



department for
**culture, media
and sport**

Lifting the Burden

Improving and Realising Community Capacity

December 2006

improving
the quality
of life for all

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

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Section 1: Foreword

1. This simplification plan is the first by DCMS. It takes as its starting point the Department's strategic aim: to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence and champion the tourism, creative and leisure industries.
2. Where DCMS is most directly involved in regulation – licensing, gambling and broadcasting – we have already consulted extensively, and drawn on the lessons learnt in introducing legislation with a strong deregulatory focus. While the step-change in these areas is only recently underway, we will continue to work with regulators and with other responsible bodies, remaining alert to opportunities to reduce burdens further through best practice initiatives.
3. In other areas – the Lottery, for example, and the visitor economy – we are used to seeing ourselves as active enablers and promoters, and not as regulators. Preparing this plan has been a healthy reminder to us that, even in these areas, the standards that we set, and our requirements for compliance and accountability, impose burdens. We are working to give such burdens a higher profile in our Departmental culture, to ensure that we do not underestimate them. Alongside this, we have begun to develop tools for consistent and accurate analysis and cost calculation, and the application of best administrative practice.
4. Many of the burdens that cause the greatest concern to the people with whom we deal are imposed by other Government Departments. They arise, for example, not because an organisation is a sports or heritage body, or has a grant from the Lottery, but from obligations as an employer, taxpayer or landowner, or for similar reasons. Simplification planning across Government, and the challenge and coordination that the Better Regulation Commission and Executive are able to give, can make an important contribution to ensuring that scrutiny and challenge apply no less rigorously to these cross-cutting concerns than to issues and burdens of purely Departmental scope.
5. This plan reflects the commitment of DCMS Ministers and officials to better regulation and the reduction in burdens imposed by and removal of unnecessary and disproportionate bureaucracy. We see this as central to our contribution to the Government's objective of high and stable levels of growth and employment in the UK, as well as to good regulation and administrative burdens reduction best practice. We will work hard with the Better Regulation Commission and Executive, and with all others concerned, to see that this plan lives and grows, and that the reductions that it identifies in burdens, now and in the future, are delivered.

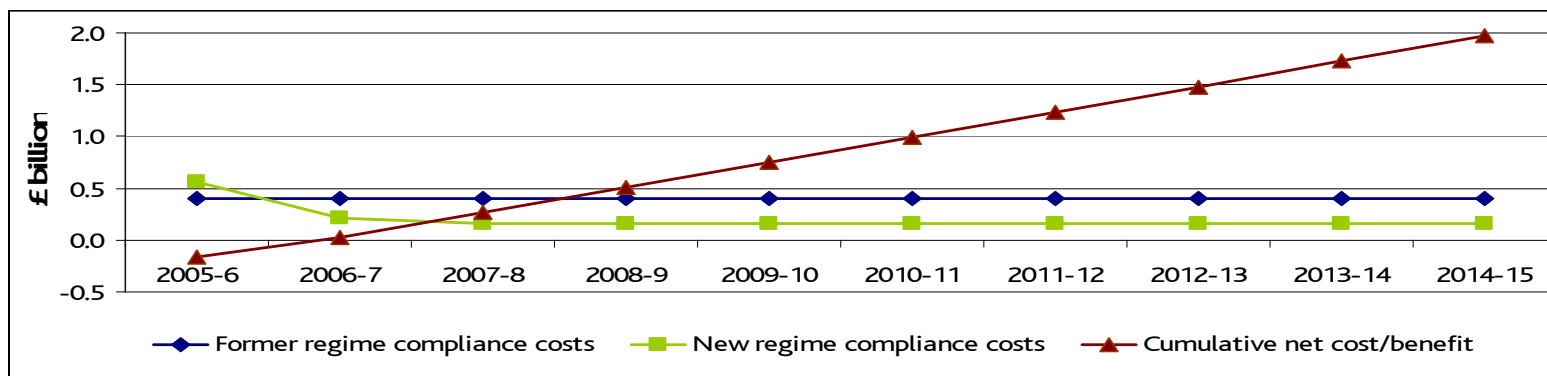
Section 2: Introduction

Administrative Burdens Reductions and Simplification

6. DCMS, in conjunction with the Better Regulation Executive and other Whitehall Departments, has undertaken an exercise to identify and measure the burden its regulations impose on businesses. The results from this study indicate that as of May 2005, the 35 regulations for which DCMS is responsible, impose in the region of £343 million annually on UK businesses excluding business as usual costs (BAU see annex A and table 1), with the bulk of that burden arising from Licensing (54 percent), Gambling (20 percent), Legal Deposits (14 percent) and Broadcasting (8 percent).
7. As a result of our reform programme and through this plan, DCMS will reduce the current burden by at least 30 percent during the lifetime of this simplification plan. Together and with the simplification and administrative burdens reduction ushered in by the new Licensing Act 2003, this equates to an annual reduction of £102 million from an admin burden total of £343 million. Detailed background about our reforms and new proposals from each of the policy areas are given below.
8. In other policy areas like Sport, Arts, Culture and Heritage, the Department is working with our partners and stakeholders to simplify processes and systems and foster a culture of better regulation and continuous improvement in the way we implement our policies, paying regard to the Better Regulation (BR) principles.
9. In those areas where we have not already done so, and where the Department does not directly regulate and relies on external partners and NDPBs for the delivery of our policy objectives, relevant policy divisions will by the 31 March 2007:
 - Further consult stakeholders about regulations or policies that cause the most burdens or irritations
 - Working with their NDPB partners, detail how they will review and reduce the burdens caused by those policies or regulations, undertaking detailed assessments of the burdens imposed using the standard cost model (SCM) to establish a baseline which will inform future policy development as well as our efforts to minimise policy costs
 - Set out clear timescales and key milestones for delivery and any performance management arrangements
 - Ensure that this process takes place alongside and is integral to policy development, especially those which effect better regulation
10. In addition to the quarterly DCMS NDPB better regulation network forum that we host, the aim of which is to communicate the BR message to key officers within our partner organisations and agencies, policy divisions will be hosting periodic cross sectoral seminars themed around the better regulation agenda similar to the one held earlier in 2006 which will explore policy specific issues in relation to this agenda. The next one is scheduled to take place in January 2007.

Major Reforms

11. In recent years (i.e. since 2001), the Department has had a heavy programme of radical review and reform in the areas for which it is responsible. In each case, the starting point has been extensive consultation of stakeholders and the public. Legislation has already followed on licensing, broadcasting, gambling and the distribution of National Lottery proceeds to the good causes. In each case, the Department has taken the opportunity to apply the better regulation principles: Accountability; Proportionality; Consistency; Transparency; Targeted. This has led to some solid achievements in better regulation and burden reduction.
12. **Licensing.** The Licensing Act 2003 took full effect in November 2005. Although this was a radical simplification – consolidating eight licensing regimes in a single system – many businesses and other organisations found the transition period difficult. Upfront costs were incurred in getting to grips with the new requirements and forms. Although this pressure was expected, it makes delivering the forecast benefits of reform all the more important.



Estimated costs and benefits (£billion) @ 2003 prices – Source: Licensing Act Regulatory Impact Assessment

13. The Regulatory Impact Assessment forecast that, over 10 years, the new system will reduce licensing processes from 16 million to 2 million, and the number of hearings from 2 million to 200,000. This will reduce compliance costs to businesses and licensees by £2 billion over that period, much of which relates to the previous cost of legal advisers supervising the administrative processes that have now disappeared. The calculation of net benefits is conservative, and it includes the predicted heavy start-up costs incurred during the transitional period in 2005. In terms of administrative burdens, we estimate that this will equate to at least a 40% reduction in burdens (at a steady state annex B) based on PWC's May 2005 estimate. This Plan reinforces our commitment to monitor progress and ensure that these benefits are delivered.
14. **Broadcasting.** The Act establishing Ofcom as the single, independent broadcasting regulator came into force in 2003 and aimed to create one of the first of a new breed of modern regulator, designed around the principles of better regulation. From the start, these principles were 'hard-wired' into Ofcom's duties and ways of working, carrying the force of law. For example, Ofcom is allowed by law to act only in cases where intervention is necessary: it has a duty to regard to the principles of transparency, accountability, proportionality and consistency, to have regard to best regulatory practice, to publish impact statements on its major decisions, and to promote opportunities for self-regulation.

15. In addition, Ofcom has adopted and published its own set of more specific 'regulatory principles' so that, in all its work, it operates under a bias against intervention, with a commitment to seek the least intrusive regulatory mechanisms to achieve its policy objectives. Ofcom mandates that proposals from the Executive to the Ofcom Board are required to contain a full analysis of the 'do nothing' deregulatory option in response to market developments.
16. In its Annual Report 2004/05, Ofcom cited 18 distinct deregulatory measures including, in respect of broadcasting: the removal of some obligations relating to public service broadcasting; relaxation of certain aspects of the Broadcasting Code; introduction of co-regulation for complaints about broadcast advertisements; streamlined process for FM commercial radio licence applications and further proposals for a less interventionist approach in radio licensing. Plans for next year and 'work in progress' include: changes to the rules governing broadcast content; a major liberalisation of the rules on spectrum allocation and trading; the removal/reduction of constraints on BT's freedom to offer discounts to large business customers; and introduction of 'lifetime' licences in place of annual ones for ships and amateur radio.
17. **National Lottery Distribution.** The new National Lottery Act 2006 enables applicants to be provided with simpler and easier access to information and streamlined arrangements for applying for lottery grants, saving time and money. It is merging three distributors into one with benefits to applicants and a saving of £6-12 million a year to the taxpayer.
18. **Gambling.** The Gambling Act 2005 received Royal Assent on 7 April 2005 and will become fully operational from September 2007. It has three priorities, protecting children and vulnerable adults; keeping gambling crime free and making sure that gambling is fair and open. The Act is a piece of enabling legislation and, as required by it, we will put in place with the Gambling Commission several pieces of secondary legislation, licence conditions, codes of practice and guidance between now and September 2007. We are currently consulting with the various stakeholders to help shape the regulatory framework that will govern the industry. When the Department and the Gambling Commission are drawing up the secondary legislation and other documentation necessary for implementation, our aims will be to minimise any risk in achieving the Act's objectives whilst retaining maximum flexibility for the future and avoiding unnecessary burdens on industry and the regulators. Wherever possible, we aim to use non-statutory Gambling Commission controls and hold in reserve the Government's delegated powers to make regulations.
19. In another area – **the architectural and historic environment** – stakeholder consultation and the design of reform are also under way, and the Department is developing proposals for new legislation. Here, the aim is to modernise, remove and update obsolete regulations, simplifying and consolidating the regulatory system for the protection of the historic environment that users currently find difficult to understand and burdensome to operate.
20. **Public Lending Right and Legal Deposits.** Legal deposit has existed for printed material since 1911. Publishers are required to deposit a copy of every publication in the British Library, and to provide a copy **on request** to the other five deposit libraries (an agent sends one request to the publisher on behalf of the other five LD libraries). This is a very simple system, supported by the LD libraries and the publishers, and we do not see any scope for efficiencies to be made. Any deregulatory measures in this area may lead to a drop in participation by publishers, creating gaps in the national archive.
21. There is an outstanding ministerial commitment to extend the scope of legal deposit regulation to non-print and the Legal Deposit Advisory Panel was set up in September 2005

to advise the Secretary of State on the implementation of the Legal Deposit Libraries Act 2003. The Panel is formed of representatives of the publishing world and the legal deposit libraries, as well as independent members. They are investigating non-regulatory options such as voluntary schemes and will only recommend regulation if these prove insufficient.

