

## Better Regulation

The Cabinet Office does not legislate in high volumes and as such produces very little regulation of its own. Key functions of the Cabinet Office are to co-ordinate and promote good policy-making across government. It also has a key role to play in delivering the Government's Better Regulation agenda.

## Simplification and Administrative Burden reductions

The Better Regulation Executive within Cabinet Office plays a key role in delivering the simplification programme across government. The Cabinet Office is not a significant regulator itself but does have units and agencies that contribute to regulation. As with all government departments, the Cabinet Office published its own simplification plan in December 2006 which will be reviewed and updated every year. With a measured burden at £15.4 million per year, the plan sets out how it will achieve over 30% savings in two main areas – the Third Sector and Security, Intelligence and Resilience.

Following the Civil Contingencies Act 2004, three **non-legislative simplification measures** have been introduced in 2006 to ensure that the requirements of the legislation do not impose a disproportionate burden on those affected. These include revisions to the Civil Contingencies websites; establishment of a 'one-stop shop' online portal to manage the demand for information from the transport and utilities sectors; and a project to identify and disseminate good practice on newer aspects of the legislation, producing centrally provided material where appropriate.

**Delivery of Regulatory Reform Orders (RROs):** On 8 January 2007, the Legislative and Regulatory Reform Act 2006 (LRRRA) got Royal Assent. It replaces the Regulatory Reform Act 2001 and will make it easier and quicker to remove outdated legislation by Legislative Reform orders. The first orders are in preparation – including one to simplify local authority consent requirements.

The **Hampton Review** recommended that action needed to be taken to make inspection and advice services of local authorities and national regulators more consistent across the country, and recommended that a Consumer and Trading Standards Agency be created to coordinate this work. In the Pre-Budget Report (December 2005), it was announced that the Government intended to proceed through the creation of a new **Local Better Regulation Office**. The Cabinet Office, working with HM Treasury and DTI, is currently driving this work forward and the Local Better Regulation Office was established on 4 May 2007. The new organisation would be set up on a statutory footing under legislation being prepared by the Cabinet Office.

**To improve stakeholder engagement,** the Cabinet Office launched the web portal [www.betterregulation.gov.uk](http://www.betterregulation.gov.uk) in September 2005. It is the means by which better regulation audiences – businesses, third sector organisations and front-line public sector staff – can submit ideas to simplify regulation to government. In response to feedback and to increase stakeholder participation by making the process more transparent and government more accountable, the web portal was revised and re-launched in May 2007.

A key element of making simplification work is achieving a change in the **culture** of government. The Cabinet Office believes that understanding what it feels like to be regulated and listening to what difficulties our stakeholders experience is essential if we are to promote the agenda and tackle the issues. We have and will continue to encourage Better Regulation Executive staff to spend time with businesses and the front line, and bring what they have learnt back to the office and to their work with the rest of government.

The Cabinet Office is working with departments to **improve Regulatory Impact Assessment quality**. In summer 2006, the Cabinet Office launched *The Tools to Deliver Better Regulation*, a consultation on reforms to Regulatory Impact Assessments. On 14 May 2007, the Government launched the new Impact Assessment. The revised process and guidance aims to embed Impact Assessments at the heart of policy making; to improve the quality of economic and other analysis that underpins policy making; and to increase the transparency of Impact Assessments.

The Cabinet Office also published **Administrative Burdens – Routes to Reduction**. This guidance has been developed for policy officials who are developing new policy, as well as those who are making administrative burdens reductions within their departmental Simplification Plan. The guide provides examples of some approaches taken by departments to help provide inspiration for creative and strategic approaches to reducing administrative burdens.

The Cabinet Office has conducted **4 formal public consultations** since January 2006: the final Legislative and Regulatory Reform Bill, reforms to improve impact assessments, the Social Enterprise Action Plan (ongoing) and the Third Sector Review jointly undertaken with HM Treasury. **All lasted 12 weeks.**

The Cabinet Office European Secretariat works with the Better Regulation Executive and Whitehall to ensure that departments are aware of the **European Commission's** work streams and better regulation priorities. The Cabinet Office has successfully influenced the European Commission's approach to administrative burden reduction with the European Council agreeing to a target to reduce administrative burdens by 25% by 2012.

The Cabinet Office has not implemented any **European legislation** in the period covered by this report and there are no forthcoming Cabinet Office regulations that impact on business. Therefore, no **Common Commencement Date Statement** was made. This will be reviewed in June 2007.

## Sustainability

The Cabinet Office is committed to embedding sustainable development issues in all we do.

