with all levels and parts of the department. Policy officials should 'buy-in' to the benefits of using RIAs and understand how they can assist policy development; and
  - a targeted package of training and support which integrates RIAs into mainstream policy development.

## Providing support to Policy Makers

# PART ONE

## The quality of Regulatory Impact Assessments in the Department of Health and the Department for Communities and Local Government

**1.1** This Part set out the results of our analysis of a sample of RIAs from the Department of Health and the Department for Communities and Local Government. We assessed the RIAs against our evaluative criteria and found that the quality was mixed. Our results demonstrated that:

- the RIA process was well established as policy officials have become increasingly aware of the requirements of RIAs. They were well presented; generally gave a good overview of the policy problem; and undertook appropriate consultation;
- there were continued weaknesses in the assessment of costs and benefits. There was room to improve the standard of analysis and provide a more robust assessment of the impact of implementing different policy options; and
- there was a need to extend the time horizon of RIAs beyond the introduction of the legislative or policy change. There was insufficient consideration of the impact of legislation post-implementation – with often limited coverage of the steps needed to encourage compliance, enforce and monitor new legislation.

### The NAO evaluation of Regulatory Impact Assessments

**1.2** Our examination focused on the Department of Health and Department for Communities and Local Government. These two departments published 45 RIAs in 2005-06<sup>4</sup>, which meant that they were the fourth and seventh largest departments in terms of the number of RIAs produced.

**1.3** We evaluated a random sample of 19 RIAs from the two departments, which represented over 40 per cent of the RIAs they published in 2005-06. **Figure 3** lists the RIAs contained in our sample and provides a brief description of each. The RIAs were assessed using our evaluative criteria which cover six important aspects of the RIA process.<sup>5</sup> We have again used a ‘traffic light system’ to present the results of our evaluations. Appendix 1 provides the scores for individual RIAs and Appendix 2 outlines our key findings from previous years.

**1.4** **Figure 4 on page 10** shows that both departments had undertaken some high quality analysis. All but two of the RIAs that we examined contained elements of good quality analysis. There was, however, ‘room for improvement’ in just under half of the assessments undertaken. Paragraphs 1.6 to 1.22 present the results of our examination for each of the criteria in our assessment.

**1.5** The inclusion of different departments and our sample sizes mean that it is not possible to make a direct comparison with our previous reports to identify a definitive trend in the quality of RIAs. Nor is it possible to draw wider conclusions about the use and quality of RIAs across Government. Last year’s Report found that there was variation in quality.<sup>6</sup> Our results this year indicate that there has been an increase in scores in defining scope and purpose, the competition assessment, and a slight improvement in the analysis of compliance. There has, though, been a decrease in the proportion of RIAs demonstrating good quality analysis of costs and benefits (see paragraphs 1.11 to 1.15).<sup>7</sup>

<sup>4</sup> Cabinet Office, *Regulatory Impact Assessment*, Command Papers, November 2005 and December 2006.

<sup>5</sup> Further details of our evaluative criteria are set out in Appendix 3: Methodology.

<sup>6</sup> Our 2005-06 examination included RIAs from DTI, the Home Office, DCMS and the Department for Transport.

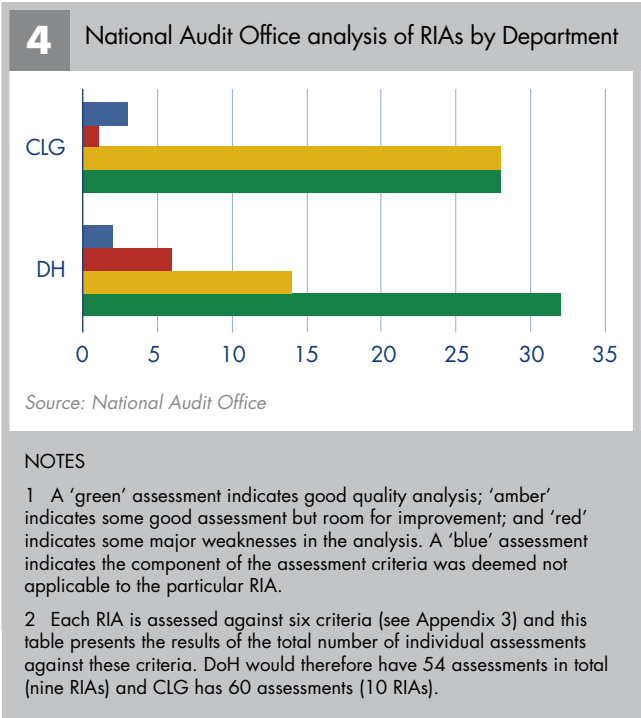
<sup>7</sup> Six of 14 RIAs scored green assessments last year, compared to five of 19 in this year’s assessment.

### 3 Sample of RIAs examined by the National Audit Office

Regulatory Impact Assessment	Brief description
Department of Health	
Commission for Social Care Inspection – Regulatory Fees 2006-07	This RIA deals explicitly with the annual increase in fees payable by social care establishments or agencies to the Commission for Social Care Inspection.
Changes to the Regulatory Framework for Adult Social Care	This RIA examines the options for a more flexible inspection frequencies to allow the Commission for Social Care Inspection to operate a more risk-based, and proportionate, model of regulation in accordance with the Hampton principles.
Functions of Primary Care Trusts (Dental Public Health) Regulations 2006	This RIA examines the impact of introducing new functions for Primary Care Trusts in relation to dental public health. The proposals were necessary as part of a wider reform to the provision of public dental care.
The Prohibition of Abortion Bill	This RIA compares the costs and benefits of maintaining the status quo with the effects of implementing the proposed Private Member's Bill prohibiting abortion in England and Wales.
The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005	The RIA examines the options to reform the Welfare Food Scheme to better meet the needs of the beneficiaries within existing budgets.
The Provision of False or Misleading Information	This RIA examines the impact of introducing regulations to establish new criminal offences for the provision of false or misleading information to the Licensing Authority in support of an application for the grant, renewal or variation of a marketing authorisation for a medicinal product.
Traditional Herbal Medicinal Products	This RIA examines the impact of introducing a legislative framework for the regulation of herbal medicines while protecting public health and contributing to the free movement of relevant goods in a single market. It relates specifically to the transposition and implementation of the EC Directive regarding traditional herbal medicinal products.
The NHS Redress Bill 2005	This RIA considers the options to reform the way in which lower value clinical negligence cases are handled within the NHS to provide appropriate redress without the need to go to court.
Smokefree Aspects of the Health Bill 2005	This RIA examines the options for Government action to address issues associated with second hand smoke as detailed in the Choosing Health White Paper.
Department for Communities and Local Government	
Planning Policy Statement 10 – Planning for Sustainable Waste Management	This RIA considers the impact of the implementation of the new planning policy statement in response to the 'Waste Not Want Not' report which recommended improvements to the performance of the planning system.
Regulatory Reform (Fire Safety) Order	This RIA examines the options to reform the fire safety legislation and amend various Acts and Statutory Instruments to simplify, rationalise, and consolidate the law in respect of fire safety in buildings.
Local Government Pension Scheme	This RIA examines the options for amendments to the Local Government Pension Scheme with respect to the changes related to the implementation of the EC Directive establishing a framework for equal treatment in employment and occupation.
Empty Dwelling Management Orders	This RIA examines the options for the enactment of secondary legislation for Empty Dwelling Management Orders which gave Local Housing Authorities discretionary powers to bring back into occupation private sector dwellings where owners are unable or unwilling to do so themselves.
Town and Country Planning (Green Belt) Direction 2005	This RIA considers the impact of introducing a new Direction providing greater clarity on the type and nature of planning applications for inappropriate development in the Green Belt which should be referred to the Secretary of State.
Housing Act 2004 – Part 1: Housing Conditions	The RIA considers the options for replacing the housing fitness standard with a better targeted, more proportional system which reflects the latest understanding of health and safety risks.
Approved Document F of the Building Regulations: Ventilation	This RIA examines the changes to Approved Document F, which was revised to support the changes made to Part L of the Building Regulations and to improve the guidance.



3 Sample of RIAs examined by the National Audit Office <i>continued</i>	
Regulatory Impact Assessment	Brief description
Department for Communities and Local Government <i>continued</i>	
Amendment to Part L (Conservation of Fuel and Power) Building Regulations 2000	This RIA considers the impact of new regulations and requirements required to implement the Energy Performance Building Directive. It examines changes to Part L of the Building Regulations and other energy efficiency requirements of Schedule 1.
National Procurement Strategy for the Fire and Rescue Service	This RIA considered the options to increase efficiency of procurement in the Fire and Rescue Service. The objective was to create a single and overarching framework for Fire and Rescue Service procurement.
Home Buy: Expanding the Opportunity to Own	This RIA examined the options for reforming the existing low cost home ownership schemes to streamline schemes, introduce a one-stop shop through HomeBuy agents, and introduce an option for council and housing association tenants to own a share in their own home.
Source: National Audit Office from the Department of Health and the Department for Communities and Local Government	



### The quality of Regulatory Impact Assessments

#### i) The scope and purpose of RIAs

**1.6** Departments should have a clear understanding of the problem that they seek to address and the objectives that they wish to achieve through the introduction of a new policy proposal. There must be a clear rationale for intervention if the Government is to meet its commitment of only regulating when necessary.

**1.7** Most RIAs in our sample provided a sound description of the problem, rationale for intervention and the objectives of the policy proposal. 15 out of 19 RIAs were rated 'green' against this criterion, which demonstrates that policy officials understand the importance of clearly setting out the policy problem and possible options for action. All RIAs in our sample presented a 'do nothing' option although this was often not identified as a realistic alternative.<sup>8</sup> In these cases, this may indicate that the RIA was started too late in the policy development cycle or was not really used to challenge the need for government action. This is discussed further at paragraphs 2.4 to 2.8.

8 It is still important to include the 'do nothing' option as a basis to evaluate the implications of change.

## ii) The consultation process

**1.8** Consultation is an integral part of policy development and, hence, the RIA process. It is government policy that a written consultation, allowing 12 weeks for response, must be undertaken. Policy officials are also required to publish consultation responses on their websites and record in full where changes have been made. We reviewed compliance with these requirements and considered other work undertaken by the two departments to obtain the views of stakeholders. We did not examine how departments made use of the information received.

**1.9** As in previous years, the consultation process was a strength of many RIAs we examined. 16 out of 19 RIAs were rated 'green'. We found many examples of good practice (Figure 5). Several RIAs undertook extensive consultation, including using focus groups, workshops and roadshows. A number of policy teams also established working groups, comprising industry representatives, to contribute to the policy development process.