Continuous Improvement

22. In other areas continuous improvements are being made without the need for legislation. A thorough scrutiny of burdens and obstacles to **school and community sport** has been carried out and is now being implemented. The Department has led a cross-Government initiative to improve quality and competitiveness in the **tourism industry** through a consistent approach to regulation, engaging the whole range of regulators concerned. In **the arts**, four grants application schemes are being reduced to one, with administrative and cost benefits to future applicants.
23. Fuller accounts of progress in the areas above are included in this plan, along with details of how the new arrangements are being evaluated and monitored. This will be important in rolling the reduction of burdens and the embedding of better regulation principles during the next phase. This rolling plan will be an important means of pursuing the Department's target for administrative burdens reduction of 25% off the current baseline as at May 2005.

Rolling the plan forward: challenges and opportunities

24. Although the legislative and administrative reforms of recent years have brought significant benefits, Ministers and staff accept that further action, much of it cross-cutting, will be needed to roll this plan forward and to continue to monitor future regulatory costs and administrative burdens.
 - The **Department** is striving to foster cultural change, greater awareness of better regulation principles and improved application across its responsibilities, partners and stakeholders. The production of this plan has provided a means for making a start, and focus will be increased by the plan's function as a means of delivering the Departmental target under the Government's Administrative Cost Reduction exercise. We will look for ideas for simplification from our staff at all levels, and aim to use Lottery distribution and other pan-Departmental interests to help to 'join-up' our culture and our approach.
 - The Department has set up a Ministerial better regulation task group, which includes members from some of our sectors whose role will be to oversee and challenge policy division as well as act as champion on behalf of our sectors across Whitehall on better regulation related issues. We will also utilise existing networks with our sectors to ensure that the plan reflects the needs of our stakeholders.
 - At the same time, we will work to develop further the effectiveness of our **cross-Departmental working within Government** on simplification. The experience that we have to draw on includes working both on well-defined bilateral interests with DTI on broadcasting regulation, and on more varied shared interests with a wider range of Departments on matters such as removing obstacles to school and community sport and promoting quality in the tourism industry.

- We will aim to focus attention on **generic issues and burdens** – arising, for example, from planning, employment and health and safety legislation – where there are issues of justified concern to our stakeholders but under the primary control of other departments. The simplification planning process, and the Better Regulation Executive and Commission as its central guardians, should have an enabling and brokering role in this.
- Departmental **resource and business planning arrangements** must take account of the need to produce an annual update of this plan to achieve continuous improvement in reducing burdens and we will build this into both our procedures and our priorities.
- **Stakeholders’ experience and concerns** continue to drive the process of identifying and addressing opportunities and priorities for burden reduction. We will ensure that each policy area has thorough arrangements in place for this, extending to the concerns of the public and consumers, as well as business, regulators and executive bodies.
- In areas already reviewed, we will not be tempted to regard the book as closed. We will actively pursue additional simplification measures, looking first to **post-implementation review** and what it tells us about stakeholder experience and aspirations. We will try to replicate our experience with licensing, where evaluation has already identified possible measures simplifying advertising requirements that could reduce compliance costs by more than £2 to £3 million a year.
- Simplification and deregulation are necessarily delivered at arm’s length through the Department’s **relationships with its NDPBs**. These relationships vary, but all are based on clearly defined powers of independent decision-making, often specified in statute. We are working to develop relationships with our NDPBs, both collectively and individually, that allow us to work together actively and effectively to pursue simplification without encroaching on their proper independence. As the first step, we have set up a NDPBs’ Better regulation Group which has been tasked with exploring common issues and act as a means of finding and sharing best practice.

25. The remainder of this plan deals with individual policy areas of Departmental responsibility in more detail.

Annexes

Annex A - Summary of DCMS regulations and associated administrative burdens adjusted for business as usual costs.

Annex B - Cumulative savings until end of 2009/10, by DCMS policy division

Annex C - Explanation of Business as Usual costs

Annex D - Calculations for estimated savings resulting from Licensing Act 2003 plus other measures within this plan

Section 3: Simplification plan for Tourism and Licensing

3. Licensing of alcohol, entertainment and late night refreshment – a pen picture

3.1 The Licensing Act received Royal Assent in 2003 but has been in force less than a year – it took full effect from 24 November 2005. The Act modernised provisions and consolidated eight former licensing regimes operated by three different licensing authorities, covering alcohol, entertainment, late night refreshment, theatres and cinemas, into a single system controlled by a single licensing authority.

3.2 The aim of reform – the most significant in this area since the first world war – was to deliver a balance of protections for local communities by providing better tools for themselves and the authorities to deal with problem premises, licensees and the protection of vulnerable individuals, whilst also providing the flexibility expected by consumers in a modern society and enabling responsible businesses to meet those demands.

3.3 The 2003 Act established four licensing objectives: the prevention of crime and disorder, public safety, the prevention of public nuisance and the protection of children from harm. This created a necessary focus on the risks posed to the public by the ongoing licensed activities. Licensing authorities, enforcement agencies and applicants are all required to work together to promote the objectives for the well-being of the wider community. The Act prohibits the imposition of conditions and restrictions on licensed premises unless they are necessary for the promotion of one or more of the objectives.

3.4 The licensing regime touches hundreds of thousands of businesses, not for profit organisations and individuals, including: 200,000 personal licence holders; 120,000 pubs, restaurants, bars and registered clubs; 50,000 shops, stores and supermarkets; 12,000 nightclubs and other establishments providing regulated entertainment; 20,000 community and village halls; 5,000 late night refreshment establishments; 2,000 cinemas and theatres.

3.5 Given the numbers involved and the coverage of the new regime, the transition period was difficult for many licensees, as well as for licensing authorities. There is no doubt that businesses and non-commercial organisations incurred up-front costs in moving to the new regime. This included getting to grips with the requirements, advertising arrangements, the production of plans and dealing with the new forms. Although this pressure was anticipated by the delivery partners, we do not understate the very real challenge change represented, especially for many small businesses and not for profit organisations. This makes the delivery of the forecast benefits of reform even more important.

Monitoring and evaluating the impact of reform on licensees

3.6 The Department has put in place a major programme to monitor and evaluate the impact of the licensing reforms. In measuring the effect on businesses and other licensees we will use two key benchmarks to scrutinise how far we have succeeded in reducing regulatory burdens, the Regulatory Impact Assessment (RIA) and the Administration Burdens (AB) baseline established by Price Waterhouse Cooper (PwC) in 2006. The main difference between these two tools is that the RIA captures a number of costs e.g. fees, set-up and transition, which are outside the scope of AB methodology.

Licensing Reform - Regulatory Impact Assessment

| | 2005-6 | 2006-7 | 2007-8 | 2008-9 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--------------------------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| Former regime compliance costs | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| New regime compliance costs | 0.56 | 0.21 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 |
| Cumulative net cost/benefit | -0.16 | 0.02 | 0.27 | 0.51 | 0.75 | 1.00 | 1.24 | 1.48 | 1.73 | 1.97 |

Estimated £billion costs and benefits @ 2003 prices - taken from Regulatory Impact Assessment

3.7 The RIA identified a number of benefits for businesses and other licensees that would accrue following transition. These include over a period of ten years:

- Compliance cost savings of £2 billion
- 16 million regulatory processes reduced to 2 million
- 2.4 million licensing hearings reduced to 200,000

3.8 These benefits accrue because from the 24 November 2005, new applications to conduct any of the licensable activities could be obtained by means of one application to one licensing authority. In addition, under the former regime, the vast majority of new applications and transfers of licences would have led to hearings. Under the new system only applications which attract representations – and then which cannot be resolved by means of mediation – requires a hearing.

For example, under the old system, approximately 8,000 applications were made annually for new justices' licences, which required the attendance in court of about 12,000 individuals. A proportion of these applicants would also have had to seek a separate public entertainment licence, requiring attendance at a hearing before the local authority. Since 24 November 2005, the vast majority of such applications would not attract a hearing at all.

3.9 Significantly, the 2003 Act abolished the renewal requirements across all six licensing regimes and 'permitted hours' which restricted the period during which alcohol may be sold. Applicants during the transitional period and since 24 November 2005 could apply for such hours as they wished. Subject to representations by interested parties and responsible authorities, hours can now be set for up to 24 hours a day for seven days a week. This rendered obsolete multiple forms of application that had to be made to obtain additional trading hours on special occasions. The vast majority of premises no longer have any need to seek temporary permissions to extend their trading hours.

3.10 Since 24 November 2005, the Licensing Act 2005 has removed the following significant administrative burdens without replacing them with any equivalent process at all. The burdens wholly removed are shown in the table below:

| Administrative Burden Removed | Number annually |
|---|--|
| triennial renewals of justices' licences to sell alcohol | 160,000 profiled as 53,333 annually |
| triennial renewal of canteen licences | 4,500 profiled as 1,500 annually |
| renewal of club registration certificates every 3–5 years | 20,000 profiled as 5,000 annually |
| annual renewal of cinema licences | 600 |
| annual renewal of theatre licences | 300 |
| annual renewal of public entertainment licences outside London | 60,000 |
| annual renewal of indoor sports entertainment licences outside London | 20,000 |
| annual renewal of public entertainment licences inside London | 300 |
| annual renewal of indoor sports entertainment licences inside London | 50 |
| annual renewal of night café licences in London | 3,000 |
| annual renewal of late night refreshment house licences | 5,000 |
| annual renewal of private place of entertainment licences | 20,000 |
| applications for special orders of exemption | 750,000 |
| applications for supper hour certificates for restaurants | 500 |
| applications for extended hours orders for restaurants with live music | 500 |
| applications for special hours certificates for commercial premises | 2,000 |
| applications for special hours certificates for registered clubs | 2,000 |
| applications for 'removal' of a justices' licence (transfer of a licence to another premises) | 7,500 (requiring court attendance by 11,250 individuals) |
| applications for 'protection orders' | 1,500 |
| maintenance of (a) 'day book' and (b) delivery or invoice book | 12,500 |
| applications for children's certificates | 1,120 |
| applications for Christmas Day extension of permitted hours for restaurants | 6,000 |

3.11 Accordingly, in the financial years 2006/07, 2007/08, 2008/09, 2009/10 and 2010/11, the number of administrative burdens wholly removed by the Licensing Act 2003 will be a minimum of 4.8 million processes. This is apart from the anticipated reduction in administrative burdens achieved by the integration of the old licensing regimes into a single system and the streamlining of multiple forms of occasional permissions into a single form of temporary event notice, involving no hearings save in very exceptional cases where the police have intervened. This is projected to amount to an annual saving of £90 million, approximately a 47 percent saving off the licensing baseline (annex B; scenario 2), equating to approximately a monetary saving of £450 million for the licensed trade over the lifetime of the plan.