The Cabinet Office's first Sustainable Development Action Plan has been developed to demonstrate how the Cabinet Office will continue to support, contribute to and deliver the commitments and objectives within the UK sustainable development strategy, *Securing the Future*, that apply to the Cabinet Office. The Action Plan builds on past successes and highlights what we will do to continually improve our performance.

In seeking to minimise and continuously reduce the negative environmental impacts of our day-to-day estate management operational activities, we have implemented an ongoing system of environmental management and improvement. This enables us to measure and monitor our impacts, commit to improvements within set timeframes and report publicly on progress. Our Environmental Management System is certified to ISO14001 environmental standards.

Details of how we minimise any adverse effects of our activities are contained in our Environmental Policy and progress towards meeting cross-departmental and local targets will be published annually.

We are equally committed to achieving the targets for sustainable operations on the government estate launched by the Prime Minister in June 2006. These new targets replace those in the *Framework for Sustainable Development on the Government Estate* (originally published between 2002 and 2004).

## Public Appointments

This section covers the Non-Departmental Public Bodies sponsored by the Cabinet Office and a number of units and organisations that have links to the Cabinet Office but whose work does not contribute directly to the achievement of the Department's objectives or whose funding arrangements are separate.

### Civil Service Appeal Board

The Civil Service Appeal Board is an independent body sponsored by the Corporate Development Group. It hears appeals from civil servants and staff bodies which offer analogous terms and conditions of service against:

- dismissal and early retirement;
- the non-payment of compensation or the amount of compensation paid under the Civil Service Compensation Scheme to civil servants dismissed on inefficiency grounds;
- refusal to allow participation in political activities; and
- forfeiture of superannuation.

If the Board concludes that a Department or Agency's decision has been unfair, it has the power, as appropriate, to:

- recommend reinstatement, reinstatement with a lesser penalty or re-engagement;
- order the payment of compensation in line either with Employment Tribunal guidelines (in dismissal appeals) or under the inefficiency terms of the Civil Service Compensation Scheme;
- recommend the granting of permission to take part in political activities; or
- order the payment of compensation.

The Civil Service Appeal Board is chaired by an external recruit supported by two Deputy Chairs, one appointed from the management side and the other from the trade union side. They are supported by 18 Board members, nine from the management side and nine from the trade union side. All appointments to the Board are made in line with the guidance on public appointments to advisory non-departmental public bodies issued by the Office of the Commissioner for Public Appointments.

You can access more information, including the Board's Annual Report, on the website at: [www.civilserviceappealboard.gov.uk](http://www.civilserviceappealboard.gov.uk)

### House of Lords Appointments Commission

The House of Lords Appointments Commission makes recommendations on the appointment of non-party political peers. The Commission also vets for propriety nominations for life peerages, including those made by the political parties.

You can find more information at: [www.lordsappointments.gov.uk](http://www.lordsappointments.gov.uk)

## Capacitybuilders

Capacitybuilders was established in April 2006 with responsibility for managing the ChangeUp programme for financial years 2006–07 and 2007–08. ChangeUp is a government funding programme, developed with voluntary and community organisations, to build capacity and infrastructure in their sector.

Capacitybuilders' mission is to secure a high-quality, sustainably funded infrastructure for front-line voluntary and community organisations. This will allow organisations to achieve their aims better and use their resources more effectively. Their vision is of a third sector that is independent, innovative, flexible, responsive and sustainable, and that achieves its full potential in:

- service delivery;
- social innovation;
- policy analysis;
- campaigning; and
- exercising its voice or representational role.

The legal form of Capacitybuilders is a Company Limited by Guarantee; it has not been established in statute. Capacitybuilders is led by a board of ten directors. Seven of the directors are ministerial appointments and are non-executive directors.

For further information, see: [www.capacitybuilders.org.uk](http://www.capacitybuilders.org.uk)

## Futurebuilders Advisory Panel

The Futurebuilders Advisory Panel was set up in 2005 originally by the Home Office to provide independent advice to Ministers on how the Futurebuilders programme is progressing. This responsibility was transferred to the Cabinet Office in summer 2006. The Advisory Panel acts as a 'critical friend' to the programme and provides a sounding board for Ministers.

The Futurebuilders programme is a new concept in public funding for the third sector. The emphasis is on a range of investments and loans rather than grants, so it is very important to ensure that we all learn as much as possible about how it works and how effective it is at helping the third sector to deliver more effective public services.