**1.10** All but three of the RIAs issued a public consultation for the required 12 weeks as required by Cabinet Office guidance. In one case<sup>9</sup> the limited time available for the completion of the RIA meant that a 12 week public consultation was not possible and the department actively pursued stakeholder comments through other means. The other two RIAs<sup>10</sup> failed to undertake any consultation during the development of the RIA (see Appendix 1).

### 5 Good practice example – Regulatory Reform (Fire Safety) Order

- Consultation began after the 1996 announcement to reform fire safety regulations.
- A working group, including major fire safety organisations, the Health and Safety Executive, academia, the Small Business Service and the CBI was established to assist the Department in developing the options for reform.
- The formal public consultation, also developed in conjunction with the working group, was carried out over a four month period in 2002.
- Visits to many small businesses were also undertaken.
- Results of the consultation, including queries over the material presented in the consultation, were referred back to the working group for implementation.

*Source: National Audit Office from the Department for Communities and Local Government*

## iii) Assessment of costs and benefits

**1.11** The fundamental objective of RIAs is to deliver evidence-based policy and, therefore, an analysis of costs and benefits is at the heart of impact assessment. Ministers are required to certify that the benefits of the proposal justify the costs associated with implementation. Our examination focused specifically on the evidence base contained in RIAs, considering the sources of evidence used and the robustness of analysis. The estimated costs and benefits of the preferred option of our sample of RIAs are provided at Figure 6 on pages 12 to 14.

**1.12** While there were examples of good practice (Figure 7 on page 15), the assessment of costs and benefits continues to be the weakest area of RIAs. There was room for improvement in 14 of the 19 RIAs in our sample, and four had serious weaknesses (Appendix 1). Additional material containing a greater level of analysis had been developed for seven policy proposals but this was independent of the RIA and not adequately reflected in the discussions of costs and benefits.

**1.13** The evidence base in RIAs was often weak and, in particular, there was a lack of quantitative evidence. 10 RIAs presented an assessment of costs and benefits using mainly qualitative data, with four of those presenting wholly qualitative descriptions of the likely impacts. The absence of quantified data is more apparent when evaluating benefits, as well as social and environmental costs. In many cases policy officials advised that reliable data was often not available; difficult to obtain; or that further research would not be practical or cost effective.

**1.14** In addition, there was often a lack of recognised economic appraisal methods:

- Eleven RIAs provided a broad description of the costs and impacts associated with the preferred option, rather than undertaking economic evaluation;
- only four RIAs provided meaningful comparison between alternatives. In the majority of cases consideration of the associated costs and benefits were only provided for the preferred option; and
- only six RIAs in our sample made use of sensitivity analysis.

Key components of economic appraisal are listed in Figure 8 on page 15.

<sup>9</sup> The RIA developed for the Prohibition of Abortion Bill.

<sup>10</sup> The RIAs developed for Commission for Social Care Inspection – Regulatory Fees 2006-07 and the Functions of Primary Care Trusts (Dental Public Health) Regulations 2006.

## 6 Total costs and benefits presented for preferred option in our sample

Regulatory Impact Assessment	Estimated cost	Estimated benefit
Department of Health		
Commission for Social Care Inspection – Regulatory Fees 2006-07	<ul style="list-style-type: none"> <li>■ 89 per cent of total homes face a fee increase of £40–£600</li> <li>■ of these 35 per cent of total homes face a fee increase of £40–£150</li> </ul>	The benefits of the current regulatory regime are maintained (not quantified)
Changes to the Regulatory Framework for Adult Social Care	<ul style="list-style-type: none"> <li>■ Higher costs (not quantified) for poor quality providers resulting from increased inspections</li> <li>■ Higher costs (not quantified) for possibly 65 per cent of providers from the requirement for annual quality assurance assessments. This is offset against the abolition of the pre-inspection questionnaire and therefore is considered cost neutral</li> </ul>	<ul style="list-style-type: none"> <li>■ Greater proportionality and focus on services where it is most needed</li> <li>■ Savings to Government of at least £6m per year</li> <li>■ Lower costs to providers from physical inspection (not quantified)</li> <li>■ About £5m per year for providers as a result of the annual assessment having to include service users</li> </ul>
Functions of Primary Care Trusts (Dental Public Health) Regulations 2006	Current staffing costs are in the order of £100m per year and the proposed changes would result in similar costs and administrative burdens.	PCTs would have direct responsibility to assess local oral health needs and better information from epidemiology surveys to plan services to improve oral health
The Prohibition of Abortion Bill	Zero additional costs identified	Opportunities to obtain safe abortion in a range of circumstances (not quantified)
The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005	£143m – to Government	£244.4m
The Provision of False or Misleading Information	<ul style="list-style-type: none"> <li>■ Additional record keeping requirements for companies manufacturing biological products – judged as low but not quantified</li> <li>■ The creation of new offences around applying for a marketing authorisation – no cost directly attributable to companies, however there may be cost implications in relation to fines</li> </ul>	Increased protection of the patient and end user
Traditional Herbal Medicinal Products	Estimated costs of £10m spread over 2005-2011 to UK companies	<ul style="list-style-type: none"> <li>■ Enhanced public health protection</li> <li>■ Informed consumer choice</li> <li>■ Increased public confidence</li> </ul>
The NHS Redress Bill 2005	Total costs of the scheme (annual): <ul style="list-style-type: none"> <li>■ Cap at £20,000: £22.9m – £238m</li> <li>■ Cap at £15,000: £19.8m – £189.3m</li> <li>■ Cap at £10,000: £16.3m – £133.7m</li> </ul>	Quantified benefits: <ul style="list-style-type: none"> <li>■ Reduction in delays and legal costs: £7.2m – £15.4m</li> </ul> Other benefits not quantified: <ul style="list-style-type: none"> <li>■ Positive patient experience</li> <li>■ Viable and attractive alternative</li> <li>■ Extend access to justice</li> <li>■ Better use of NHS resources</li> <li>■ Clinically appropriate remedial healthcare</li> </ul>



## 6 Total costs and benefits presented for preferred option in our sample *continued*

Regulatory Impact Assessment	Estimated cost	Estimated benefit
Department of Health <i>continued</i>		
Smokefree Aspects of the Health Bill 2005	£1,660m – £1,668m per annum	£3,374m – £3,784m per annum
Department for Communities and Local Government		
Planning Policy Statement 10 – Planning for Sustainable Waste Management	Limited additional costs mainly arising from stakeholder adjustments to and meeting information needs for, new policy and processes.  These in part arise from the wider reforms to the planning process	<ul style="list-style-type: none"> <li>■ Increased applications for sustainable waste management reducing global and local environment impact of waste</li> <li>■ Increased engagement opportunities for communities and businesses</li> <li>■ Increased certainty for all affected by planning process and, over time, cost savings to applicants, planning authorities and communities through a clearer and more effective planning process</li> <li>■ Opportunities for business innovation</li> </ul>
Regulatory Reform (Fire Safety) Order	Between £66m – £88m	<ul style="list-style-type: none"> <li>■ Total quantifiable benefits £47m – £137m per annum</li> <li>■ Plus wider but unquantifiable economic and social benefits</li> </ul>
Local Government Pension Scheme	Net saving to the scheme of between £660m – £730m	
Empty Dwelling Management Orders	£18.955m per annum	£21.402m per annum
Town and Country Planning (Green Belt) Direction 2005	<ul style="list-style-type: none"> <li>■ No evidence to suggest significant resource implications</li> <li>■ Additional costs not possible to quantify. However, overall conclusion is that given the benefits the proposal is cost neutral</li> </ul>	<ul style="list-style-type: none"> <li>■ Greater clarity on the nature and type of planning applications that should be referred to the Secretary of State</li> <li>■ Strengthened protection of the Green Belt</li> </ul>
Housing Act 2004 – Part 1: Housing Conditions	Total estimated annual costs of £260m (at 2001 prices)	<ul style="list-style-type: none"> <li>■ Significant health gains owing to better, targeted intervention over a number of years</li> <li>■ Cost savings of approximately £3.9bn over 30 years, as a result of lower compliance costs</li> <li>■ Reduced rates of mortality and GP contact</li> <li>■ Reduced sense of isolation, fear of crime and increased involvement in community affairs</li> <li>■ Improved mental health</li> </ul>
Approved Document F of the Building Regulations: Ventilation	Total costs = £5.3m (year one) £2.1m (annual)	<ul style="list-style-type: none"> <li>■ Total benefit = £1.5m – £5.2m per year</li> <li>■ Average benefit = £3.1m</li> </ul>

## 6 Total costs and benefits presented for preferred option in our sample *continued*

### Regulatory Impact Assessment

Department for Communities and Local Government *continued*

Amendment to Part L  
(Conservation of Fuel and Power)  
Building Regulations 2000

- Annual costs = £1,192m
- Additional costs:
  - Industry training (year one) = £10m
  - Additional compliance = £11m
  - Costs to Government = £500,000 year one, £50,000 thereafter

### Estimated benefit

- Total carbon savings = 909,057 tonnes per year in 2010
- Cumulative savings of the lifetime of the measures = £1,531.5m

National Procurement Strategy  
for the Fire and Rescue Service

- Establishment costs of £1.2m in 2005-06 and £1.8m in 2006-07 and 2007-08
- Adverse impact on commercial validity of some suppliers with associated reductions in employment (not quantified)

- Cost savings of £1.338m between 2005-06 – 2009-10
- Reduction of testing and acceptance activities
- Improvements in performance measures

Home Buy: Expanding the  
Opportunity to Own

- No enforced costs for social landlords – as the scheme is voluntary
- Small costs to Government of repaying any discounts offered under Social Homebuy in the RSL sector
- No additional environmental or social costs

- Addresses asset based wealth inequalities
- Creates a transparent and more affordable charging system for un-owned equity
- Provides landlords with an equity share allowing them to share in the growth in value of the property and use of receipts to reinvest in new affordable housing and regeneration
- Widens the group of social tenants with the opportunity to buy their own home and represents better value for money than the Right to Acquire/Buy
- Frees up social lets, helping to get more homeless households out of temporary accommodation
- Contributes to more sustainable communities

Source: National Audit Office – from the RIAs published by the Department of Health and the Department for Communities and Local Government

## 7 Good practice example – Local Government Pension Scheme

- Each of the suggested options has been analysed qualitatively and quantitative data is presented to allow the reader to make a good comparison.
- Further alternatives are also presented in an annex with a discussion on why they were dismissed and not considered in the RIA.
- A detailed assessment of costs and benefits is also provided in the annex and a summary table of each of the options is provided.
- The Department for Communities and Local Government made good use of experts in the development of the RIA and the analysis presented relied heavily on the analysis undertaken by actuaries.
- A good mix of both quantitative and qualitative data is presented.