3.12 We will use this Simplification Plan process to monitor and report progress against our RIA and AB baselines for regulatory burden reductions. The next measurement of progress will be taken in 2007/8, and then again in 2010/11.

3.13 Aside from reducing administrative burdens, the new regime also draws on the Hampton principles for better inspection and enforcement arrangements. Best practice by licensing authorities will include risk based targeting - ensuring that problem premises are subject to more detailed scrutiny, and proportionality - ensuring that licence conditions are tailored to the risks to the licensing objectives posed by the activities carried on at an individual premises.

Going further

3.14 Although the main reform has been delivered, and social, economic and political constraints still need to be carefully judged, we are actively pursuing the scope for further reductions in burdens on the businesses, clubs, charities and voluntary sector groups. We:

- Have commissioned a review of the licensing fees by an independent panel including business, voluntary sector and local authority representation
- Are working with ten Scrutiny Councils to gather qualitative and quantitative information about the practical experience of reform
- Are consulting with stakeholders to clarify the statutory Guidance in the light of the experience gained during the transitional period
- Are working with colleagues in OGDs and local authorities to chart the impact of the reforms on crime and disorder, nuisance, health, the protection of children, and public safety

3.15 Flowing from this activity, action has already been taken to improve the licensing regime. In close consultation with the sectors affected, in June we issued supplementary Statutory Guidance, for example to clarify the requirements for submitting plans with applications. We have also agreed the interim findings of the Independent Fees Review Panel, for example Ministers have committed to implementing a single date for payment of licensing fees.

3.16 We are now analysing and reviewing options for new burden reducing measures, with the aim of providing Ministers with detailed proposals in the autumn. We expect the various reviews and evaluations listed in 1.14 to result in additions to this plan. Some of the emerging proposals, for example, exempting certain sub-sectors retailing alcohol from the licensing system, can be expected to be open to intense debate.

3.17 To deliver these proposals, we will utilise a range of delivery mechanisms, including improved statutory guidance, changes to regulation and changes to primary legislation (involving the new regulatory reform orders). In all cases, the content will be subject to extensive stakeholder and public consultation.

3.18 Based upon the measures we set out below we believe that we will deliver cumulative savings (admin burdens) of £45 million until the end of 2009/10. This is exclusive of the savings

from the implementation of the Licensing Act 2003, which we believe will deliver savings of £450 million until the end of 2009/10 (annex B).

A summary of potential estimated incremental additional annual savings (£m) by area by year:

| Policy area | Likely Route | 2007-8 | 2008-9 | 2009-10 | 2010-11 | 2011-12 |
|--|--|------------|------------|------------|------------|------------|
| Authorising sales of alcohol | Regulatory Reform Order | 0.5 | 2.0 | 0.2 | 0.2 | 0.2 |
| Exemptions from alcohol licensing requirements | Regulatory Reform Order/secondary legislation | | 1.0 | 0.2 | 0.2 | 0.2 |
| Changes to fees structure* | Regulation / Regulatory Reform Order | TBC | TBC | TBC | TBC | TBC |
| Licensing forms | Regulation | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Advertising requirements | Regulation | 0.9 | 3.6 | 3.6 | 3.6 | 3.6 |
| Plan requirements | Regulation | 0.6 | 1.9 | 2.5 | 2.5 | 2.5 |
| Extending exemptions from late night refreshment provisions | Regulatory Reform Order / secondary legislation | 0.2 | 1.0 | | | |
| Clarification of 'incidental' music provisions | Guidance | | | | | |
| Minor variations procedure | Regulatory Reform Order | | 3.0 | 3.0 | 3.0 | 3.0 |
| Estimated net incremental cost/benefit (rounded to nearest £1 million) | | 2 | 13 | 10 | 10 | 10 |

* Independent Licensing Fees Review Panel will report by the end of the year. These figures represent the maximum potential savings resulting from additional measures that have been identified within the LA 2003.

Areas to be explored to achieve further reductions in administrative burdens

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|--|--|--|
| <p>A. Authorising the sale of alcohol</p> <p>Remove requirement to specify Designated Premises Supervisor (DPS) for certain premises e.g. village halls, schools and other non-commercial premises, if they have a managing committee or equivalent, capable of taking responsibility for the premises (as is the case for non-commercial members' clubs).</p> <p>Consider a <i>de minimis</i> exemption removing the requirement to specify a DPS for small businesses that turn over very small quantities of alcohol.</p> <p>Clarify requirements made of the DPS and personal licence holder in relation to authorisation of sales of alcohol.</p> <p>These measures would most likely be delivered via Regulatory Reform Order (RRO).</p> | <p><u>Type of measures</u></p> <p>Deregulation and simplification.</p> <p><u>Benefiting sectors</u></p> <p>Non-commercial organisations, small businesses and licensing authorities.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs.</p> <p>Increased use of licensing flexibilities.</p> <p>Increased certainty about operation of regime.</p> | <p>Initial findings of post implementation review by DCMS and suggestions from stakeholder organisations e.g. ACRE, FSB etc.</p> <p>Review Guidance and Scrutiny Council initiative – summer 2006.</p> | <p>Implement changes 2007/8</p> | <p>Approximately £600k p.a. (ABR)</p> |
| <p>B. Exemptions from licensing regime</p> <p>Examine the case for a <i>de minimis</i> exemption from licensing altogether e.g. for small business that turn over very small quantities of alcohol each year, and other non commercial organisations.</p> <p>These measures would most likely be delivered via RRO.</p> | <p><u>Type of measures</u></p> <p>Deregulation.</p> <p><u>Benefiting sectors</u></p> <p>Non-commercial organisations and small businesses.</p> | <p>Initial findings of post implementation review by DCMS and suggestions from stakeholder organisations e.g. FSB, ACRE etc.</p> <p>Review Guidance</p> | <p>Implement changes 2008/9</p> | <p>Approximately £200k – £400k p.a. (ABR)</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|---|--|
| | <p><u>Potential outcomes</u></p> <p>Cost reductions, including for licensing authorities.</p> | <p>and Scrutiny Council initiative – summer 2006.</p> | | |
| <p>C. Changes to licensing fees</p> <p>Coverage of fees – should certain sub-sectors be exempt?</p> <p>Scale of fees – should certain sub-sectors pay less?</p> <p>Increasing discretion of local authorities e.g. to waive fees for public events.</p> <p>Simplification e.g. common licence renewal payment date.</p> <p>Addressing specific anomalies e.g. allow businesses not occupying the whole of a hereditament (currently liable to a fee based on the rateable value for the whole hereditament), to pay a proportion of the main fee.</p> <p>Clarification for fee payers about what payments cover.</p> <p>These measures would be delivered via a combination of changes to secondary legislation and use of RROs.</p> | <p><u>Type of measures</u></p> <p>Deregulation and simplification.</p> <p><u>Benefiting sectors</u></p> <p>Depends on measures adopted - from all fee payers to specific groups such as non-commercial organisations. Also licensing authorities.</p> <p><u>Potential outcomes</u></p> <p>Reduced costs.</p> <p>Increased use of licensing flexibilities.</p> | <p>Full findings of Sir Les Elton's Independent Review of Fees – November 2006</p> <p>Independent Review's final report – autumn 2006</p> <p>Misc, trade associations e.g. BHPA, BHA and ALVA</p> | <p>Implement first wave of changes by autumn 2007/8</p> | <p>TBC</p> |
| <p>D. Licensing forms</p> <p>Examine scope to reduce length and simplify</p> | <p><u>Type of measures</u></p> <p>Simplification.</p> | <p>Initial findings of post implementation review by DCMS and</p> | <p>Implement changes</p> | <p>Approximately £300k to £600k p.a. (ABR)</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|--|--|
| <p>application forms, including development of 'intelligent' e-forms</p> <p>Move requirement for applicants to copy forms to at least seven 'responsible authorities' to licensing authorities.</p> <p>These measures would most likely be delivered via changes to secondary legislation.</p> | <p><u>Benefiting sectors</u></p> <p>All licensees, but particularly beneficial to SMEs and non-commercial organisations.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs for applicants.</p> | <p>suggestions from stakeholder organisations e.g. FSB, ACRE etc.</p> <p>Review Guidance and Scrutiny Council initiative – summer 2006.</p> | <p>2007/8</p> | |
| <p>E. Requirement to advertise premise licence applications/ variations in local newspaper</p> <p>Reconsider requirement to advertise changes in licensed premises operations via local newspaper. Perhaps limited to certain sub-sectors and putting in place alternative e.g. leaflet drop.</p> <p>This measure would most likely be delivered via changes to secondary legislation.</p> | <p><u>Type of measures</u></p> <p>Deregulation.</p> <p><u>Benefiting sectors</u></p> <p>All licensees, but particularly beneficial to SMEs and non-commercial organisations.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs for applicants.</p> | <p>Interim findings of Sir Les Elton's Independent Review of Fees – December 2005</p> | <p>Implement changes 2007/8</p> | <p>Approximately £2.5-5m per year (ABR)</p> |
| <p>F. Requirement to submit plans with premise licence applications</p> <p>Clarification of requirement to provide scale plans with applications.</p> | <p><u>Type of measures</u></p> <p>Simplification.</p> | <p>Interim findings of Sir Les Elton's Independent Review of Fees – December</p> | <p>Implement changes 2007/8</p> | <p>Approximately £2.5 per year (ABR)</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|--|---|---|--|
| <p>These measures would most likely be delivered via changes to secondary legislation.</p> | <p><u>Benefiting sectors</u> All licensees, but particularly beneficial to SMEs and non-commercial organisations.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs for applicants.</p> <p>Increased certainty.</p> | <p>2005</p> | | |
| <p>G. Extend exemptions from late night refreshments licensing provisions</p> <p>To include hospitals, hospices and clinics</p> <p>This measure would most likely be delivered via RRO.</p> | <p><u>Type of measures</u></p> <p>Deregulation.</p> <p><u>Benefiting sectors</u></p> <p>Health sector.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs.</p> | <p>Initial findings of post implementation review by DCMS and suggestions from stakeholder organisations.</p> <p>Review Guidance and Scrutiny Council initiative – summer 2006.</p> | <p>Implement changes 2007/8</p> | <p>Approximately £1m. (ABR)</p> |
| <p>H. Clarification of ‘incidental’ music provisions</p> <p>To make clear in legislation that the policy intention is to exclude e.g. carol singers, buskers, puppet shows for children and poetry readings, from requiring a licence</p> <p>This measure would most likely be delivered via</p> | <p><u>Type of measures</u></p> <p>Simplification.</p> <p><u>Benefiting sectors</u></p> <p>Non commercial and SME</p> | <p>Live Music Forum</p> <p>Initial findings of post implementation review by DCMS and suggestions from stakeholder</p> | <p>Implement any agreed changes by March 2007</p> | <p>Approximately £10 - £25k p.a. (ABR)</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|--|--|
| regulation / and or Guidance. | sector. <u>Potential outcomes</u> Increased certainty. Reduced compliance costs. | organisations. Review Guidance and Scrutiny Council initiative – summer 2006. | | |
| <p>I. New provisions for Minor Variations</p> <p>To make provision for a Minor Variation process, whereby changes to licences that do not impact on the four licensing objectives can be put through a streamlined and low cost route.</p> <p>This measure would most likely be delivered via RRO.</p> | <p><u>Type of measures</u></p> <p>Simplification.</p> <p><u>Benefiting sectors</u></p> <p>All licensees, but particularly beneficial to SMEs and non-commercial organisations.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs</p> | <p>Initial findings of post implementation review by DCMS and suggestions from stakeholder organisations.</p> <p>Review Guidance and Scrutiny Council initiative – summer 2006.</p> | Implement changes by 2008/9 | Approximately £3- 5m savings annually (ABR). |