The Advisory Panel is chaired by Baroness Jill Pitkeathley, and the other members are:

- Dr Mohammed Amran;
- Mr Imtiaz Farookhi;
- Ms Margaret Hyde;
- Mrs Pamela McHale;
- Mr Bhupendra Mistry;
- Ms Maureen Salmon;
- Ms Anna Southall;
- Mr Ted Unsworth; and
- Ms Sarah Wood.

The Panel was appointed after public advertisement and we have been fortunate to attract people who have such wide-ranging experience and knowledge across the public, voluntary and private sectors. In addition, the Panel is advised by observers (senior officials) from key departments of state with an interest in the third sector.

The Advisory Panel has been set up as a Non-Departmental Public Body and its terms of reference are to:

- advise on progress, effectiveness and future developments relating to the fund;
- scrutinise and evaluate the activities of the fund; and
- influence the development of the fund.

The Advisory Panel works in close cooperation with the Futurebuilders Board and with its other evaluation programmes, while maintaining the independence that a 'critical friend' requires. Members of the Advisory Panel are undertaking a number of activities, including a programme of service visits to increase their knowledge and receive direct feedback from investees and potential investees.

For further information, see: [www.futurebuilders-england.org.uk](http://www.futurebuilders-england.org.uk)

## **Commission for the Compact**

The Commissioner for the Compact, John Stoker, took up office in October 2006, and the Commission was formally launched during April 2007. It is being established as an independent body sponsored by the Office of the Third Sector, in consultation with Compact Voice.

The aim of the Commissioner is to promote good practice in partnership working between government and the voluntary and community sector through the Compact, overseeing its operation. The Compact on relations between government and the voluntary and community sector, first introduced in 1998, is the framework agreement for how they should work together for mutual benefit. The Commissioner will:

- research key issues and problems;
- publish findings and recommendations;
- investigate the position on Compact adherence;
- work with Government Departments and others to assess their systems for ensuring Compact compliance and advise on how to embed the Compact in their corporate cultures; and
- make advice and information on best practice available to Compact partners at all levels in both sectors.

Further information can be found at: [www.thecompact.org.uk](http://www.thecompact.org.uk)

In the run-up to the launch of the Commission, the Cabinet Office has incurred expenditure on implementation and other costs.

## Advisory Committee on Business Appointments

The Advisory Committee on Business Appointments provides advice to the Prime Minister on applications from the most senior members of the Civil Service and Armed Forces who wish to take up outside appointments within two years of leaving Crown service. Similarly, the Committee provides advice to the Foreign Secretary on applications from senior members of the Diplomatic Service. The Committee also offers advice direct to former ministers if they wish to accept any employment outside government. You can find more information at: [www.acoba.gov.uk](http://www.acoba.gov.uk)

## Better Regulation Commission

The Better Regulation Commission (BRC) was launched in 2006 following the Government's decision to put the Better Regulation Task Force (BRTF) onto a permanent footing. It exists to provide independent advice to government, from business and other external stakeholders, about new regulatory proposals and about the Government's overall regulatory performance.

The BRC has continued the challenging role carried out by the BRTF, as well as taking on new responsibilities including vetting departmental plans for simplification and administrative burden reduction.

The BRC is an independent advisory body whose terms of reference are to:

- reduce unnecessary regulatory and administrative burdens; and
- ensure that regulation and its enforcement are proportionate, accountable, consistent, transparent and targeted.

The work of the BRC includes:

- challenging departments and regulators to ensure that regulation and its enforcement accord with the five principles of good regulation;
- vetting plans from departments and regulators to reduce administrative burdens;
- scrutinising progress by departments and regulators to reduce wider burdens, including use of alternatives and deregulation;
- investigating specific regulatory and policy issues and making recommendations to Government through published independent reports for Government to respond to within 60 days; and
- working with business and other external stakeholders in the EU Member States, and the EU Institutions, to promote better regulation in Europe.

The scope of the work carried out by the BRC covers the private sector, public sector, voluntary sector and EU regulatory issues.

The BRC has continued the BRTF's tradition of researching and publishing studies of particular regulatory issues. These reviews are taken forward by sub-groups of Commission members who set their own working methods and priorities.

During the period under review, the BRC published the following reports:

- *Implementation of the Licensing Act 2003* (April 2006) which looked at the lessons that could be learnt from the implementation of this Act;
- the revised *Five Principles of Good Regulation* (April 2006);
- *Risk, Responsibility and Regulation* (October 2006) which examines the UK's disproportionate attitude to risk and the effect this has on the way risk is managed; and
- its Annual Report 2006 which looked at the highlights of the year and the challenges ahead.