*Source: National Audit Office from the Department for Communities and Local Government*

## 8 Key components of economic appraisal

- The consideration and comparison of alternatives. The absence of alternative options will result in, at best, a description of impact associated with the proposal.
- Analysis and clear presentation of the costs and benefits for all options and affected parties.
- Consideration of all costs of implementing the proposals, including implementation costs and the costs associated with ongoing monitoring and evaluation.
- Quantified impacts where possible
- Analysis should take account of uncertainty and the complexities of the environmental context – this will likely include the use of sensitivity analysis or other economic modelling to present the impact in a variety of potential situations.

The Treasury Green Book provides guidance on cost-benefit analysis.

*Source: National Audit Office*

**1.15** The mixed results often reflect the limited use of economists throughout the development of policy. Policy officials advised that economists were involved in preparation of 12 RIAs in our sample. Our results indicate that their involvement was either too late in the process; limited in scope; or not as substantial as it should have been. Economists, and other specialists, should be engaged early and fully in policy development. The Department for Communities and Local Government has recognised the need to strengthen the standard of analysis and will increase the number of economists by 30 per cent by the end of 2007.

### iv) Compliance and enforcement issues

**1.16** Policy officials are required to consider the enforceability of their proposals and, in doing so, consider the expected levels of compliance and what impacts this might have on the regulatory outcomes. Our analysis shows that only four RIAs in our sample contained sufficient analysis to merit a 'green' ranking, including the RIA for the Smokefree aspects of the Health Bill 2005 (**Figure 9**). We found that the majority of RIAs provided only brief statements regarding compliance and in some cases the issue of compliance was not discussed at all. Proposed enforcement and sanction arrangements were included in a greater number of RIAs; however, enforcement costs were rarely incorporated into the overall analysis of costs and benefits.

## 9 Good practice example – RIA for the Smokefree aspects of the Health Bill 2005

- Expected levels of compliance were considered throughout the RIA, in particular for the option of imposing a complete ban.
- The discussion drew on statistics of public perception to a smoking ban, as well as feedback from other jurisdictions.
- Enforcement costs were discussed in detail. The estimated ranges of enforcement costs were provided in the summary table.
- A substantive set of estimates were commissioned from an independent enforcement consultant.
- Enforcement costs from other countries which had already implemented a ban were also considered.

*Source: National Audit Office from the Department of Health*



**1.17** Regulation aims to influence or control the way in which people and business behave. Assuming 100 per cent compliance when developing policy proposals is, in many cases, unrealistic. Levels of compliance may result in a significant impact on the expected costs and benefits of the proposal and should, therefore, be considered carefully. Failure to consider expected levels of compliance can lead to an inaccurate assessment of the impact of the proposal.

**1.18** A meaningful consideration of compliance would also better inform decisions relating to policy proposals and, in particular, the required enforcement and sanction regimes. Many RIAs state the expected level of compliance but do not consider how the legislation should be enforced. Even where proposals are voluntary, policy development will benefit from a fuller consideration of expected take up rates and how varied participation might influence the enforcement strategy that is required and the achievement of stated objectives.

## v) Implementation, monitoring and evaluation

**1.19** It is a requirement that detailed implementation and delivery plans are included for the recommended option in the final RIA along with the proposed approach for ongoing monitoring and evaluation. Our results indicate that performance in this area was mixed (Appendix 1) and indicates an insufficient focus by departments on the outcome of regulations post-implementation.

**1.20** All but three RIAs provided an expected timeframe within which an ex-post evaluation would be undertaken and just over half of the RIAs contained discussions of proposed monitoring arrangements. Although the level of detail varies, there were examples of good practice (**Figure 10**). The consideration of implementation issues, however, was poor – despite the requirement to include detailed plans. Only six RIAs provided a detailed description of the implementation proposals; six RIAs provided an implementation date without any further details; and six RIAs provided limited or no details.

**1.21** Achieving the objectives of Better Regulation is dependent on the consideration of regulatory issues over the complete policy cycle including how the proposal will be implemented, monitored and evaluated. Working with industry to determine the most appropriate methods of implementation will assist departments to minimise the burdens associated with the introduction of new policies. Identifying the measures of success will also allow departments to better judge whether the legislation is achieving its objectives, requires some amendment, or is no longer needed.

## vi) Competition assessment

**1.22** Policy officials are required to undertake a competition assessment to determine the potential effects of the proposal on related markets. In the first instance officials should apply the Office of Fair Trading Competition Filter Test and, where necessary, consult with specialists to obtain expert advice. Where the filter test highlights a potential impact on competition, officials should undertake a more detailed assessment and seek advice from the Office of Fair Trading. We found that 12 out of 17 RIAs<sup>11</sup> in our sample provided the expected levels of analysis (Appendix 1).

### 10 Good practice example – National Fire and Rescue Procurement Strategy

- Provided a comprehensive implementation plan, detailing timeframes and assigning responsibility.
- Provided details of how and when evaluation of the scheme will be conducted and who will be responsible.

*Source: National Audit Office from the Department for Communities and Local Government*

<sup>11</sup> Competition assessments were deemed not applicable to two RIAs in our sample.

# PART TWO

## The role of Regulatory Impact Assessments in the policy-making process

**2.1** This Part examines how RIAs fit into the policy development cycle and considers the extent to which they provide a suitable framework to guide and support evidence-based policy making. We found that:

- the principles of impact assessment are not fully integrated into the early stages of policy formulation, thereby limiting their ability to challenge the need for new regulation. Despite this, RIAs can play a valuable role in identifying the optimum approach to implementation;
- weaknesses in the quality of analysis presented in RIAs limits their use throughout the policy process and, therefore, they are not as influential as they should be, particularly in the Parliamentary process; and
- there is scope to improve the use of post-implementation review to evaluate and improve policy outcomes.

### The objectives of Regulatory Impact Assessments

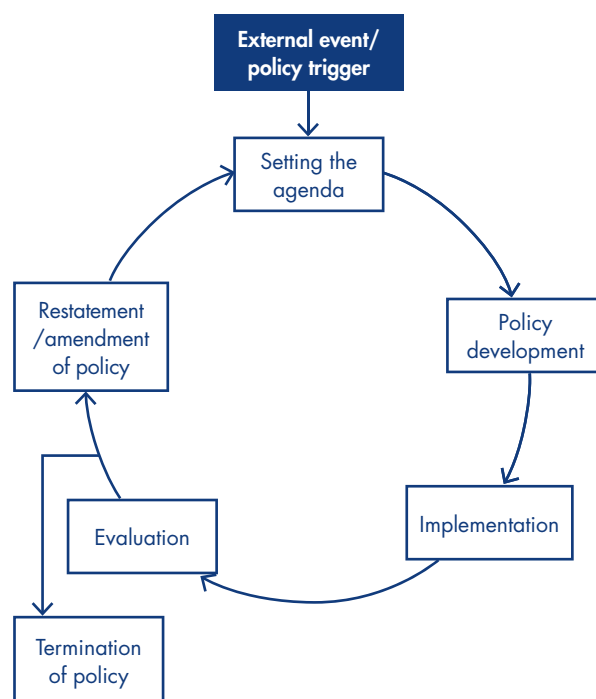
**2.2** Public policy theory illustrates policy development as a continuous process with several key decision making points. The reality of policy making, however, is often different to this systematic and rational process. Political influences and other environmental factors can interrupt the policy cycle at different stages and often adherence to the policy cycle will lapse following implementation (**Figure 11**).

**2.3** The RIA framework aims to provide a structured and robust consideration of evidence to inform decision making at various stages throughout the policy cycle. An RIA is intended to provide a framework for analysing the need for legislation and the range of options for implementation. RIAs are a key tool which can assist in the development of government policy and achieve the Government's aim of regulating only when necessary. We therefore evaluated the role of RIAs in influencing the policy process.

### Setting the agenda

**2.4** In previous years we found that RIAs were often started late in the policy cycle and rarely challenged the need for regulatory intervention.<sup>12</sup> For a sample of RIAs, therefore, we sought to establish how the RIA process fitted into the wider policy development process by tracing the proposal back to its source. This confirmed that Government commitment to a particular course of action, and the early stages of policy formation, may

#### 11 The policy cycle



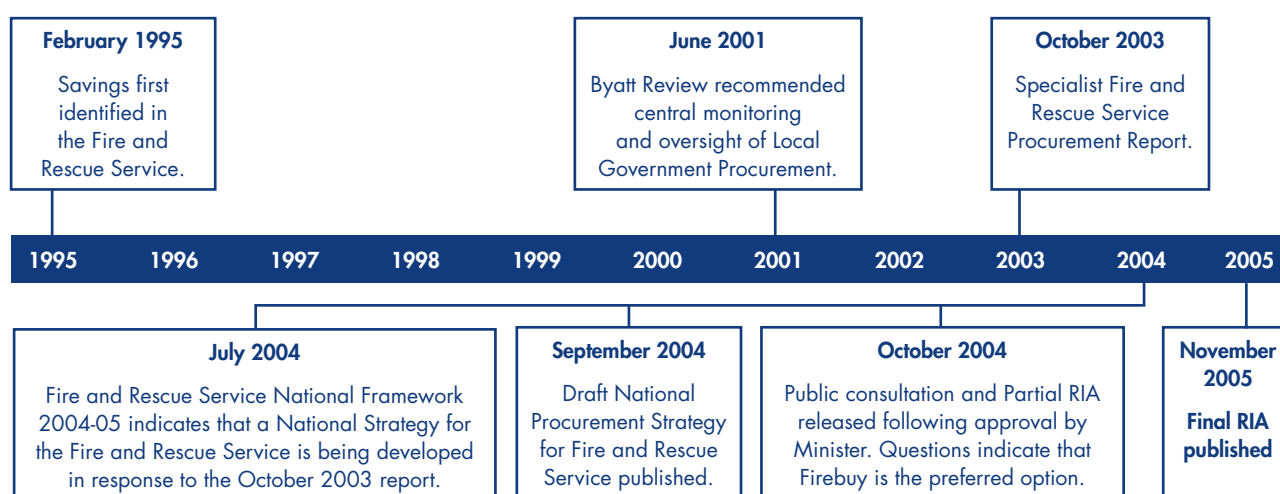
Source: National Audit Office

12 National Audit Office, *Evaluation of Regulatory Impact Assessment 2005-06*, HC 1305, June 2006.

occur months or years prior to the development of RIAs. There is also much work undertaken outside of the RIA process that influences the development of the policy. **Figure 12** shows, for example, that the development of a National Procurement Strategy for the Fire and Rescue Service was considered a number of years earlier and begun in earnest some 15 months prior to the release of the partial RIA. **Figure 13** demonstrates that the commitment to reform how the NHS handled clinical negligence claims was made in May 2001, over four years before the full RIA was published.