Note: The figures in this table represent a possible range of potential savings resulting implementation of these measures and will depend on timing and feedback from the wider consultation which will be undertaken as part of the implementation of these measures.

Section 4: Simplification plan for Gambling and National Lottery Licensing

4. Gambling – A pen picture

4.1 The Gambling Act 2005 received Royal Assent in April 2005 and will come into force with effect from September 2007. The Act, which followed a long period of consultation and policy development following the Budd review in 2001, including pre-legislative scrutiny, replaces most of the existing law on gambling in Great Britain with a comprehensive structure of gambling legislation and regulation capable of responding to the industry as it develops. It creates the Gambling Commission, which was established in October 2005, to provide a consistent approach to regulation with new commercial freedoms for the sector, while removing outdated and burdensome regulations.

4.2 The Act has three licensing objectives:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable people from being harmed or exploited by gambling

4.3 The Act introduces, for the first time, a regulatory regime for remote gaming (gambling and betting over the internet, mobile telephones or digital broadcasting) and for bookmaking. The Gambling Commission will be responsible for licensing all gambling operators and individuals performing some specific management or other functions. Businesses operating from premises will also need a licence from the local authority.

4.4 The Act provides new commercial freedoms for industry including clearer and fairer advertising rules and permits advertising by all legitimate gambling businesses based in jurisdictions with robust consumer protection. The Act replaces the piecemeal advertising and promotion provisions in current gambling legislation with a new consistent approach. In addition, casino and bingo clubs have had outdated restrictions, such as the 24-hour membership requirement, lifted.

4.5 Implementation of the Act depends on the development and introduction of a number of statutory instruments by the Department – it is this emphasis on secondary legislation which allows the framework to respond to developments in the industry – and of the licensing regimes to be introduced by the Gambling Commission and the local authorities, backed up by guidance and codes from the Commission. Both the Department and the Commission are taking a risk-based approach to regulation, with full consultation on regulations, licence conditions, codes and guidance.

4.6 The thrust of the legislation is where possible de-regulatory, insofar as this is in accordance with the three statutory objectives. Regulation will be proportionate and risk-based. At the same time, the judgement as to where the regulatory balance lies has had to be taken carefully, to ensure that effective provisions are in place to protect children and vulnerable persons. The Regulatory Impact Assessment which accompanied the Act (April 2005) stated that the Act 'is likely to create a more open and competitive gambling sector... and will establish a more rigorous system of regulation of commercial gambling, with wide new powers to protect children and vulnerable adults'. It estimated

that overall there is likely to be a net increase of approximately £10-15M over current regulatory costs, but that 'costs will be directly proportionate to the work undertaken by the Commission in regulating the industry which, it is anticipated, will be larger than at present.'

4.7 Above all, the framework structure of the Act now gives us the flexibility to respond to circumstances which will change rapidly for commercial and technological reasons, with the regulatory detail not rigidly laid out as previously in primary legislation. Regulation will be achieved through a variety of measures under the Act, including secondary legislation, conditions on licences, codes of practice, and guidance. Between now and September 2007, with the Gambling Commission, we need to put in place more than 40 pieces of secondary legislation. The aim will be to minimise risk to the Act's objectives whilst retaining maximum flexibility for the future and avoiding unnecessary burdens on industry and the regulators.

4.8 Wherever possible, we aim to use non-statutory Gambling Commission controls and hold the Government's delegated powers to make regulations in reserve. As an example of how we are working to reduce administrative burdens, the new licences issued under the Act will be of unlimited duration, meaning that operators will not have to apply to renew them in the future.

4.9 Our target is full implementation of the Gambling Act by September 2007. The implementation timetable for the Statutory Instruments is on the DCMS website, along with all consultation documents and other related material, and we will ensure that this is kept up to date. We have studied closely and learnt from the recent experience in implementing the Licensing Act, and our plans reflect the key lessons we have drawn:

- Clarity about our key messages
- Good forward planning, identifying early the key risks and points of controversy and allowing adequate time for Ministers to consider them and for full consultation with stakeholders
- Keeping transitional arrangements as simple and clear as possible
- A stakeholder strategy and framework allowing regular formal and informal discussion
- A firm grasp of the evidence base

4.10 Both the Department and the Commission are committed to active consultation, holding meetings with interested stakeholders during the consultation period, and each consultation will conclude with a summary of the key points raised and an explanation of the Department's or the Commission's reasons for its final position. The Department has already made clear its willingness to respond to views expressed in consultation, for example in respect of opening hours for gambling premises, and both the Department and the Commission have recognised that their initial proposals for Gambling Commission fees did not properly take into account the interests of small businesses in some sectors, and are working with the industry to rectify this.

4.11 Stakeholder communications are focused through three groups. The **Industry Liaison Group** provides a forum for industry representatives to reflect on the broader picture and consider issues of sector wide interest. The **Community Liaison Group** brings together individuals from across the religion and belief communities, children's voluntary sector, problem gambling organisations and academia, and has been established to consider the overall impact of gambling policy and activities on social issues. The **Premises Licensing Group** (and associated transition and training and fees groups) has been set up to assist licensing authorities in their preparations for their licensing functions under the Act. Each of these groups also allows DCMS to report and explain relevant developments in other areas of Government. In addition, we are continuing with regular bilaterals with key stakeholders, and use of the web and other media to keep interested parties in touch with the implementation programme and its implications.

4.12 Where it is appropriate, consultation documents are being accompanied by regulatory impact assessments, and the development of these assessments is part of the consultation process. At this stage in the implementation phase, there has therefore been no overall reassessment of the impact

of the Act since the publication of the RIA which accompanied the Act. Such a reassessment will be made once consultations are complete.

4.13 Once the Act is implemented we will monitor and evaluate its effectiveness and impact. The three licensing objectives provide the standard by which licensees and others can evaluate the proportionality and effectiveness of regulatory action, with emphasis on the protection of children and the vulnerable. To do this, we are working on developing an evaluation framework to identify and monitor measures or indicators associated with each of the three objectives of the Act. We will also identify the impact of the Act on the productivity and health of the industry, and assess the associated economic effects.

Section 5: Simplification plan for Broadcasting

5. Broadcasting – A pen picture

5.1 The regulatory framework for broadcasting derives principally from the Communications Act 2003 and the Broadcasting Acts 1990 and 1996. Television is also regulated at EU level, via the Television without Frontiers Directive. The Communications Act was a joint responsibility of DCMS and the DTI and it embraced the regime for the electronic communications networks and services used by broadcasters and others and the licensing of those responsible also for the content of broadcasts. It moved telecommunications from a licensing to an authorisation regime.

5.2 The Act led to the establishment of Ofcom, as the independent regulator for communications which established the principle that media regulation should be independent of Government. Therefore, in the vast majority of its functions, Ofcom is not accountable to government ministers for its activities, although it is accountable to Parliament; particularly via the scrutiny of the National Audit Office and Public Accounts Committee.

5.3 The Communications Act established Ofcom as a model of regulatory design. The Communications Act requires that Ofcom's activities should be proportionate and targeted only at cases in which action is needed; the Act also encourages Ofcom to seek, promote and facilitate opportunities for self-regulation. The better regulation principles are very much 'hard wired' into Ofcom through legislation.

5.4 The Act greatly reduced constraints on the ownership of broadcasting licences to the minimum deemed essential to maintaining a plurality of media ownership. It modernised the framework for the regulation of broadcasting content. For example, following discussions with the advertising industry, Ofcom examined the scope to establish a co-regulatory arrangement under which the industry-established self-regulatory Advertising Standards Authority (which regulates all non-broadcast advertising) took on from Ofcom responsibility for day to day regulation of broadcast advertising, offering a one stop shop for complainants and ensuring that industry could have consistent regulation across all media, which is increasingly important in an era of multi-media campaigns. In order for this to happen, DCMS brought forward an Order under the Deregulation and Contracting Out Act 1994; this was possible under S1 (7) of the Communications Act. The relevant Order was made in July 2004 and co-regulation formally began November 2004.