The BRC also published its official responses to every government department's simplification plan.

You can find out more about the Better Regulation Commission and its work at: [www.brc.gov.uk](http://www.brc.gov.uk)

## Senior Salaries Review Body

The Senior Salaries Review Body provides independent advice to the Prime Minister, the Lord Chancellor and the Secretary of State for Defence on the remuneration of senior civil servants, holders of judicial office and senior members of the Armed Forces. It also advises the Prime Minister from time to time on the pay, pensions and allowances of Members of Parliament and ministers and, if asked to do so, it may advise the devolved administrations and Greater London Authority on the remuneration of their members and office holders.

Appointments to the Review Body are made in accordance with the requirements of the Commissioner for Public Appointments. Its secretariat is provided by the Office of Manpower Economics.

More information about the Office of Manpower Economics and the Senior Salaries Review Body can be found at: [www.ome.uk.com](http://www.ome.uk.com)

## Main Honours Advisory Committee

The Main Honours Advisory Committee is formed by the chairs of the eight specialist committees which look at nominations for honours from members of the public, government departments and others. Other members of the committee are the Chief of Defence Staff, the Permanent Secretary, Foreign and Commonwealth Office and another Permanent Secretary. The Committee is chaired by the Cabinet Secretary and Head of the Home Civil Service.

The Committee, and the sub-Committees, each normally meet twice a year to consider candidates for the New Year and Birthday Honours rounds. The Main Honours Advisory Committee was established as part of the programme of reform to the honours system set out in Cm 6479: *Reform of the Honours System*, published in February 2005. The individual specialist committees comprise a non-civil service chair and a majority of non-

civil service members, all selected after open advertisement. There are also permanent secretaries and other officials on the specialist committees, depending on the subject matter. Details of the composition of the committees can be found at: [www.honours.gov.uk](http://www.honours.gov.uk)

## Committee on Standards in Public Life

The Committee on Standards in Public Life is an advisory non-departmental public body. It is charged to examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations for any changes in present arrangements that might be required to ensure the highest standards of propriety in public life.

To fulfil this role and in addition to its formal inquiries, reports and research into public attitudes, the Committee devotes time throughout the year to discussing current issues and concerns relating to standards in public life. These considerations may, and sometimes do, result in full-scale inquiry. Even where no inquiry is conducted, these are regarded by the Committee as a useful check on current standards and the effectiveness, or otherwise, of the arrangements in place to ensure the highest standards of propriety in public life.

The Committee's consideration of these specific standards issues takes place within an overall appreciation of the level of trust in public institutions. The issues considered by the Committee come from a wide range of sources, including correspondence received, debates in Parliament and issues raised by the media. Not all these issues are about 'current concerns' with standards in public life. The Committee is equally interested to see and consider issues that demonstrate that arrangements already in place are working to ensure the highest standards of propriety in public life.

The Committee reports to the Prime Minister, who appoints the chair and members. You can find the Committee's consultation papers, reports and evidence submitted, and other publications at: [www.public-standards.gov.uk](http://www.public-standards.gov.uk)

## Security Commission and Security Vetting Appeals Panel

The Security Commission and Security Vetting Appeals Panel are independent bodies sponsored by the Intelligence and Security Secretariat (Security Policy Division).

**The Security Commission** is available, at the request of the Prime Minister, to investigate and report on the circumstances in which a breach of security has occurred in the public service and to advise whether any change in security arrangements is necessary or desirable.

The current membership of the Commission is Sir Charles Mantell (Deputy Chairman), Sir John Foley, Sir Clive Whitmore and Sir John Goulden. There are currently three vacancies.

**The Security Vetting Appeals Panel** exists to provide an independent avenue of appeal for existing staff and contractors whose security clearance has been refused or withdrawn and to make recommendations to the appropriate head of department.

The current membership of the Panel is Dame Janet Smith (Chairman), Sir David Penry-Davey (Deputy Chairman), Sir Peter Woodhead, Sir John Blelloch, Dr George Gray and Mr Peter Jones.

## **Advisory Committee on Advertising**

The Advisory Committee on Advertising is a group of recognised industry experts providing independent validation that government advertising is conducted in an effective, transparent and efficient manner. Its role is to help government ensure that its development of advertising and buying of advertising and media is done in a way that ensures best value for the taxpayer.

Members are appointed by and report to the Minister for the Cabinet Office.

The Government Communication Group provides a secretariat service.





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