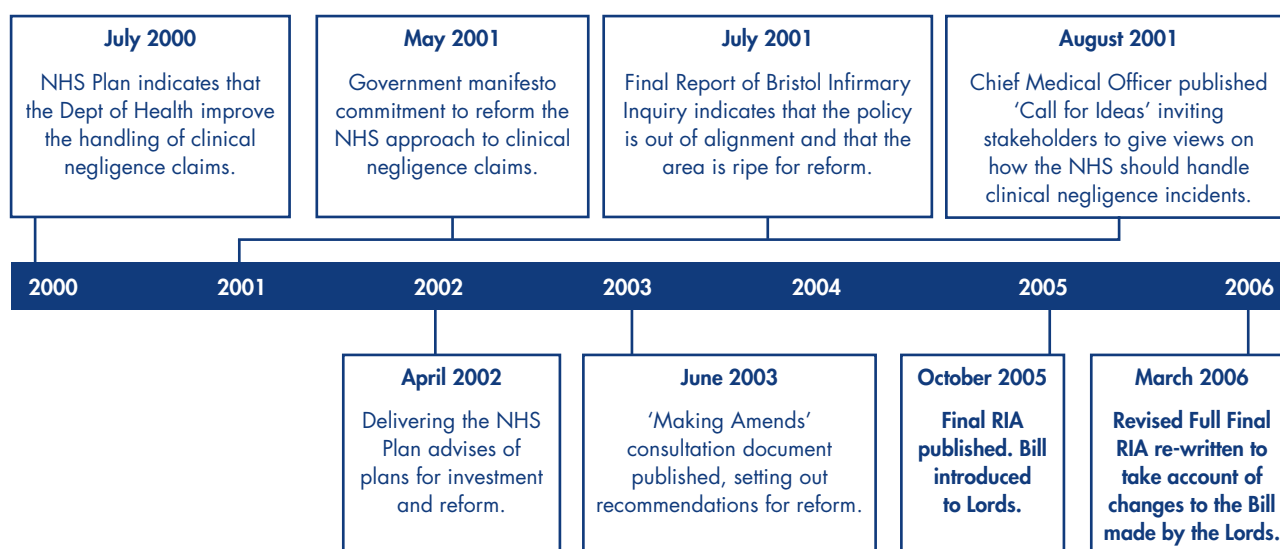
**2.5** The need for regulation ought to be considered at the earliest stages of the policy cycle. We found some instances where policy teams responsible for the RIAs in our sample had adopted the principles of impact assessment prior to starting the RIA, but there was often very little consideration given to regulatory implications at policy formation. The BRE also examined the establishment of PSA targets across Government and found that they encourage regulatory behaviour and there are insufficient incentives to ensure that the regulatory impact and proportionality of the proposal are considered.

## 12 Timeline for the development of the National Procurement Strategy for the Fire and Rescue Service



Source: National Audit Office

## 13 Timeline for the development of the NHS Redress Bill



Source: National Audit Office



**2.6** Our analysis also indicates that the source of the proposal influenced the ability of the RIAs in our sample to challenge the need for regulatory intervention. The need for intervention, for example to comply with binding European legislation, may mean the ‘do nothing’ case is discounted. For 16 of the 19 RIAs in our sample, the policy proposal was linked to previous work undertaken or commitments already given by Government. In all but one of the RIAs, the ‘do nothing’ was not considered as a viable alternative to the regulatory options, and thus provided limited challenge on the need for legislative change or regulatory intervention (**Figure 14 overleaf**).<sup>13</sup> The one exception was the RIA developed in respect of a private member’s bill. It is possible that the case for ‘do nothing’ was considered and discounted earlier in the policy development process, although we were not able to identify any Partial RIAs in the Department of Health or the Department for Communities and Local Government which had reached this conclusion.

**2.7** This demonstrates that, in many cases, RIAs may be an ineffective tool in challenging the need for regulatory intervention<sup>14</sup> as the predetermined policy agenda can have a far greater influence in driving Government action in particular areas. Whilst this is not exclusively the case, for example the Traditional Herbal Medicinal Products RIA was used to inform early discussions in Europe, research shows that there are a range of factors that policy makers take into account in developing policy.<sup>15</sup>

**2.8** Where the ‘do nothing’ option is decided as the preferred option, RIAs remain helpful to understand the consequences of the proposed course of action, although in such circumstances final RIAs may not be published. The revised BRE guidance reiterates the need to use RIAs at the developmental stage of policy formation, but departments should also seek to improve understanding of the principles of impact assessment in order that the need for regulation is considered as early as possible (see Part 3).

## Developing policy

**2.9** Policy making is a multi-dimensional process covering a broad spectrum of issues, from the annual increase of fees through to complex pieces of legislation. The type of legislative and policy instruments can take many forms and the nature of Parliamentary approval also varies. RIAs are required in a consistent format for all policy changes.

**2.10** The varied nature of legislative and policy instruments, or the contextual environment of policy development, often restrict the extent to which the need for regulation is evaluated in RIAs. The RIA for Empty Dwelling Management Orders, examined in our sample, is an example of where the policy options were largely constrained by the preceding primary legislation. In our view, RIAs for secondary legislation<sup>16</sup> would be more effective if they focused primarily on the consideration of the most appropriate method of implementation, rather than a detailed assessment of the costs and benefits of the policy context itself.<sup>17</sup>

**2.11** In some cases, the requirements of the RIA process do not facilitate efficient policy development by failing to consider individual policy changes within the context of wider policy reform. Substantial reform of a policy area usually requires input from different departments and/or amendments to multiple pieces of legislation. The current guidance requires all changes to be accompanied by an RIA, regardless of the wider policy context. For example, the RIA in our sample related to the Functions of Primary Care Trusts for Dental Public Health was developed even though these amendments represented a minor change to existing regulations and were part of a wider reform to dental services. In such circumstances, we consider that the decision to develop an RIA is not straightforward and in many cases may not be an effective use of resources.

**2.12** The application of RIA requirements must adequately reflect the varied nature and realities of policy development. Improved clarity in the guidance and flexibility in application will help to reduce burdens on departments and allow resources to be more effectively deployed. The new guidance and template provides increased flexibility with regard to the presentation of supporting evidence and, within this framework, departments should consider how to use RIAs efficiently in order to add greatest value to the policy making process.

## The use of RIAs in the Parliamentary process

**2.13** Parliament is the principal decision-making body and is responsible for endorsing all legislative proposals. Members of Parliament thus require access to complete, robust and impartial information. RIAs are intended to set out the evidence base for policy decisions and should provide a valuable source of information.

<sup>13</sup> Our analysis was based on desk assessments of final and partial RIAs, and discussions with policy officials.

<sup>14</sup> Ambler, T., Chittenden, F., and Xiao, D., *The Burden of Regulation: Who is watching out for us?*, British Chambers of Commerce, London, 2007.

<sup>15</sup> Dr Gemma Penn: *Analysis For Policy: Elite Interviewing and Evidence Based Policy Making in Government Methodology Institute Seminar Series*, London School of Economics and Political Science, 2006.

<sup>16</sup> Primary legislation establishes the overall objectives of the policy and how it will be delivered. Secondary legislation is subsequently developed within the parameters of the primary legislation and sets out the more detailed requirements.

<sup>17</sup> The ‘do nothing’ should still be included in the RIA as the baseline to evaluate the cost of change.

## 14 Influence of sources of legislation

RIA	Source of proposal
Traditional Herbal Medicinal Products	The provisions transpose and implement the requirements of Directive 2004/24/EC amending Directive 2001/83/EC as regards to traditional herbal medicinal products.
HOME BUY: Expanding the Opportunity to Own	The Homebuy proposals seek to simplify the existing low cost home ownership products in accordance with the recommendation from the Home Ownership Task Force report in November 2003.
Planning Policy Statement 10 – Planning for Sustainable Waste Management	PPS10 responds to specific recommendations in the Strategy Unit's 2002 report 'Waste Not, Want Not' to improve the performance of the planning system. It is also part of the wider planning reform process underpinned by the Planning and Compulsory Purchase Act 2004.
Approved Document F of the Building Regulations: Ventilation	The amendment of Approved Document F was required to address developments that have occurred since its last update. In particular, the amendments to Part L of the Building Regulations.
Amendment to Part L (Conservation of Fuel and Power) Building Regulations 2000	The provisions respond to the Government commitments made in the 2003 Energy White Paper and also implement the technical provisions in the Energy Performance of Buildings Directive (2002/91/EC).
Commission for Social Care Inspection – Regulatory Fees 2006-07	Establishments, agencies and boarding schools within the scope of the Care Standards Act 2000 have been required, where appropriate, to pay fees for registration, variations of registration and annual fees prescribed by the Secretary of State for Health. These provisions deal specifically with the annual increase in fees for 2006-07.
Changes to the Regulatory Framework for Adult Social Care	The Government committed to operating a more risk-based and proportionate model of regulation in accordance with the principles of the 2005 Hampton report. The Government also wanted to make it more explicit, in a statutory framework, that providers of services have a responsibility for the quality of their services.
Functions of Primary Care Trusts (Dental Public Health) Regulations 2006	The Government gave a commitment in 2000 to tackle dental health inequalities. The Health and Social Care (Community Health Standards) Act 2003 legislated for far reaching reform of the NHS dental services.
The NHS Redress Bill 2005	A commitment in the Government's 2001 manifesto to reform the approach to handling clinical negligence claims in the NHS.
Local Government Pension Scheme	A statement by the Deputy PM in March 2005 announced that he was minded to revoke the No.2 Regulations, subject to statutory consultation, and with retrospective effect to 1 April 2005.
Town and Country Planning (Green Belt) Direction 2005	In response to widespread concern about the threats to the Green Belt from development pressures the Government announced its intention to ensure that harmful and inappropriate development in the Green Belt remains an exception by providing additional clarity for planning authorities and applicants.
Regulatory Reform Order (Fire Safety)	The provisions aimed to simplify, rationalise and consolidate existing legislation so that, as far as possible, any premises should be subject to one simple fire safety regime. The potential for reform to the fire safety legislation had been recommended in a number of previous reports.
National Procurement Strategy for the Fire and Rescue Service	The ability to achieve efficiencies in fire and rescue procurement has been highlighted by many reviews dating back to 1995. The Fire and Rescue Service National Framework 2004-05 indicated that a National Procurement Strategy was being developed.
The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005	Enacts the provisions for reform approved by Health and Social Care (Community and Health Standards) Bill 2003, which provided the power to reform the Welfare Food Scheme.
The Prohibition of Abortion Bill	The Government undertook to provide the Parliament with an assessment comparing the benefits and costs associated with maintaining the existing law with the effects of the proposed Private Members Bill.
The Provision of False or Misleading Information	The provisions seek to address an identified issue with the current legislative regime which is at odds with the Good Laboratory Practice Regulations, the new Clinical Trial Regulations and the pharmacovigilance requirements from Directive 2001/83/EC.
Smokefree Aspects of the Health Bill	These provisions relate to legislating the Government's proposed action on second hand smoke as stated in the 2004 Choosing Health White Paper.
Empty Dwelling Management Orders	These provisions relate to the enactment of secondary legislation on Empty Dwelling Management Orders and supplementary provisions for leasehold dwellings under Part 4 of the Housing Act 2004.
Housing Act 2004 – Part 1: Housing Conditions	The repeal of the standard and the introduction of a new framework based on HHRS was adopted as policy following clearance by the relevant Cabinet Committee. The options of no change and the broadening of the existing fitness standard were dismissed before the introduction of the Housing Bill in December 2003.

