

Administrative Burdens of Regulation – Communities and Local Government

Administrative Burdens of Regulation – Communities and Local Government

As part of its strategy for driving down the administrative burden of complying with regulations, government departments commissioned PwC to work with business and the voluntary sector to estimate the administrative costs of regulation.

This report, produced by the Better Regulation Executive alongside Communities and Local Government, provides a high level summary of the burdens imposed by the Department and is adjusted to take account of activity that business would choose to do even if the regulation did not exist (business as usual or BAU); all other adjustments are described in the Annex. This report should be read alongside the Department's Simplification Plan which sets out a programme of reform to reduce these burdens.

Communities and Local Government administrative burdens relative to the cross-government Admin Burden total:

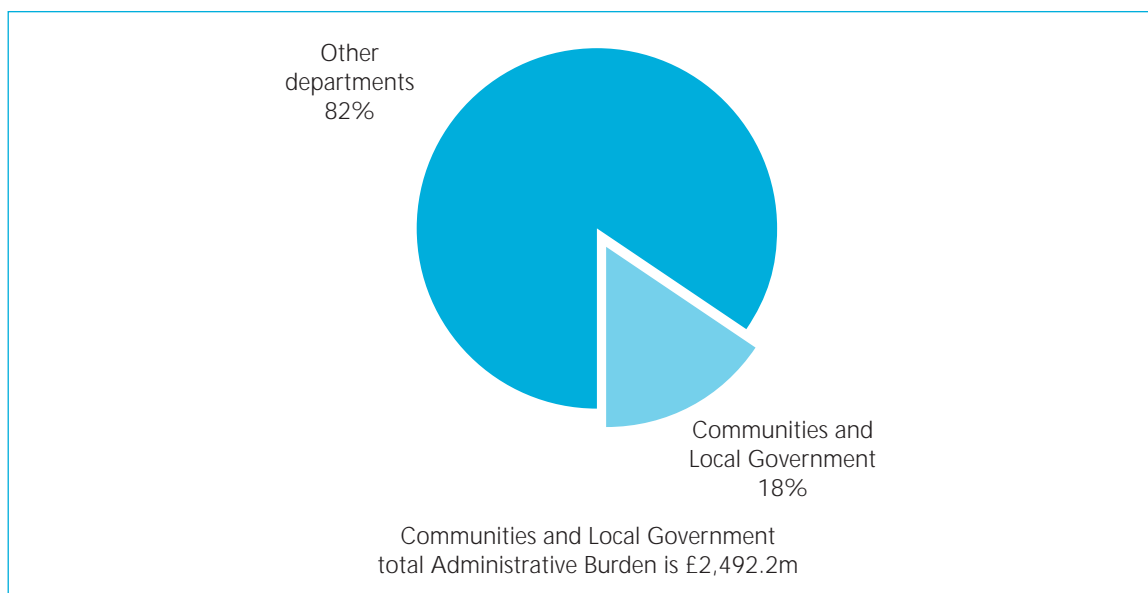


Table 1 – Top 5 Regulations (which represent approx. 80% of total burden)

This table shows, for each of the Department's 5 most burdensome regulations: the administrative burden and the proportion of the departmental total the regulation accounts for; how the cost breaks down by source; and whether costs are incurred in providing information to government or third parties either directly or through contracts with suppliers.

Communities and Local Government

| | | | % Cost by Origin | | | % Cost – Non-Third Party | | % Cost – Third Party | |
|--|---------------------|------------------|------------------|-------------|--------------|--------------------------|---------------|----------------------|---------------|
| Regulation Name | Admin Burden (£m's) | % of Dept. Total | A | B | C | Internal Cost | External Cost | Internal Cost | External Cost |
| Town and Country Planning Act 1990 | £1,162.9 | 46.7% | 0.0% | 0.0% | 100% | 18.1% | 81.9% | 0.0% | 0.0% |
| Building Regulations 2000 | £386.8 | 15.5% | 0.0% | 0.0% | 100% | 29.6% | 28.8% | 5.2% | 36.4% |
| Housing Act 1985 | £237.5 | 9.5% | 0.0% | 0.0% | 100% | 91.0% | 1.5% | 4.6% | 3.0% |
| Town and Country Planning (General Development Procedure) Order 1995 | £169.8 | 6.8% | 0.0% | 0.0% | 100% | 71.5% | 14.7% | 13.8% | 0.0% |
| Service Charges (Consultation Requirements) (England) Regulations 2003 | £95.6 | 3.8% | 0.0% | 0.0% | 100% | 0.0% | 0.0% | 81.6% | 18.4% |
| Other Regulations | £439.7 | 17.6% | 4.5% | 0.0% | 91.0% | 48.7% | 23.5% | 20.4% | 2.8% |
| Total | £2,492.2 | 100% | 0.5% | 0.0% | 99.5% | | | | |

Table 2 – Top 10 Information Obligations (which represent approx. 70% of total burden)

Government regulations often consist of a number of separate obligations on business and the voluntary sector. To make progress in reducing the administrative burden it is important to know the costs of each of the individual obligations. This table shows the estimated administrative burden for the Department's 10 most burdensome obligations.