5.5 In its Simplification Plan (annexed to its 2006/07 Annual Plan) Ofcom cited 33 areas where it plans to consider the scope for reducing or streamlining regulation. The proposed measures include those both directly and indirectly related to broadcasting. Burdens and simplification reduction measures include:

- Ofcom carrying forward its Spectrum Framework implementation, including auctioning new spectrum with as few technical constraints as possible
- Liberalising existing licences so users can change use and/or trade
- Simplifying licensing processes and reducing the need to renew licences on an annual basis

5.6 More specifically for Broadcasting, Ofcom's plans for this year and 'work in progress' include:

- Plans to consult on the procedures for handling broadcasting standards complaints in by the end of 2006/07
- Consulting on policies which could give broadcasters greater flexibility in terms of product placement, channel sponsorship and appeals for funds. Statements are expected in Q3 of 2006/07
- Examining the opportunities for a more market based approach to managing the spectrum used for programme making and special events.

More details about the Ofcom simplification plan can be found at http://www.ofcom.org.uk/about/accoun/reports_plans/annual_plan0607/#content

Recent Broadcasting activity

5.7 BBC Charter review: The BBC has existed for 80 years. It naturally has a significant impact on the broadcasting market. The Government intends to continue the BBC because of its enormous contribution to public life in the UK. The process of renewing the BBC's charter was based on the largest ever consultation for a BBC charter renewal. Consultation was publicised by over 400,000 flyers in public libraries, adverts in national newspapers and through distribution by interested groups. Over 4,500 responses were received from the public, and around 120 from organisations with an interest. A series of public meetings with industry leaders was held in autumn 2005, and we carried out research before and after the Green Paper. All this fed into the Regulatory Impact Assessment published alongside the White Paper, and in September 2006 the work foundation published research into the public's willingness to pay the licence fee, which was commissioned by the Department.

5.8 The RIA included assessment of the costs and benefits of different funding options, and the effect of the BBC's activities on the market. To minimise the risk of the BBC's activities having an adverse impact on the market, we have sought to expose the BBC's activities to clearer scrutiny and more effective regulation through a new system of service licences, public value tests, and a new competition framework.

5.9 We are also committed to reviewing the funding of public service broadcasting before the end of digital switchover. The regulatory impact assessment published in September 2005 provides a full assessment of the impact on all sectors affected by the switch to digital television.

Section 6: Simplification plan for Tourism

6. Regulation and Burdens on Tourism – a pen picture

6.1 Our strategic priorities for the visitor economy are to:

- Improve the productivity of the sector
- Support growth, so that by 2010 the sector is worth over £100 billion in annual sales

6.2 The visitor economy generated over £74 billion of sales in the UK in 2003. This is split roughly into thirds between holidays, business trips and visiting friends and family. Core elements of sector include attractions; hospitality and transport. It is a fragmented sector with over 200,000 businesses, directly employing about 1.4 million people. The domestic market accounts for about 80 percent of sales. In 2005 there were nearly 30 million visitors from overseas generating sales of about £13 billion.

6.3 Regulations are needed for reasons of health and safety, consumer protection, ensuring operation of open markets for compliant businesses etc but there are significant concerns for the industry over issues of proportionality, accountability, consistency, transparency and targeting – the ‘Five Principles of Better Regulation’.

6.4 Public sector support of the sector is worth over £300 million per annum. This is invested via VisitBritain; National Tourist Boards; Regional Development Agencies; Regional Tourist Boards; destination management organisations; and local authorities. Public sector support traditionally focuses in areas on market failure – marketing, quality standards, bringing SMEs to market and infrastructure.

6.5 Enterprise and competition are two of the drivers of productivity. Government can neither force firms to become more productive, nor support failing businesses. It can however create a successful macro- and micro-economic environment that will allow businesses to prosper – as with the drive to reduce regulatory burdens. Also, inappropriate regulations can constrain competition by limiting the ability of best practice operators to enter the market or expand, which in turn reduces competitive pressure on other industry players to improve their productivity.

6.6 Regulation and the burden it places on firms is a hot topic for our sector – and was raised with the Prime Minister at an industry breakfast in November 2005. These regulations are usually owned by other Departments, for example, the regulations most cited as a problem include: taxation, including administration of working families tax credits (HMRC); planning (DCLG and local authorities); food standards and hygiene (FSA and local authorities); and visas (Home Office) as well as regulations originating from the EU. Thus DCMS has a key role in representing the sector’s interests to other Departments and regulators. However, areas such as alcohol, entertainment, late night refreshment and gambling licensing are all also important for the tourism industry.

6.7 Of crucial importance is the fact that the **tourism and hospitality sector comprises mainly SMEs**: less than 1 percent of businesses have more than 200 employees and over 80 percent are micro-businesses of between 1-10 employees. Industry representatives frequently point out the disproportionate impact that the regulatory burden has on small businesses. It is difficult to pin-point

individual areas of regulation where reduction or simplification would best benefit businesses: the issue is the **cumulative effect**, which has built up over time, of generic legislation and enforcement.

Holiday Parks study of regulatory burden

6.8 A study in 2001 (often referred to since by representative bodies) by the UK Holiday Parks industry showed that on average 6.03 percent of the available staff time and 4.3% of the total turnover are expended on regulatory compliance for park businesses with a turnover of less than £50,000. By comparison, for a business with a turnover in excess of £1 million, the percentages are 1.43 percent of time and 1.24 percent of turnover.

6.9 The study also emphasised firms' concerns about their ability to comply with regulations, citing comprehensibility and timeliness of regulatory advice as barriers to effective compliance (and by implication the **protection of the public**).

6.10 It is clear then that the Simplification Plans of all Departments are critical to the growth and productivity of the visitor economy. This is why we are keen to see a joined-up approach across Whitehall in the development, sign-off and monitoring of all Simplification Plans, **so that real outcomes of benefit to our sector are achieved**.

Current initiatives/stakeholder engagement

6.11 We expect the impact of regulation to feature as an outcome from our current major Consultation exercise with the sector 'Welcome > Legacy'. The Consultation was launched by the Secretary of State in July 2006, and seeks views about how to use the 2012 Games as a catalyst to drive growth and productivity improvement across the sector. The resulting Strategy will enable us, together with partners from OGDs, to set milestones and targets in this area.

6.12 The industry is represented on the Tourism Minister's Better Regulations Task Group. In calling for a 'cultural change', the industry has suggested particular areas for improvement:

- Better consultation on new regulations (in hand, e.g. see Work and Families Bill below)
- Regulatory guidance to be expressed in a sector – specific terms
- Reduced form-filling requirements, and regulators to be more flexible regarding mistakes/slips
- More physical trial/piloting of regulations
- More joining-up by regulators
- Review of costs to businesses of hiring specialists to help with regulations.

6.13 As part of our leadership and championing remit, there is a clear role for DCMS in proactively engaging with other Departments on the new regulatory proposals or initiatives to remove barriers to productivity and growth. Fundamental to this is **stressing across Government the economic impact of DCMS sectors**, and that we 'do more than just culture' (see below).

Current tourism related activities include:

DTI – Work and Families Bill (S.13– increase in minimum four week’s statutory Annual Leave entitlement (for FTEs) to include the eight Bank Holidays). DTI has consulted and are now considering the 344 responses received. DCMS has facilitated useful discussions between DTI and sector bodies to understand how the legislation could be implemented most efficiently for employers with high levels of part time, shift and seasonal workers and maintains regular contact with DTI Policy Officials.

DCLG – land-use planning regime DCMS discussed the recently published ‘Good Practice Planning Guidance’ with key stakeholders and it now meets industry’s needs, by recognising the role of the planning system in stimulating investment by the sector. The sector has for many years – quite justifiably – seen the planning system more as a barrier to investment. For example, a basic lack of understanding of the sector’s needs by Planning Officers (e.g. not least that the sector has to be able to respond quickly to evolving market demands), leads in turn to those applications being invariably caught up in delays which are prevalent across the planning system.

DTI - EU Unfair Commercial Practices Directive. DTI proposes that implementation will enable the revocation of the **Tourism (Sleeping Accommodation Price Display) Order 1977** which has been overtaken by the wide-spread use of internet bookings and flexible pricing regimes. The Directive provides an appropriate level of consumer protection. An RIA costing of the monetary benefits has yet to be completed. Likewise, the **Price Marking (Food and Drinks Services) Order 2003** is complex and restrictive: the industry agrees that in view of the Directive, early revocation of the Order is desirable.

DCA - Compensation Bill The **perceived** ‘Compensation Culture’, which can lead to spurious personal injury claims at e.g. attractions, and hence increased insurance costs, is a growing concern for the attractions sector. This is being tackled by the DCA (currently through the Compensation Bill), with DCMS and attractions sector input.

Fitness for Purpose a joint DCMS/LGA initiative to improve accommodation standards, typically at the ‘budget end’ of the market. It promotes better inspection and regulation as a way of tackling poor safety and trading standards, to ensure that minimum legal requirements in health and safety, food hygiene, fire safety and trading standards are met. This risk based approach will make it easier and less costly for businesses to comply with regulations, with compliant accommodation providers benefiting from a much lighter regulatory touch.

Development of Tourism Act 1969

6.14 Legislation specific to tourism is contained in the 1969 Act, whose main provisions were to establish the basic public sector support infrastructure i.e. the national tourist boards (NTBs). It also sets out the main responsibilities of NTBs, including grant giving powers, which in England are no longer utilised. It does not in itself impose any regulatory burdens.

Quality Assurance Scheme

6.15 The main area of quasi-regulation in which we have an interest is the voluntary quality grading scheme for accommodation. This is led by our NDPB VisitBritain, in partnership with the devolved administrations and the AA. Although debate over the past few decades has centred around whether or not to put in place a mandatory scheme as in countries such as France, and closer to home in Northern Ireland, developments in England have focused on integrating five systems (RAC, AA and the national tourist boards) under a single simplified scheme from 1 April 2005. The aim being to make it easier for consumers from overseas and domestically to understand what was on offer by harmonising standards.

6.16 Current participation in the scheme in England is approximately 40 percent and with the agreement to Common Standards taken in 2005 by VisitBritain, VisitScotland, the Wales Tourist Board and the AA, the target is to increase this to 80 percent by 2010.

6.17 To participate in the scheme, businesses are required to complete an application form and send the completed details, together with payment for the first year, to Quality in Tourism. Details on the application form include a description of the accommodation and facilities available so that a core record can be established for the property. This information is used to create an entry on VisitBritain and Enjoy England websites and entitles the proprietor to a free listing in Enjoy England quality accommodation guides. Many local and regional guides accept entries from properties that have completed the application stage. When a property has received the first assessment and has been awarded a rating it has access to the purchase of promotional signs.