Source: National Audit Office

Options presented	Do nothing considered as a viable option	Detailed analysis presented	Limited analysis presented
3	No	preferred option only	
4	No	preferred option only	alternatives
2	No	all options	
3	No	preferred option only	alternatives
3	No	preferred option only	
3	No		all options
5	No		all options
2	No		all options
3	No	preferred option only	alternatives
9	No	all options	alternatives
4	No		all options
3	No	preferred option only	
5	No	preferred option only	
4	No	preferred option only	alternatives
2	Yes	all options	
2	No		all options
4	No	all options	
9	No		all options
2	No	preferred option only	alternatives

**2.14** We interviewed committee clerks to gauge the use and influence of RIAs on the work of Parliamentary Committees. They indicated that, due to a lack of awareness and perceived weaknesses in the quality of information presented, RIAs were rarely used to inform the work of the Committees. In instances where they were considered, the value added to the process was questioned. Most often, RIAs were used as an additional source of information on the rationale for and objectives of the proposal, rather than providing a robust evidence base which considered the impacts of the proposal.

**2.15** We also undertook a Hansard search of the 46 Bills considered by Standing Committees in the 2005-06 session to identify how RIAs were used within Parliamentary debate. This also demonstrated that there was limited use of RIAs. We identified 12 references to RIAs in Parliamentary debate although none referred to the analysis contained in the RIA. There was greater reference to RIAs in House of Commons Research Papers. The degree to which information from the RIA was used varied, from the reproduction of the policy background and brief details of the costs and estimates through to extensive referencing of the analysis. In some cases, however, the research papers highlighted concerns regarding the level of analysis and the absence of detailed cost estimates.

## Post implementation review

**2.16** The Cabinet Office guidance requires final RIAs to state how the policy proposal will be reviewed. The RIA should include details of when the review will take place; identify, where possible, who will be responsible for the review; and consider, where relevant, the appropriateness of sunset clauses.<sup>18</sup> A Law Commission report also indicated overwhelming support for increased post legislative scrutiny of public policies and suggests that RIAs should be enhanced to incorporate the criteria for future monitoring and review.<sup>19</sup>

**2.17** In previous reports we have found that the establishment of robust evaluation arrangements was often handled poorly in RIAs.<sup>20</sup> Our assessment of RIAs this year identified continuing weaknesses (see paragraph 1.19 – 1.21) although there were isolated examples of good practice (**Figure 15**). Both the Department of Health and the Department for Communities and Local Government advised, however, that they were seeking to develop a more coordinated approach to post implementation review and, in the first instance, were creating databases to identify which RIAs needed to be reviewed.

**2.18** Given the results of our examinations to date, we sought to establish the approach to post implementation review across all departments. The results of our census indicated that, generally, there is an unstructured and ad hoc approach. Only one department – HM Revenue & Customs – had already established a systematic approach to reviewing the impact of policy changes, including testing the estimates and assumptions provided in the RIA (**Figure 16**) and identifying lessons to refine policy development. Many departments indicated that they were now in the process of establishing more developed systems of post implementation review.

### 15 Good Practice Example – The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005

The development of the Healthy Start Scheme was undertaken in two phases. Phase one involved piloting the programme in Devon and Cornwall. Following the implementation of 'phase one', the operation of the scheme was evaluated to identify any areas for improvement prior to the national roll out. The evaluation also allowed the Department to validate the analysis provided in the RIA for 'phase one' and provided additional evidence to support a cost benefit case for a national roll out of the scheme.

*Source: National Audit Office from Department of Health*

### 16 HMRC case example

HMRC carries out reviews of the compliance cost element within their published RIAs to confirm whether the original assessments were reasonable. The reviews are typically undertaken between one and three years post implementation and are led in-house supported by research from expert independent consultants. The views of business, relevant sector specialists, and representative bodies are collected as part of the review process. This allows HMRC to secure direct feedback from those affected, and to confirm the accuracy or otherwise of past compliance cost assessments.

The reviews are published and learning points identified from the reviews are fed back to relevant policy teams and RIA owners. Similarly, the learning points are fed into the impact assessment process through staff training and improved guidance, which all contribute to improving the quality of compliance cost assessments and RIAs in general.

HMRC policy makers are also required to undertake wider policy evaluations in addition to the Compliance Cost Reviews.

*Source: National Audit Office from HM Revenue & Customs*

<sup>18</sup> A sunset clause is a provision in statute or regulation that terminates or repeals the law, whole or in part, after a specific date unless further legislative action is taken to extend it.

<sup>19</sup> The Law Commission, *Post Legislative Scrutiny (Law Com No 302)*, October 2006.

<sup>20</sup> National Audit Office, *Evaluation of Regulatory Impact Assessment 2005-06*, HC 1305, June 2006.

**2.19** Departments highlighted resource and time pressures as the most common barrier to the completion of evaluations; while senior management commitment, pressure from external stakeholders and political influence were the most common factors which assisted completion (Figure 17, and Figures 18 and 19 overleaf).

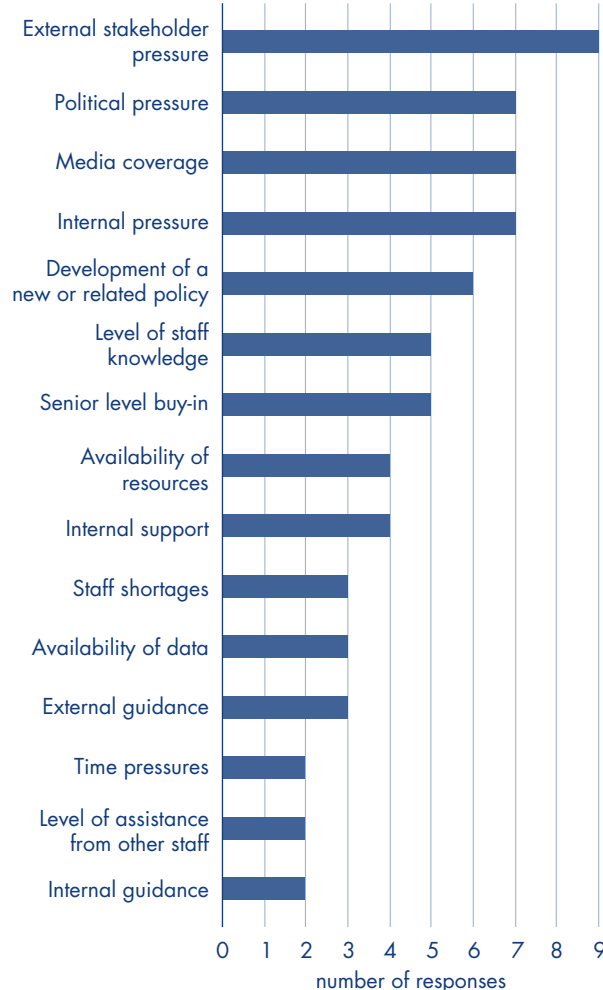
**2.20** The failure to establish a sound program of post implementation review is a missed opportunity. Evaluation completes the policy cycle and allows policy officials to ascertain the extent to which stated objectives are being achieved; to assess the accuracy of the expected impacts; and to identify any unintended or unforeseen consequences. Feedback from reviews can allow policy teams to identify where improvements can be made to optimise the benefit delivered or to reduce the regulatory burden. It also highlights valuable lessons learned which can be used to enhance the effectiveness of impact assessment.

**2.21** The results of our survey also highlighted that there is insufficient consideration of the wider regulatory environment when developing new policies. Eight out of 12 departments indicated that existing regulations were only ‘sometimes’ reviewed prior to development of new proposals. We consider it beneficial for departments to undertake a review of the existing regulatory environment prior to developing new proposals. Developing effective and proportionate regulatory proposals will be assisted by a thorough understanding of the existing measures and such information will also assist departments meet their simplification obligations.

**2.22** The following measures would encourage a greater number, and better quality, reviews to be undertaken:

- Senior management actively promote the value of post implementation review.
- Departments should commit to undertaking a number of reviews each year and publish the results.
- Departments should use post-implementation review to contribute to other better regulation initiatives, such as the objective to reduce the burden of regulation.
- Responsibility for undertaking reviews should be allocated to named policy officials.
- Departments should share experiences and innovative approaches to improve the effectiveness of reviews.