Communities and Local Government

| Information Obligation Description | Regulation Name | Admin Burden (£ms) |
|---|--|--------------------|
| Applying for planning permission. | Town and Country Planning Act 1990 | £1109.9 |
| Observing proper standards of management as manager of house(s) in multiple occupation. | Housing Act 1985 | £206.8 |
| Providing a form of certificate to certify on the day 21 days before the date of the accompanying application/appeal nobody, except the applicant/appellant, was the owner of any part of the land to which the application/appeal relates. | Town and Country Planning (General Development Procedure) Order 1995 | £128.2 |
| Submitting a notice to the local authority detailing the intention to commence building work. | Building Regulations 2000 | £81.3 |
| Providing full plans to the local authority regarding building work or a material change in use of a building. | Building Regulations 2000 | £78.6 |
| Providing a certificate to the occupier of a building which states that building regulations have been complied with and correct materials were used (while not mandatory in all cases, it is usually provided). | Building Regulations 2000 | £74.8 |
| Providing copies of the relevant matters (for example, the works to be carried out) to a tenant on request, in relation to works carried out and (where agreed) a service charge levied. | Service Charges (Consultation Requirements) (England) Regulations 2003 | £51.0 |
| Consulting with the fire and rescue authority about the proposed responsibility for contraventions of requirements imposed by a fire certificate.. | Fire Precautions Act 1971 | £48.9 |
| Providing information on the operation and maintenance of the heating and hot water systems to the building owner and/or occupier, in an accessible format, in each new dwelling, and whenever systems in an existing dwelling are substantially altered. | Building Regulations 2000 | £35.8 |

(continued on next page)

| Information Obligation Description | Regulation Name | Admin Burden (£ms) |
|--|--|--------------------|
| Applying for consent from your local planning authority in connection with a listed building or conservation area. | Planning (Listed Building and Conservation Areas) Regulations 1990 | £32.5 |
| Other Information Obligations | Other Regulations | £644.5 |
| Total | | £2,492.2 |

Table 3 – Breakdown of Information Obligation Types

This table shows how the administrative burden and the proportion of the departmental total breaks down by type of information obligation.

Communities and Local Government

| Information Obligation Type | Costs | |
|--|---------------------|-----------------------|
| | Admin Burden (£m's) | % of Department Total |
| Applications for permission for or exemption from... | £1,347.4 | 54.1% |
| Providing statutory information for third parties | £373.7 | 15.0% |
| Cooperating with audits/inspections of... | £228.8 | 9.2% |
| Notification of activities | £220.3 | 8.8% |
| Returns and reports | £177.7 | 7.1% |
| Framing complaints and appeals | £47.0 | 1.9% |
| Applications for authorisation | £46.6 | 1.9% |
| Keeping records | £26.8 | 1.1% |
| Carrying out inspections of... | £15.9 | 0.6% |
| Applications for subsidies or grants for... | £5.3 | 0.2% |
| Statutory labelling for the third parties | £2.3 | 0.1% |
| Updating commercial emergency plans & programmes | £0.2 | 0.0% |
| Entry in a register | £0.1 | 0.0% |
| Total | £2,492.2 | 100.0% |

Glossary

| | |
|-------------------------------|---|
| Administrative costs | The costs of administrative activities that businesses are required to conduct in order to comply with the information obligations that are imposed through central government regulation. These include, for example, form filling, keeping records or responding to information requests. |
| Administrative burden | The costs of administrative activities over and above what a business would choose to do in the absence of the regulation. |
| 'Business as usual' | A measure of the activity that organisations would choose to do in the absence of the regulation. All figures in this publication allow for 'business as usual' costs. |
| Standard Cost Model | A pragmatic methodology that provides systematic measurement of the administrative costs of regulation ² . |
| Cost by Origin | A measure of how the administrative burden of the regulation is split between different categories according to the origin of the requirements of the regulation. |
| 'Category A' | Requirements that are international in origin with no domestic discretion in how they are implemented. |
| 'Category B' | Requirements that are international in origin with some domestic discretion in how they are implemented. |
| 'Category C' | Requirements that are domestic in origin. |
| Information Obligation | A specific requirement that must be fulfilled in order to comply with a regulation. Regulations often consist of a number of separate information obligations. |
| Non-Third Party Costs | Costs relating to obligations to provide information to a public authority. |
| Third Party Costs | Costs relating to obligations to provide information to any person or organisation that is not a public sector body, for example employees, consumers or other stakeholders. |
| Internal Cost | Costs incurred within an organisation's existing resources (such as staff time) in order to comply with a regulation. |
| External Cost | Costs that an organisation incurs as a result of using external services (such as fees for professional advice or for specialist IT equipment) in order to comply with a regulation. |

² For further details see: <http://www.cabinetoffice.gov.uk/REGULATION/reform/simplifying/scm.asp>

Annex

Machinery of Government changes

After the measurement exercise was conducted, changes to departmental responsibilities across government (Machinery of Government changes) resulted in the responsibility of some regulations being moved to a different department. The details of these changes are listed below.

Machinery of Government changes

| Regulation Name | Measured under | Responsibility moved to |
|--|-------------------------------------|----------------------------------|
| All regulations | Office of the Deputy Prime Minister | Communities and Local Government |
| Sex Discrimination (Questions and Replies) Order 1975 | Department for Trade and Industry | Communities and Local Government |
| Equal Pay (Questions and Replies) Order 2003 | Department for Trade and Industry | Communities and Local Government |
| Sex Discrimination (Formal Investigation) Regulations 1975 | Department for Trade and Industry | Communities and Local Government |
| Race Relations Act 1976 | Home Office | Communities and Local Government |

Other Adjustments

When the original measurement took place, householder planning applications were not considered to have an impact on business and were therefore excluded from the baseline. However, research¹ after measurement indicated otherwise, and an estimate of the administrative costs (£192m) was added to the Department's baseline.

¹ <http://www.communities.gov.uk/index.asp?id=1501259>