6.18 Following agreement with VisitBritain, we believe that as well as driving forward with the existing strategy, there is merit in asking the VB's Quality Strategy Group to conduct a short review focused on the new administrative arrangements to examine the potential to deliver further simplification of the system, which if realised would support the drive for increased participation rates. This would be best coordinated with the major Consultation of the sector 'Welcome > Legacy' which was launched in July 2006 by the Secretary of State, about how to maximise the benefits for the sector of the 2012 Games. Quality is at the heart of that consultation.

6.19 Based upon the measures we set out below we believe that we will deliver cumulative savings (admin burdens) of £2 million until the end of 2009/10.

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|--|---------------------------|---|---|
| <p>A. GB Voluntary Accommodation Quality Grading Scheme</p> <p>(i) Fee scales</p> <p>(ii) Administration overheads, forms and inspection regime</p> <p>Changes delivered through existing scheme following agreement of devolved administrations and negotiation with commercial partners.</p> | <p><u>Type of measures</u></p> <p>Simplification.</p> <p><u>Benefiting sectors</u></p> <p>SMEs and other participants.</p> <p><u>Potential outcomes</u></p> <p>Reduced compliance costs.</p> <p>Increased participation rates.</p> <p>Fuller information and more informed choice for consumers?</p> | <p>DCMS</p> | <p>Advice to Ministers by spring 2007 following outcome of Consultation (<i>Welcome > Legacy</i>)</p> <p>Implement changes by end 2007</p> | <p>This is a voluntary measure run by the sector. We will work with VB to establish any potentials savings.</p> |
| <p>The Tourism (Sleeping Accommodation Price Display) Order 1977)</p> <p>Removing the need for places of accommodation to display prices and to align with the implementation of the EU Unfair Commercial Practices Directive.</p> | <p><u>Type of measures</u></p> <p>Revoke</p> <p><u>Benefiting sectors</u></p> <p>SMEs and other participants.</p> | <p>DCMS</p> | <p>Implement changes by way of RRO</p> | <p>Awaiting estimate of current costs - likely to be less than £0.5m.</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|--|---------------------------|--|--|
| | <p><u>Potential outcomes</u></p> <p>Widening use of computer based yield management systems which allow prices of hotel rooms, as of airline tickets, to change continually to reflect achieved and forecast booking levels.</p> | | | |

Section 7: Simplification for Sports

7. Sports Division – A pen picture

7.1 Sport is governed by a limited number of formal regulations. However, DCMS recognises that opportunities exist to ‘simplify’ processes in sport which might impose administrative burdens on those delivering sport. Since 2005, DCMS has been working with sport-specific funding distributors (Government and Lottery) and with other key stakeholders on a number of reforms which aim to reduce the burdens faced by those delivering school and community sport on the front line.

7.2 This work has largely been undertaken as a result of the recommendations made in the Cabinet Office’s Regulatory Impact Unit report entitled ‘Making a Difference: Reducing burdens in school and community sport’ which was produced in conjunction with DCMS and published in April 2005. The report was the culmination of a project which involved consultation and interviews with key stakeholders involved in the delivery of school and community sport across the country. This process highlighted some of the burdens faced by these sectors and resulted in the project team agreeing practical solutions and actions for implementation with key stakeholders, which were then published in the 2005 report. Throughout the project, the Cabinet Office project team worked closely with other Government Departments including DfES and Home Office; sport delivery bodies including Sport England, the Football Foundation and the Youth Sport Trust; and others including Local Authorities, National Governing Bodies for sport, School Sport Partnerships and more. Within DCMS, Sport and Lottery Divisions continue to work together closely and Lottery Division’s proposals to improve access to grants will be of benefit to sport, which currently receives a share of the Lottery good cause funding.

7.3 The key aim of the ‘Making a Difference’ report’s recommendations is to help ensure that those people who are contributing to the delivery of the Government’s sporting objectives at a local level, are able to do this efficiently, effectively and without unnecessary burden. In addition, reducing these burdens will help to ensure that public spending on sport (£3 billion investment since 1997) provides value for money.

7.4 Since April 2005, progress has been made by DCMS, DfES, Home Office, Big Lottery Fund, Sport England, the Football Foundation and others to implement the recommendations outlined in the report. This model of close working and engagement has enabled DCMS to gain the support of key stakeholders and partners to make the significant progress highlighted.

7.5 Headline achievements to date include:

- Better information on sources of funding for school and community sport to make the funding application process clearer and simpler. For example, Sport England’s website was re-launched and enhanced in December 2005 to provide a single source of information on sport specific funding.
- A more intelligent application process for Government and lottery sports funds. For example, Sport England and the Football Foundation are committed to giving feedback on all rejected applications which makes it easier to improve future bids
- Payment of funds – all Sport England revenue and Football Foundation projects are funded for up to three years to make it simpler and easier for projects to plan ahead

- Good progress towards a new system for coaching accreditation – to make the path to achieving coaching qualifications in the UK a clear and recognised process. All five levels of a new UK Coaching Certificate have been completed and by January 2006, five sports had already developed an appropriate endorsement process for the new UK Coaching Certificate
- Working with DfES and Sport England to ensure that guidance on new build schools within the 'Building Schools for the Future' scheme, provide adequate provision of PE and sports facilities
- Producing streamlined guidance on capital project planning for organisations
- Simplified funding criteria for Sport England funding linked to the key objectives of DCMS' five-year plan, taking into account local demographic and social considerations
- For the voluntary and community sector, revenue funding paid up-front, in accordance with HMT guidance and Government Accounting, and cash flow projections in advance to enable proper planning over the life of a grant
- DfES has made available to schools and employers a reminder, in plain terms, of its guidance on what constitutes a proportionate and reasonable risk assessment. Includes a template to support proportionate risk assessments and new case studies for sport

7.6 In addition to work carried out within the scope of 'Making a Difference', other simplifying measures for sport have been introduced. Since 2003, Sport England, for example, has reduced its funding schemes from 75 programmes to two overarching national and community programmes, making the funding process simpler and easier to understand. Furthermore, DCMS and other sporting partners have been closely involved in the development and roll-out of the successful Community Amateur Sports Club Scheme (CASC). Successful registration for CASC status provides fiscal advantages for community sports clubs through a number of tax benefits, namely:

- Individual donations under gift aid provide income tax relief and tax rebates for clubs
- 80 percent mandatory business rate relief
- Corporation tax exemptions

Latest estimated cash benefit to sport of the CASC scheme (as at 31 July 2006) is now at least £14.1 million (source: Deloitte 2006). So far 3,950 clubs have benefited but this means that there are still tens of thousands of clubs still to register as CASCs. A proactive publicity campaign will begin shortly to coincide with the 4000th club registration.

7.7 Over the coming months, work will commence in the area of sports safety legislation carried out by the Football Licensing Authority (FLA), which will have an impact on reducing burdens and simplifying procedures. The FLA is to undertake a review of safety certification by local authorities with the aim of formulating a less directive system by 2008-09. Essentially this work aims to encourage football clubs to take more responsibility for safety at their grounds, thus reducing the level of involvement needed by local authorities and the FLA.

7.8 DCMS will undertake a review over the coming months of the application of existing safety legislation and guidance. We will aim to review the rationale for the application of the legislation in consultation with key Government Departments and other stakeholders. The aim will be to derive a clearly defined, consistent policy approach which can then be transmitted to local authorities. This will aid local authorities' understanding of the circumstances in which they need to make an approach to DCMS under the 1975 Safety at Sports Grounds Act. We recognise that the provisions of the 1975 Act impose requirements on local authorities and sports ground management and will be undertaking an assessment of the scale of burden as part of DCMS's Administrative Burdens Reduction plan.

7.9 Allied to this, DCMS is considering the need to provide guidance in the coming months on the interaction between the 1975 Safety at Sports Grounds Act and the 2003 Licensing Act. The anticipated guidance will aid local authorities' and sports clubs' understanding of how to fulfil their safety certification responsibilities under the two pieces of legislation.

7.10 In addition, DCMS will consider the desirability of extending the FLA's remit to provide on request site specific advice on safety matters across all sports, and not just football as is currently the case. Doing so would ensure that the FLA's expertise could be made directly available to local authorities and sports clubs, regardless of the sport involved. Although this would require a legislative change, the end result would be a benefit rather than a burden in enabling access for all sports grounds management and local authorities to specific expert advice on sports ground safety.

7.11 The Admin Burdens figure for the Football Spectators Act 1989 provided for by the Admin Burdens Exercise is far higher than we expected, which has been caused by the inclusion of a very high external cost. In response to this we are now conducting a further investigation into the costs of the Football Spectators Act 1989, an act whose implementation has widespread support throughout those who comply with it, to understand the true costs that it places on businesses, including any large external costs. This investigation will include further measurement of the administrative burdens using the Standard Cost Model method.

7.12 Even at its present level, this regulation is not in the top 10 regulations for DCMS, but this further analysis will allow both the Department, and the Football Licensing Authority who implements this regulation, to target resources appropriately to deliver the best possible benefits for this sector. Should these further measurements result in a reduction of the cost of the Football Spectators Act 1989, we will not be seeking a reduction in our target for Admin Burdens Reduction.

7.13 We are also considering options to implement 'Sport Direct', a one stop shop to provide information about access to sports across the country.

7.14 We are also working with Sport England to reduce burdens in providing monitoring and evaluation information to funders where a project receives funding from more than one source.

7.15 Based upon the measures we set out below we believe that we will deliver cumulative savings (policy) of £0.1 million until the end of 2009/10.