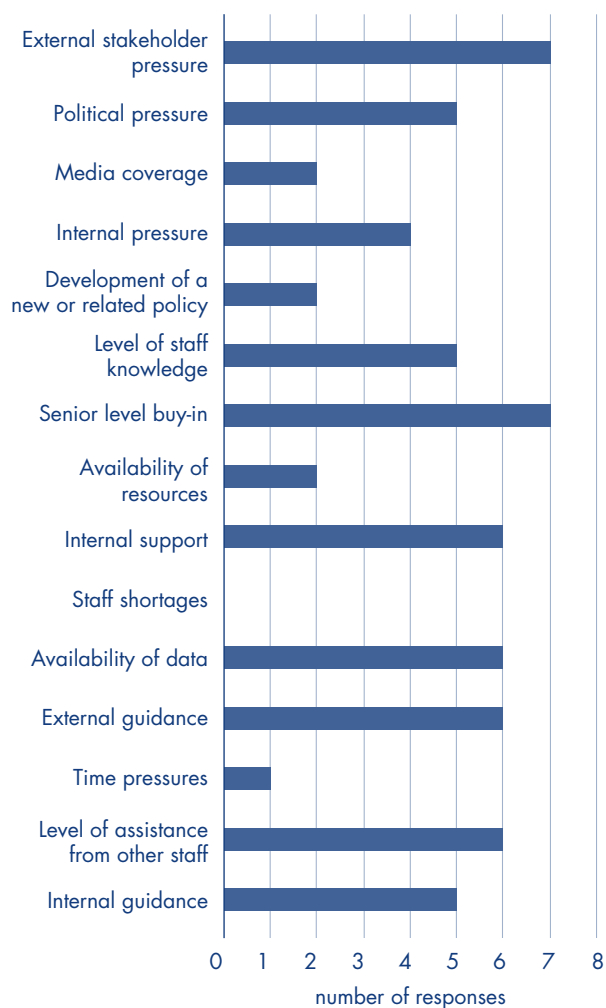
## 17 Factors influencing whether a post-implementation review was initiated



Source: National Audit Office

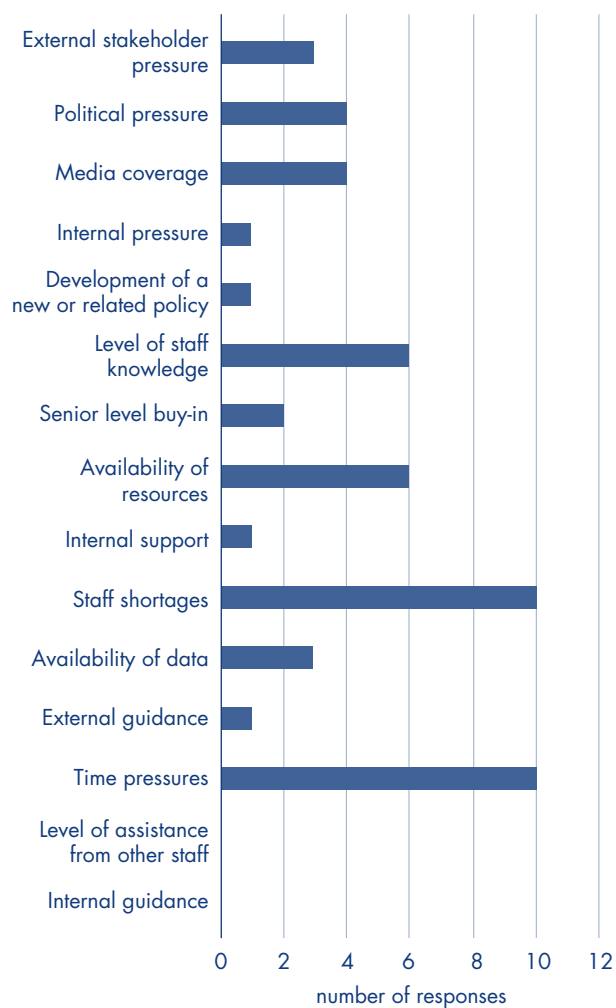


## 18 Drivers assisting completion of post-implementation reviews



Source: National Audit Office

## 19 Barriers hindering completion of post-implementation reviews



Source: National Audit Office

# PART THREE

## Improving the use and quality of Regulatory Impact Assessments across Government

**3.1** This part considers the factors that are needed to encourage the development of high quality RIAs. It considers the role of the BRE and departments in providing guidance and support to policy officials. We found:

- the BRE's guidance and role has been under development for the last 12 months, which resulted in much uncertainty for departments in trying to encourage the effective use of RIAs;
- departments have developed their own guidance and training to support policy makers. This is encouraging and departments need to exploit the opportunity created by the introduction of the BRE's revised guidance; and
- there are insufficient incentives to encourage the development of high quality RIAs or hold policy officials to account for the quality of RIAs. Some progress has been made but there is a need to strengthen accountability mechanisms.

**3.2** Appropriate governance arrangements and adequate support and guidance are the key to improving the quality of RIAs. To deliver high quality RIAs, departments need to: provide policy officials with an appropriate level of support; and establish organisational processes to provide the necessary expertise and challenge on the development of policy proposals.

**3.3** The responsibility for the achievement of the objectives of Better Regulation is shared across government, with the BRE and departments having specific and complementary roles (**Figure 20 overleaf**). We therefore explored the views, from Better Regulation Units across government, on the role and support given by the BRE. We also examined how the Department of Health and the Department for Communities and Local Government, under the leadership of the BRE, have established the right conditions to encourage effective RIAs, and hence good policy making.

### Support to policy officials

#### i) BRE guidance

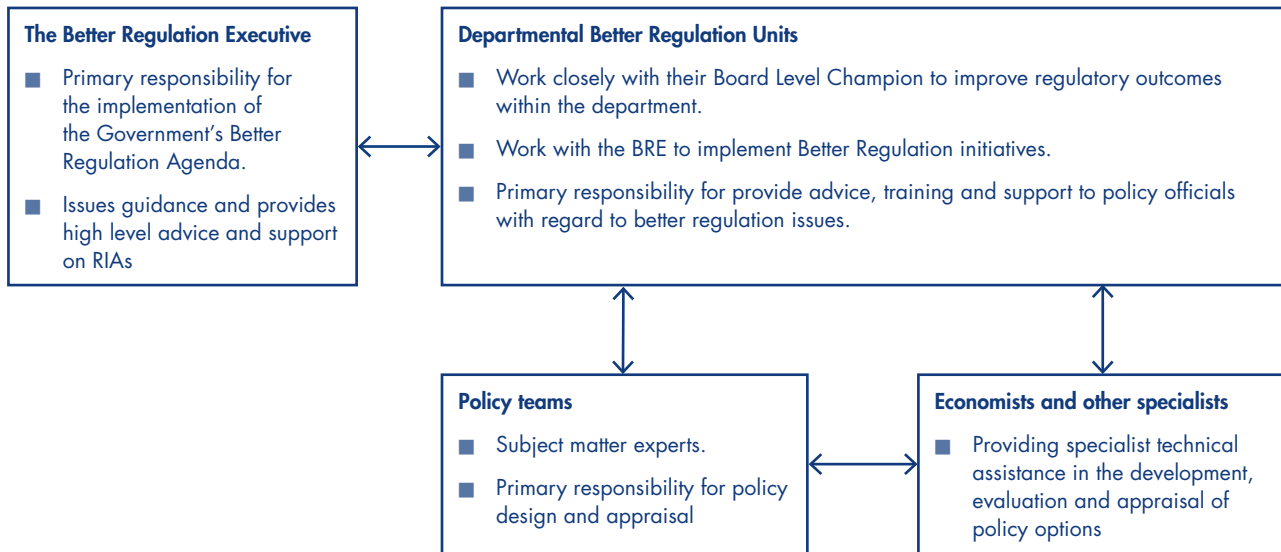
**3.4** In response to on-going weaknesses in RIAs<sup>21</sup>, the BRE has developed new guidance and a supporting toolkit. The BRE consulted on proposed changes to RIAs in July 2006 and started to phase in the new arrangements from May 2007. The revisions, which will be compulsory from November 2007, have been subject to extensive debate which led to the postponement of the introduction of new requirements. The new guidance aims to ensure that the cost and benefit information is presented in a much more transparent way, and that RIAs are carried out and updated throughout the policy making cycle.

**3.5** Although the previous guidance remained in place, the period during which the guidance was under review created uncertainty. This was prolonged by postponements to the introduction of the new guidance and template. There was a lack of clarity on the coverage and future direction of RIAs, and policy officials were unsure of when the new requirements would be introduced. Revisions to the guidance, however, were necessary as many officials commented that the old guidance was too long, overly prescriptive and complex.

**3.6** The new guidance has sought to address previous deficiencies and has improved during the period of consultation. There is a need, though, for departments to supplement the BRE guidance to provide greater clarity on the circumstances when an RIA is needed; the benefits of using RIAs; and how to tailor RIAs to the policy context to ensure an appropriate level of analysis.

21 National Audit Office, *Evaluation of Regulatory Impact Assessment 2005-06*, HC 1305, June 2006.

## 20 Roles and responsibilities of those promoting the Better Regulation agenda



Source: National Audit Office

### ii) BRE support

**3.7** The strength of the relationship between the BRE and better regulation teams in departments is crucial. The nature of the BRE's interaction has changed from scrutiny and challenge on individual RIAs to the provision of more strategic support and advice to help strengthen departmental capability. The BRE and departments have started to establish memorandum of understanding to ensure the respective roles are clarified and understood.

**3.8** We sought the views of all departments on the strength of the working relationship with the BRE. Departments generally understood the aims of the BRE's initiatives and the challenges they face implementing the Better Regulation agenda. There were some concerns, however, on the adequacy of communication, tight deadlines for responding to a range of initiatives and a lack of coordination from the BRE. The recent changes to the BRE structure and communications strategy appear to have helped to improve the working relationship and started to encourage a more unified approach.

### iii) Training

**3.9** The provision of training on Better Regulation generally, and RIAs specifically, is the primary responsibility of departments. The BRE does not provide a central or co-ordinating role although it is providing transitional training on the implementation of the new guidance. The introduction of the new guidance will provide a fresh opportunity to promote the importance of RIAs and improve understanding of their role.

**3.10** The Department of Health and the Department for Communities and Local Government have recognised the need to promote RIAs and the principles of impact assessment across all levels of the departments. The Department of Health has introduced a significant and coordinated approach to improve policy making and have incorporated the use of RIAs into mainstream departmental training material (Figure 21). The Department for Communities and Local Government advised that they are in the process of integrating Better Regulation training into departmental induction training and have updated the intranet site to provide information and advice on a variety of Better Regulation initiatives, including the use of RIAs to inform evidence-based policy making and the reduction of administrative burdens.

## Departmental incentives for high quality RIAs

### i) Departmental governance arrangements

**3.11** The development of robust governance arrangements, fully integrating the use of RIAs, will assist departments to achieve the objectives of Better Regulation by generating the right incentives to encourage high quality policy making.

**3.12** The Department of Health has taken positive steps to promote the use of RIA and mainstream the principles of Better Regulation into its working practices (**Figure 22**). The Departmental Management Board Policy Committee has publicly stated the importance of and its commitment to improving their policy making and has introduced a system of policy governance to assist them in attaining this goal. We welcome these developments but they are still relatively new and, as yet, the impact is unproven.

## ii) Scrutiny and challenge

**3.13** For the past four years, the NAO has evaluated a sample of RIAs. Post implementation reviews can help improve the quality of RIAs over time but has limitations, including limited coverage and the inability to influence quality during the process. As the BRE no longer routinely reviews individual RIAs there is limited independent scrutiny, which increases the need for departments to develop effective systems to review and challenge quality.

**3.14** The level of challenge within departments varies:

- The Department of Health is seeking to improve the scrutiny and challenge of policy proposals. The Better Regulation Unit reviews the majority, although not all, of the department's RIAs, and a number of specialist areas from across the department provide input and challenge throughout development. The Department has also set out its expectations for the minimum level of quality assurance and sign off within the department.
- In the Department for Communities and Local Government, the Better Regulation Unit provides a challenge role, although responsibility for submitting RIAs lies primarily within the policy teams. The economic and legal sections also provide additional challenge for some RIAs. The Department for Communities and Local Government is responding to the need to strengthen their use of evidence and data in policy making by increasing the number of economists by 30 per cent and ensuring that all programme boards include a senior analyst. In addition, they are in the process of establishing expert panels comprising representation from academia, relevant think tanks and delivery partners to provide an external challenge on the evidence base which will feed into RIAs.

**3.15** There is also, however, scope for a more systematic approach to peer review to ensure expert challenge is provided on policy proposals. Such input and advice should be sought at the early stages of policy development and throughout the process.

## 21 Training and development initiatives within the Department of Health

Using the Professional Skills for Government Framework as a base, the Department's commitment to policy training includes:

- three training courses on policy development and knowledge, concentrating on: building good slide packs to clarify policy; the baseline knowledge of Department business; and the legal and other processes that are now requirements for policy making;
- Department of Health policy masterclass comprising in-house seminars learning from previous policy development and implementation;
- e-learning programmes that can be completed in stages, such as *Policy Initiation* which covers project management, using evidence, costing, option development and appraisal and procedures. This programme fully integrates, and promotes the use of, RIAs as a tool to assist policy officials, provides worked examples and also identifies examples of good practice within the department; and
- *Policy Specialist Site* to provide guidance designed to help officials across the Department involved in developing or maintaining policy. It aims to provide a one-stop resource of guidance and advice, and provides contacts for further information.

Source: National Audit Office from the Department of Health

## 22 Steps taken by the Department of Health to improve the standard of policy making and embed better regulation principles

An improved system of policy governance led by the Departmental Management Board's Policy Committee is underpinned by a commitment to develop, empower and support policy makers in policy making. The Department's current approach includes:

- publication of the Policy Committee *Better Policy Making* report and workshops across every directorate of the department;
- the introduction of the Policy and Business Grid providing a monthly high level summary for Ministers on the Department's policy and business;
- establishing a horizon-scanning function to bolster the department's forward looking capability; and
- developing tools to evaluate the effectiveness of policy governance.

Source: National Audit Office from the Department of Health

# APPENDIX ONE

## Evaluation of Regulatory Impact Assessments in the NAO sample

### Department of Health – Traffic Light Assessment of Regulatory Impact Assessments

	Scope and purpose	Consultation	Costs and benefits	Compliance and enforcement	Implementation, monitoring and evaluation	Competition assessment
Commission for Social Care Inspection – Regulatory Fees 2006-07	●	●	●	N/A	●	●
Changes to the Regulatory Framework for Adult Social Care	●	●	●	●	●	●
Functions of Primary Care Trusts (Dental Public Health) Regulations 2005	●	●	●	●	●	N/A
The Prohibition of Abortion Bill	●	●	●	●	●	●
The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005	●	●	●	●	●	●
The Provision of False or Misleading Information	●	●	●	●	●	●
Traditional Herbal Medicinal Products	●	●	●	●	●	●
The NHS Redress Bill 2005	●	●	●	●	●	●
Smokefree Aspects of the Health Bill 2005	●	●	●	●	●	●



## Department for Communities and Local Government – Traffic Light Assessment of Regulatory Impact Assessments

	Scope and purpose	Consultation	Costs and benefits	Compliance and enforcement	Implementation, monitoring and evaluation	Competition assessment
Planning Policy Statement 10 – Planning for Sustainable Waste Management	●	●	●	●	●	●
Regulatory Reform Order (Fire Safety)	●	●	●	●	●	●
Local Government Pension Scheme	●	●	●	N/A	●	N/A
Empty Dwelling Management Orders	●	●	●	●	●	●
Town and Country Planning (Green Belt) Direction 2005	●	●	●	N/A	●	●
Housing Act 2004 – Part 1: Housing Conditions	●	●	●	●	●	●
Approved Document F of the Building Regulations: Ventilation	●	●	●	●	●	●
Amendment to Part L (Conservation of Fuel and Power) Building Regulations 2000	●	●	●	●	●	●
National Procurement Strategy for the Fire and Rescue Service	●	●	●	●	●	●
HOME BUY: Expanding the Opportunity to Own	●	●	●	●	●	●

## APPENDIX TWO

### Previous NAO findings on Regulatory Impact Assessments

We have examined RIAs for the past three years and reported our findings in an annual Compendium Report.<sup>22</sup> The results have identified shortcomings in the use of RIAs as a policy development tool. This appendix summarises our findings.

#### 2003-04

In 2003-04 we undertook an examination of 10 RIAs from across government. The RIAs selected in the sample reflected suggestions received from the Better Regulation Taskforce. We found that:

- Some of the RIAs were started after the policy decision had been taken and did not, therefore, inform the decision-making process. Only two RIAs considered a range of options, including alternatives to regulation, and six did not include a discussion of the do nothing option. Whilst all but one had a risk assessment section, none included a description of the counterfactual.
- Consultation was generally the strongest element. Thorough, clear and highly accessible public consultations were undertaken in most cases which explained the regulation and its expected impacts. However, the use made or perceived to have been made of the responses varied considerably.
- Nine of 10 RIAs included quantified cost estimates; however, only three included monetised or quantified estimates of benefits. The RIAs tended not to include quantified estimates of costs or benefits, which were largely represented by single point estimates rather than ranges. Only one presented the results of sensitivity testing on key assumption.

- All of the RIAs in the sample assumed 100 per cent compliance, which may have been unrealistic. Only half discussed enforcement and sanctions at all and only one provided estimates of the likely costs of enforcement.

#### 2004-05

In our 2004-05 we again assessed a sample of 10 RIAs. The sample again took account of suggestions from the Better Regulation Taskforce. The report found that:

- Eight out of ten RIAs contained good or acceptable problem definitions, with quantified estimates in four of them. The extent to which RIAs could consider a full range of options was limited because they were started at a late stage in the decision-making process. Nine of the ten RIAs did however include a do nothing option.
- Consultation was generally done well. Nine of the ten RIAs undertook formal consultations. The Partial RIAs and consultation documents were clear and explained well the relevant department's expectations of impacts.
- Eight of the ten RIAs included some quantified assessments of costs. However, only four RIAs in the sample attempted to quantify the benefits. Some of the quantified estimates in the RIAs were presented as single point estimates, but they failed to clearly reflecting the underlying uncertainties.
- Departments did not present their consideration of different levels or patterns of compliance. Four out of the ten provided a reasonable description of the monitoring and evaluation procedures, such as when and how reviews would be undertaken.

<sup>22</sup> National Audit Office, *Evaluation of Regulatory Impact Assessment 2003-04*, HC 358, March 2004.  
National Audit Office, *Evaluation of Regulatory Impact Assessment 2004-05*, HC 341, March 2005.  
National Audit Office, *Evaluation of Regulatory Impact Assessment 2005-06*, HC 1305, June 2006.

- Four of the ten RIAs led to some changes in policy, ranging from minor refinements to the department deciding not to regulate at all. One in particular showed how the RIA process can have a major impact on the policy making process.
- We identified three approaches to preparing RIAs, differentiated in terms of their technical quality and their influence on policy-making:
  - **Pro-Forma RIAs:** These have no impact on policy and are produced merely because there is an obligation on departments to do so and may be started after the decision has been made. This can lead to poor RIAs as they may be inadequately resourced and produced too quickly.
  - **Informative RIAs:** These have limited impact on policy as they are not integrated into the policy-making process; for example, they may have been started fairly late. Although the RIA will have only limited relevance, a department can still produce a high quality RIA that clearly outlines the expected impacts, and is therefore a useful communication tool.
  - **Integrated RIAs:** These inform and challenge policy-making. These RIAs are started early and are properly resourced, which allows better gathering and analysis of evidence. In these cases the RIA can help shape the policy making process and communicate the reasons for the department's decision to regulate in the chosen way. In some cases the role of the RIA in challenging policy makers will lead them to a non-regulatory response.
- RIAs were often not used in the right way. Our analysis showed that the RIA process was often ineffective if started late, the policy area was politically sensitive or regulations needed to be introduced quickly. The purpose of RIAs was not always understood; there was a lack of clarity in the presentation of the analysis; and persistent weaknesses in the assessments. As a result, RIAs were only occasionally used to challenge the need for regulation and influence policy decisions.
- There were examples of good practice, with strong performance in consultation, and improved practices in assessing a range of regulatory options. The weakest area was the consideration of the level of compliance with the proposed regulation and only two of 12 RIAs showed good quality analysis in this respect. Too many RIAs either neglected any consideration of this issue or unrealistically assumed full compliance. There was also room for improvement in considering how to implement, monitor and evaluate the recommended option. Departments have focused primarily on the introduction of new regulations and had largely neglected to evaluate the impact of new regulation after it is introduced.
- Due to a lack of integration into the policy process too many RIAs fall into the category of pro-forma. They are carried out too late and used to 'rubber stamp' a decision which has already been taken. RIAs have, therefore, not altered the way that Government develops new policies and challenges the need for regulation.
- Departments had made insufficient progress in embedding Regulatory Impact Assessment into their processes and culture. This was partly due to an insufficient allocation of resources by departments to this area of work and the competing pressure of the Administrative Burdens Reduction measurement exercise.