Sports Division Simplification Plan

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|--|--|
| 1) A 'one stop shop' helpline to be known as 'Sport Direct' to provide information about access to sports across the country | 1. Simplification 2. Increased sports participation 3. Potential sports participants | 1. Manifesto commitment 2. 3. New measure | A decision on how to implement Sport Direct will be made in autumn 2006. | A cost-benefit assessment will form an integral part of the decision making process. |
| 2) Reduced burdens in monitoring and evaluation – where a project is funded by more than one partner, to enable the award recipient to complete only one set of monitoring and evaluation requirements, and not have to complete two or more different M&E requirements for different funding partners, possibly to different criteria and levels of complexity. | 1. Consolidation 2. Reduced burdens (e.g. less time spent filling in forms) for those evaluating and monitoring the sports projects they are delivering at the front line 3. Voluntary and community sector | 1. Funding Distributors (Sport England) to lead process; 2. 3. New measure | Currently underway with Active England projects, most of which funded by two or more partners. Will look to widen scope. | £26, 000 per year. [if we consider that the Active England portfolio did not have the M&E Toolkit, these are the figures we have estimated: Total number of projects: 242 Average no of bodies requesting info: two Frequency of requests: two times a year Mix of staff: 55 percent coaches/45 percent clerical staff Length of time without KPI tools: four hours] |
| 3) Qualifications. (i) A five level UK Coaching Certificate (UKCC) framework has been established. | 1. Simplification 2. Widely recognised and quality assured process to train and qualify as a coach 3. Coaches, those employing | 1. Sports Coach UK are leading on UKCC. Origin of proposal: Coaching Taskforce Report (July 2002) | (i) By December 2006 – 20 sports to have implemented UKCC. (ii) Scoping underway. | (i) Estimating the cost benefit of this proposal is problematic since it is difficult to ascertain how many coaching certificates and levels existed |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|--|---|--|---|
| <p>(ii) We are also working closely with the Learning and Skills Council (LSC), Sports Coach UK and Skills Active, to explore additional funding for the delivery of UKCC qualifications to volunteers.</p> | <p>coaches or being coached themselves</p> | <p>2. 3. Proposal already identified</p> | | <p>before the Coaching Certificate was developed. In addition, the principle aim of the Certificate is to quality assure the coaching process which, whilst also a simplification of the system, makes it difficult to attribute a cost saving to this proposal. (ii) Scoping underway.</p> |
| <p>4) Sports safety and legislation. (Further detail is provided at 6.7-6.10 above)</p> <p>(i) The Football Licensing Authority (FLA) will undertake a review of safety certification by local authorities</p> <p>(ii) DCMS will undertake a review of the application of existing safety legislation and guidance (mainly in respect of the Safety at Sports Ground Act 1975)</p> <p>(iii) DCMS will consider providing guidance on the interaction</p> | <p>1. Simplification 2. (i) Less directive system of safety; (ii) and (iii) local authorities' and sports clubs' understanding of safety certification responsibilities aided; (iv) expert advice on sports ground safety. 3. Football clubs; local authorities; the FLA; sports grounds management (for iii and iv)</p> | <p>1. DCMS and the FLA to lead process 2. 3. New measures</p> | <p>(i) By 2008/09 – review of safety certification to be complete</p> <p>(ii) Review of application of safety legislation to be completed by mid 2007 (iii) Proposal to issue guidance subject to Ministerial endorsement, anticipated by June 2006 (now gained). If action approved, guidance to be issued by end 2006</p> <p>(iv) Proposal to extend FLA remit subject to Ministerial endorsement, anticipated by June 2006. If approved, date for completion of action subject to achieving the</p> | <p>The main driver of this work is to derive better assurances about spectator safety at sports grounds. Cost savings will arise from improved efficiency and effectiveness within local authorities and sports grounds management. Quantification of the cost benefit will be determined as the work progresses.</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---------------------------|--|--|
| <p>between the 1975 Safety at Sports Grounds Act and the 2003 Licensing Act</p> <p>(iv) DCMS will consider the desirability of the FLA's remit to provide, on request, site specific advice on safety matters across all sports</p> | | | <p>necessary legislation (expected to via an RRO).</p> | |

* Note that projects which receive Lottery funding from Sport England for Community projects tend to be the ones most likely to be jointly funded and, as such, monitored by more than one funder, e.g. Sport England, the Football Foundation, BLF, Local Authorities. The figure given will therefore give a rough idea of the number of projects likely to benefit from a Monitoring and Evaluation concordat but there is a possibility that the figure may include some double counting of schemes. The figure includes the following regional schemes: Active England, Community Capital, Community Revenue and Community Investment Fund; and the following national schemes: Awards for All, Active England – National, Community Capital – National, Community Athletics Refurbishment Programme.

Section 8: Simplification plan for Arts

8. Arts Council England: Single System – A pen picture

8.1 There are currently four different application schemes for Grants for the arts. We are proposing to merge these into a single system. The Single System will combine these, alongside recording procurements, contacts and information about Managed Funds and Creative Partnerships.

8.2 A single central and controlled process will lead to greater accuracy and ease for both the Arts Council and arts organisations. The applications for funding will be simpler and more efficient for the arts organisations, and reduce the need for multiple data collection exercises.

8.3 The inclusion of procurements and contacts in the same programme, along with information about Managed Funds, allows both the Arts Council and the arts organisations providers a more efficient and simpler way of both displaying and collecting this information.

8.4 The adoption of the Single System is part of a longer term move by Arts Council England to simplify its grant application and monitoring procedures. The simplification of their open application programmes was launched in 2003 and saw 100 programmes reduced down to five with a single application pack. More recently they rationalised the monitoring arrangements of regularly funded organisations.

8.5 Based upon the measures we set out below we believe that we will deliver cumulative savings (policy) of £2 million until the end of 2009/10.

Arts Division Simplification Plan

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|--|---|-----------------------------|---|--|
| <p>Single system: one system for grants, procurements and contacts.</p> <p>System being developed by the Arts Council based on the best practice business processes identified throughout the organisation.</p> <p>The project is managed by a project board which is supported by a core business group of key stakeholders. Day to day work is conducted by a business project team and the IT project team.</p> | <p>Based on clear and consistent business processes, Arts Council England will move from using four different systems to have one single system.</p> <p>Expected outcomes include:</p> <ul style="list-style-type: none"> • Consistent information and practice regarding data entry, budget management and procurement • Time-savings in entering, accessing and reporting on data and intelligence • Greater coherence and clearer explanation of the application and funding process • Reduced amount of data entry required but improved data capture • Less duplication for Arts Council offices and funded organisations • Allows reporting available in one place for all aspects of Creative Partnerships • Allows consistent and efficient reporting across | <p>Arts Council England</p> | <p>User acceptance training February 1 2006 to mid-April 2006</p> <p>Trainer training: commence end June 2006</p> <p>End user training: commence mid August 2006</p> <p>Implementation period commences 16 August 2006</p> <p>Go-live: Week commencing 2 October 2006</p> | <p>An estimated annual saving of £650k</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---------------------------|--|--|
| | all strands of the Arts Council's work | | | |

Further Information

8.6 The 2002 reorganisation generated significant administrative savings in term of the Arts Council's own running costs – the simplification of the grant schemes, the establishment of shared services for number of core functions and the delegation of the majority of grant management to the regions have all contributed to this saving. By 2005/06, total reorganisation savings amounted to £7.25 million per annum.

8.7 The reorganised National Office will also include a new Head of Business Processes. They will lead on the monitoring and management of business processes, develop and apply quality assurance across funding programmes and ensure the connectivity of all business to IT systems. This will enable the Arts Council to have a dedicated lead in this area who will provide progress reports on further reductions of administrative burdens which it can deliver on.

Section 9: Simplification plan for Lottery Distribution

9. National Lottery Distribution & Community Division – a pen picture

9.1 The National Lottery has been a resounding success, benefiting people and communities in every part of the UK. But much has changed since it was launched in 1994; that is why since 2002, we and distributors have run a number of public consultations to help us consider how to enhance and develop the Lottery for the future.

9.2 Initially, we asked the public for its view on how to improve the processes relating to the distribution of Lottery money to the good causes. Many of the simplification measures included in this plan arise from the responses. More recently, between November 2005 and February 2006, we asked stakeholders (potential applicants and members of the public) for their view on what the Lottery should fund through the arts and film, sports and heritage good causes from January 2009. With over 11,000 responses, the consultation outcome confirmed our belief that Lottery money is 'special' and that the public wants and deserves a say in how it is spent.

9.3 We and Lottery distributors have made significant progress on increasing accessibility to Lottery funding through streamlined processes and administration. But this work is not over. The simplification plan overleaf summarises the progress we have made since May 2005 on the aspects of our work which have particular relevance to better regulation/simplification; it also sets out the further changes which we plan to implement between now and May 2010.

9.4 There are three key factors which impact on this work:

- **Legislation** – The National Lottery etc Act 1993, as amended in 1998 and 2006, sets out the role and responsibilities of Distributors. This includes complying with any Directions issued by the Secretary of State for Culture, Media and Sport (e.g. on the purposes for which Lottery funding is granted or the bodies to whom it may be paid). Consistent with cross-party consensus on the independence of Lottery distributors, the Directions generally govern higher-level themes and desired outcomes (e.g. addressing deprivation, increasing access to Lottery funding and ensuring wide UK coverage). Distributors are themselves responsible, on an 'arm's length' basis, for designing programmes and initiatives to achieve these outcomes, assessing individual applications, and determining management and administrative procedures. The 2006 Lottery Act was drafted in line with the principles of better regulation and simplification and our simplification plan demonstrates the benefits which have arisen following implementation of the Act on 1 October 2006. Moreover, as a piece of enabling legislation the 2006 Act creates efficiency savings, increases the amount of Lottery money available for the good causes and imposes no additional costs or burdens to business, charities or the voluntary and community sector. The existing policy directions are currently being redrafted for implementation in 2009. This will be undertaken with a clear focus on seeking to ensure that any revisions support the principles of better regulation and simplification.

- **Additionality** – Since the Lottery was launched in 1994, successive Governments have confirmed their commitment to ‘additionality’: ensuring that Lottery monies should not be used for spending on things that would normally be funded through general taxation. Whilst DCMS asserts that this principle was not breached by introducing new good causes in 1998 (health, education and environment which are popular with the public), others disagree. To address Parliamentary and other concerns distributors have agreed to provide an annual statement on how they have applied the principal of additionality. This will take into account the information which has been provided by applicants as part of the usual application process, so will not create an additional administrative burden to applicants or frontline staff in distributors.
- **Accountability** – Increasing access to Lottery funding is a priority, especially where this benefits areas of deprivation. Simplifying the application and decision-making processes and welcoming applications from smaller groups is a key priority for DCMS and Lottery distributors. However, we must also take into account that simplifying application processes and reducing the information required from applicants may increase the risk of irregular or fraudulent applications. This is particularly relevant to ‘Awards for All’, a programme which is jointly funded by distributors and which offers particular benefits to community groups, charities and the voluntary sector through a simplified application and decision-making process. In considering further scope for simplification, DCMS and distributors take due notice of accountability and reporting requirements, including robust risk assessment, and the comment made by the NAO in its interim report on the Community Fund financial statements for 2004/5 that “there needs to be a common understanding that there is a trade-off between ease of access and the level of control that can be exercised”.

9.5 Based upon the measures we set out below, we believe that we will deliver cumulative savings (policy) of £27.5 million until the end of 2009/10.