## 2005-06

In this report we selected four departments on which to focus our examination: Trade and Industry, Home Office, Transport and Culture Media and Sport. The departmental focus allowed us to better understand departments' approaches to RIAs and the departments selected offered a cross-section in terms of size and involvement in regulatory activity. The selection of the departments was influenced by the Better Regulation Commission. The sample contained 14 RIAs: five from the Home Office, four from Trade and Industry, three from Transport and two from Culture Media and Sport. The report found that:

## APPENDIX THREE

### Scope and methodology

This year we sought to examine whether the RIA process was effectively challenging the need for new regulation and improving the quality of the regulation introduced. We considered the following key issues:

- 1 Are the principles of impact assessment being applied throughout the policy process?
- 2 Are there adequate mechanisms in place to encourage the development of high quality RIAs and to improve departmental performance?
- 3 Are departments producing high quality RIAs, in particular using timely and robust evidence?
- 4 Are departments using ex-post evaluation to assess the impact of regulation?

We focused our study on departmental approaches. This year's examination is based on the Department of Health and the Department for Communities and Local Government. The Department of Health is ranked fourth in terms of the number of RIAs published and the Department for Communities and Local Government is ranked seventh. The inclusion of the Department of Health in this year's evaluation means that we have now reviewed four out of the five top departments for producing RIAs; last year's report examined Trade and Industry, Transport and Home Office all of which are ranked in the top five.

The Department for Communities and Local Government was included in this year's study because of its wide ranging policy context and its interaction with various sectors. This enabled an examination of the use and effectiveness of RIAs in departments with different backgrounds.

#### Use of impact assessment throughout the policy process

We selected a random sample of RIAs from our focus departments to develop a case history of the policy process undertaken prior to and including the production of the RIA. The aim is to establish how the department identified the various options and the processes it used to agree those options taken forward in the RIA. We also examined how effective the RIA process was in policy development within the focus departments.

#### Mechanisms to encourage high quality Regulatory Impact Assessments

We examined the mechanisms in place to encourage and assist policy makers to develop high quality integrated RIAs. We focused our attention on three specific areas.

First, we examined the role of, and guidance provided by, the Better Regulation Executive in assisting departments in the development of RIAs. We examined available guidance issued by the BRE and undertook a review of the way in which the BRE has carried out the revision of the RIA guidance. We also held discussions with representatives of departmental Better Regulation Units to obtain their views of the guidance, assistance and support provided by the BRE.

Second, we examined the role of the Better Regulation Units within our focus departments. We looked for the internal guidance and procedures available to assist policy makers to effectively integrate RIAs into the policy making process. We also examined internal departmental controls for the production of RIAs, including their accountability arrangements for the quality of the RIA. This examination involved interviews with officials and a review of available documentation.

Third, we interviewed five Committee Clerks to examine the extent to which RIAs are being used by the Parliament to assist them in their role as policy decision makers. We also undertook a search of Hansard to identify references to RIAs in Parliamentary debate, answers to Parliamentary questions and library research papers.

## Evaluation of the Quality of Regulatory Impact Assessments

As in previous years, we reviewed a sample of RIAs. We chose a random sample of 19 RIAs including nine from the Department of Health and 10 from the Department for Communities and Local Government<sup>23</sup> completed during the period of April 2005 – March 2006. The sample gave us good coverage of the departments' RIAs (they published a total of 45 in 2005-06). A list of RIAs is provided in Appendix 1.

The RIAs were reviewed using the evaluative criteria that we developed in the previous three years of evaluating RIAs. The questions cover six main areas of the RIA process and are outlined in [Figure 23 overleaf](#). We examined files relevant to the RIA process and undertook interviews with key staff involved in the development of the RIA.

In addition to applying the test pro-forma, we focused our attention on the quality of the evidence base which underpins the analysis of costs and benefits of the policy options. We sought advice from an internal NAO panel of experts. The panel members were provided with the RIA and were asked to identify any relevant costs and benefits of the proposed policy option that may not have been included in the RIA. We also sought advice on the

quality of the evidence that has been used to support the analysis of costs and benefits, including whether it might have been possible to quantify any of the qualitative data presented and whether the sources of information used were appropriate.

The panel consisted of:

- members from the NAO's performance audit teams for each of the focus departments;
- members of the NAO's Economic and Statistics Practice Area;
- a member of the NAO's Regulation Practice;
- a NAO staff member with detail knowledge of sustainable development issues.

We combined the results from all sources and scored each criterion for the RIAs. We used the 'traffic light system' from last year's report to present our findings. A 'green' assessment indicates good quality analysis; 'amber' indicates some good assessment but room for improvement; and 'red' indicates some major defects in the analysis. 'White' rankings were used to illustrate instances where the criterion had been assessed as not applicable for particular RIAs. The findings of our evaluations were then cleared with the individual policy teams responsible for the development of the RIA.

Due diligence checks were undertaken on a selection of our RIA evaluations by a research team at the University of Exeter. This enabled us to check the consistency of our assessments and identify any potential bias.

## Post implementation reviews of regulations

We sought to examine the extent of ex-post evaluation undertaken within departments. We undertook a census of all departmental Better Regulation Units to determine the current state of play with respect to ex-post evaluations. The census examined the governance structures in place for ex-post evaluations; the extent of ex-post evaluations; and identified the drivers and barriers to evaluating regulations.

<sup>23</sup> The random sample included two separate but related RIAs contained in the one Regulatory Impact Assessment document – the Amendment to Part L (Conservation of Fuel and Power) Building Regulations 2000 and Approved Document F of the Building Regulations: Ventilation. The study team decided, for completeness and given the availability of resources, to evaluate both RIAs resulting in a total of 10 RIAs from the Department for Communities and Local Government.



## 23 Six areas covered in RIA evaluation

### Framework of questions for the evaluation of RIAs

i) Was the scope and purpose of RIAs clearly defined?

Were the objectives for the regulation clear?

Was there a realistic timetable to allow a robust process?

Did the department define the problem clearly?

Did the RIA consider a range of options?

Were alternatives to regulation considered?

ii) Was consultation effective?

Was effective consultation started early in the process?

Were appropriate techniques used?

Did the department explain clearly the impact of regulation?

Were all interested stakeholders consulted, including within Government?

Were the impacts on small businesses considered?

Were the results of consultation used appropriately?

iii) Did the department assess costs and benefits thoroughly and realistically?

Were all parties on whom costs would fall identified?

Were all likely realistic and relevant impacts identified?

Were the costs and benefits to small businesses identified?

Were costs and benefits quantified, and where not, was qualitative analysis provided?

Did the assessment take account of uncertainty?

Were the costs and benefits of all options considered?

Was the methodology for quantifying/scoring the costs and benefits robust?

iv) Did the RIA realistically assess compliance?

Was possible non-compliance factored into the analysis?

Was the existing level of compliance assessed?

Were ways of increasing compliance considered?

Were enforcement costs considered?

v) Will the regulation be effectively implemented, monitored and evaluated?

Did the RIA contain details of how the department intended to implement the regulations?

Did the RIA contain procedures for monitoring and evaluating the extent to which the regulation meets its objectives?

Did the RIA provide a reporting timescale for evaluations?

vi) Did the RIA consider the impact of the regulation on competition?

Did the RIA include a Competition Assessment, including the results of the OFT filter test?

Was a more detailed assessment of competition undertaken?

Were the conclusions on the impact of competition well-founded and presented?

Did the department consult with the OFT?

## Expert Panel

We continue to use our Regulation Expert Panel to test our methodology and key findings at various stages of the study. They provided us with informed comment on the scope of the study, the framework methodology, our preliminary findings, and the draft of the Compendium Report. Our expert panel consists of:

- Professor Rob Baldwin, a Professor of Law at the London School of Economics where he teaches Regulation and is the Director of the LSE Short Course on Regulation;
- Professor Claudio Radaelli, Anniversary Chair (Political Science) and Jean Monnet Chair in EU Policy Analysis at the University of Exeter, where he directs the Centre for Regulatory Governance;

- George Yarrow, the Director of the Regulatory Policy Institute (RPI), Emeritus Fellow of Hertford College, Oxford and an adviser to a number of regulatory agencies;
- Michael Spackman, a 'special advisor' at NERA Economic Consulting, and Visiting Fellow of the Centre for Analysis and Risk Regulation, London School of Economics and Political Science; and
- John Howell, Director, John Howell & Co. Ltd, a risk and regulatory consultancy.

## APPENDIX FOUR

## Publications on Better Regulation Issues

Ambler, T., Chittenden, F. and Xiao, D.: *The Burden of Regulation: Who is watching out for us?* The British Chambers of Commerce, April 2007.

Ambler, T. and Chittenden, F.: *Deregulation or Déjà Vu?: UK deregulation initiatives 1987/2006*, The British Chambers of Commerce, January 2007.

Baldwin, R.: *Is Better Regulation Smarter Regulation?*, 2005 Public Law 485

Corporation of London: *Evaluating Better Regulation: Building the System*, September 2006.

Dodds, A.: 'The Core Executive's Approach to Regulation', from 'Better Regulation' to 'Risk-Tolerant Deregulation', *Social Policy and Administration*, 40(5), 526-542, 2006.

Hahn, R and Litan, R: *Evaluating the New Executive Order on Regulation*, House Investigation and Oversight Subcommittee Science and Technology Committee, April 2007.

Hahn, R and Tetlock, P: *Has Economic Analysis Improved Regulatory Decisions*, AEI-Brookings Joint Center for Regulatory Studies, April 2007.

Keyworth, T.: *Measuring and Managing the Costs of Red Tape: A Review of Recent Policy Developments*, Oxford Review of Economic Policy, Vol. 22, No. 2, Summer 2006.

Penn, G.: *Analysis For Policy: Elite Interviewing and Evidence-Based Policy Making in Government Methodology Institute Seminar Series*, London School of Economics & Political Science, 2006

Radaelli, C. M. and De Francesco, F.: *Regulatory Quality in Europe: Concepts, Measures and Policy Processes*, Manchester University Press, 2007.

The Law Commission: *Post Legislative Scrutiny (Law Com No 302)*, October 2006.

The Small Business Council: *Review of Regulatory Impact Assessments*, March 2007.

The British Chambers of Commerce: *Burdens Barometer 2007*.

Weatherill, S. (eds): *Better Regulation*, Hart, June 2007

Wiener J.B.: "Better Regulation in Europe" (October 1, 2006), Duke Law School Working Paper Series – Paper 65, Duke University Work School, available at: [<http://lsr.nellco.org/duke/fs/papers/65>]; also published in *Current Legal Problems*, 2006.

Design and Production by  
NAO Marketing & Communications Team  
DP Ref: 7514VA

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