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|--|---|
| Simplify application procedures for Lottery grants | <p>Simplifying measures:</p> <p>(i) Improve distributors' joint telephone helpline and website portal and provide new funding search tool for potential applicants who are unfamiliar with Lottery grant application processes and require guidance on funding programmes and which distributor to approach.</p> <p>(ii) Ongoing review of training requirements for helpline and other staff in distributors to supplement advice on website.</p> <p>(iii) Consider with distributors any further scope for improved guidance and signposting, simplifying application forms and standardising terminology and presentation of forms.</p> <p>Expected outcomes:</p> <p>(i) Potential applicants can call single number for advice or signposting to relevant distributor/programmes.</p> <p>Website users can follow links to distributors' websites or use funding search tool to find programmes that best match their project.</p> <p>(ii) Helpline staff learn more about programmes and can supplement advice on website if appropriate. Helpline and website staff can provide feedback to colleagues on any ongoing concerns expressed by</p> | <p>All:</p> <p>DCMS consultation</p> <p>Lottery Forum workplan</p> <p>Single Front Door project steering group 2005-6</p> | <p>VCS and other stakeholders consulted on project requirements, invited to suggest improvements to existing provision and to participate in user testing prior to website launch in April 2006.</p> <p>Project steering group ensured monitoring and evaluation processes were built into the helpline and website project and commenced on launch. Users questioned after first use and at quarterly intervals.</p> <p>New telephone helpline contract in Oct 2005 ensured commitment to improved service.</p> <p>Ongoing feedback from website users and monitoring of number of visitors to the website informs changes to website. Further evaluation</p> | <p>Time savings for potential applicants difficult to judge as helpline and website users will tend to be unfamiliar with guidance available before improvements.</p> <p>Roughly estimate 500 calls per month to helpline, each saving up to one hour's research. £25 saved per call produces £12,500 per month, £150,000 pa.</p> <p>Evaluation steering group will use data obtained through evaluation to recalculate potential financial savings and service improvements.</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|--|---|--|
| | <p>callers, leading to efficiencies and any necessary clarification.</p> <p>Projects with little or no chance of success are identified at an early stage, allowing applicants to make informed decisions about whether to apply elsewhere or to spend time and money on developing a Lottery application that is unlikely to receive funding.</p> <p>(iii) Depending on evaluation results, distributors work together on improving and simplifying application procedures and information requirements.</p> <p>Benefiting Sector – Grant applicants, umbrella/intermediary bodies which offer support to specific sectors, voluntary and community sector, local authorities.</p> | | <p>undertaken by independent consultants and project steering group to ensure that users with special needs are able to benefit from website.</p> <p>Evaluation project steering group meet by November 2006 to discuss feedback from first six months of operation of improved helpline and website.</p> | |
| Simplify distribution processes for Lottery grants | <p>Legislative and simplifying measure – new Lottery Act helps to simplify and clarify procedures relating to distribution of Lottery grants.</p> <p>Expected outcomes:</p> <p>(i) Three Lottery distributors (Community Fund, New Opportunities Fund and Millennium Commission) merge formally into single body (Big Lottery Fund).</p> <p>(ii) Community projects linking to charities, health, education and environment handled by single</p> | <p>DCMS Consultation</p> <p>Lottery Forum Workplan 2006/7</p> <p>Collaboration NAO</p> | <p>Lottery Act 2006 received Royal Assent July 2006.</p> <p>New Head of Lottery Forum Strategy appointed April 2006.</p> <p>Lottery Forum to present new workplan, including proposed targets and simplification measures, to DCMS Ministers. To be</p> | <p>RIA completed as part of Bill administrative requirements.</p> <p>Lottery Act 2006 allows efficiency savings of £6-12 million a year to be made available as additional Lottery funding for good causes. Administrative merger prior to implementation of Act and legal merger produced these savings from June 2004.</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---------------------------|---|--|
| | <p>distributor responsible for awarding 50 percent of money to good causes. Applicants clearer about which Distributor to approach and through lower level of prescription by Government, Big Lottery Fund has increased flexibility and greater scope for funding projects which cut across these good causes.</p> <p>(iii) Voluntary and Community Sector consulted during drafting of Bill and concerns addressed where possible. Included commitment by Big Lottery Fund to award 60-70 percent of Lottery grants to voluntary and community sector. Close liaison with VCS to continue following implementation of Act in accordance with DCMS Compact and Strategy.</p> <p>(iv) New Act will change the way in which investment earnings in the National Lottery Distribution Fund are apportioned so that distributors receive fixed percentages. This will avoid unintentionally rewarding those which maintain high balances and make things simpler and more transparent to all.</p> <p>(v) Distributors also committed to take into account any NAO recommendations on further simplification measures to benefit applicants and in particular voluntary and community sector.</p> <p>Benefiting Sector – Grant applicants, umbrella/intermediary bodies which offer support to specific sectors, Lottery distributors, voluntary and community sector, local authorities.</p> | Distribution policy | <p>agreed by end December 2006</p> <p>Further work with NAO on simplification measures to benefit voluntary and community sector subject to NAO timetable.</p> <p>Big Lottery Fund signed up to full cost recovery for VCS organisations. Strategy with VCS will ensure ongoing consultation and identification of further simplification measures.</p> | Savings to public and other organisations through reduced number of abortive applications, and simpler standard grant contract requirements. |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|--|--|--|--|---|
| <p>Consider with Distributors scope for further joint working, including, as appropriate, additional joint Lottery schemes</p> | <p>Legislative/simplifying measure</p> <p>(i) Consider scope for and implement changes to very popular Awards for All (England) scheme to ensure that more applicants can benefit from simplified application and decision-making processes.</p> <p>(ii) Lottery Distributors consider further scope for formal or informal joint Lottery schemes, as appropriate. This will include discussions with DCMS on whether existing methods of establishing joint schemes can be simplified in line with better regulation and simplification agendas.</p> <p>[Formal Joint schemes generally involve two or more distributors and are proposed where they enable distributors to achieve an outcome that could not be achieved if joint schemes were not possible. They also help prevent applications slipping through the net – e.g. for projects which do not fall into the remit of a single distributor. Schemes offering more than £15 million p.a. also require an Order to be laid before Parliament].</p> <p>iii) Use Lottery Forum as vehicle to disseminate information to distributors on the better regulation/simplification agenda.</p> <p>Expected outcomes – Joint schemes can reduce bureaucracy for applicants. However, they do create</p> | <p>DCMS Consultation</p> <p>Proposals by participating distributors to DCMS SoS Feb 2006</p> <p>Lottery Forum work plan 2006/7 DCMS Decision Document 2003</p> | <p>(i) Maximum award through Awards for All England increased on 1 April 2006 from £5k to £10k.</p> <p>Minimum award also decreased from £500 to £300. Allows economies of scale from main scheme and applicants to contact single body. Replaces earlier proposal for 'micro grants' scheme which proved (in the pilot) to incur higher operation costs.</p> <p>Impact of higher award limit to be evaluated by Distributors towards end of 2006 to ensure public priorities addressed and widened scope likely to prove effective in longer term.</p> <p>(ii) Latest joint scheme launched Jan 06 'Parks for People' involves Big Lottery Fund and Heritage Lottery Fund. Reflects results of consultation by Heritage</p> | <p>(i-ii) Scope for identifying cost benefit to applicants to be discussed with distributors through Lottery Forum.</p> |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|--|--|---|---|--|
| | <p>additional funding streams and it may be more appropriate to consider other methods, including delegation of grant making to other bodies in receipt of Lottery grants.</p> <p>New joint website (as earlier) will be used to highlight new schemes.</p> <p>Distributors will commit to simplification agenda and ensure it is incorporated into the new Forum workplan for 2006. Will also address specific competency requirements, such as cost/benefit analytical skills.</p> <p>Benefiting Sector – Grant applicants, umbrella/intermediary bodies which offer support to specific sectors, Lottery distributors, voluntary and community sector, local authorities.</p> | | <p>Lottery Fund and Big Lottery Fund which demonstrated strong public support for improvements to local parks to encourage greater use by and involvement with communities.</p> <p>Further joint working (including joint schemes if appropriate) to be encouraged – possibly in new policy directions – where this will help distributors better achieve their outcomes and create more efficient processes for applicants. DCMS will discuss Ministers’ proposals with distributors in Autumn 2006.</p> | |
| <p>Distributors work jointly to agree procedures for handling applications for and monitoring of major capital lottery grants.</p> | <p>Simplifying Measure – Distributors should consider how to implement best practice and common procedures in line with OGC Gateway processes. To apply to capital grant applications in excess of £5 million.</p> <p>Expected Outcome –</p> <p>Applicants benefit from a common application and post-completion monitoring and reporting procedure</p> | <p>DCMS Decision Document; Lottery Forum work plan.</p> | <p>Lottery Forum detailed plans to Lottery Minister Richard Caborn in March 2006. Major Distributors involved: Heritage Lottery Fund, Big Lottery Fund, Arts Council England, Sport England. Deadline for work 31 March 2007. Set out timetable for</p> | |

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---------------------------|--|--|
| | <p>for major capital project grants.</p> <p>Lessons learned will also be used to simplify procedures relating to grant applications for smaller capital grants.</p> <p>Benefiting Sector – Grant applicants, umbrella/intermediary bodies which offer support to specific sectors, Lottery distributors, voluntary and community sector, local authorities.</p> | | <p>implementation during 2006/07. Will include:</p> <ul style="list-style-type: none"> • Centre of Excellence established • Milestone Review Framework for project evaluation and management – modelled on OGC Gateway Review process • Training for key staff as Gateway/Milestone Reviewers • Development of common legal grant requirements | |

Summary of potential estimated incremental annual savings (£m) by area by year*:

National Lottery Distribution and Communities Division:

Policy Area

| | 2007/8 | 2008/9 | 2009/10 | 2010/11 | 2011/12 |
|-----------------------------------|--------|--------|---------|---------|---------|
| Big Lottery Fund | £6-12 | £6-12 | £6-12 | £6-12 | £6-12 |
| Joint distributor helpline | £0.15 | £0.15 | £0.15 | £0.15 | £0.15 |

*All figures to be confirmed by Big Lottery Fund as soon as available

Section 10: Simplification plan for Architecture and Historic Environment

10. Regulation of the Historic Environment – a pen picture

10.1 The heritage protection system is designed to protect and sustain the historic environment for now and for the benefit of future generations. There are over half a million nationally designated assets in England. Most of these are listed buildings, but there are also scheduled ancient monuments, registered parks, gardens, battlefields and designated historic wrecks. These national designations are complemented at local level by over 9,000 Conservation Areas and lists of locally significant sites and buildings.

10.2 The current heritage protection system has been built up piecemeal over the last century. While parts of the system work well, in general, it is slow, bureaucratic and burdensome and can be difficult to use and understand. Reform of the heritage protection system is one of the five strategic aims for the historic environment set out in the Government's 2001 policy statement 'The Historic Environment: A Force for our Future'. It is also an important element of the Department for Communities and Local Government's (DCLG) ongoing reform of the planning system. In 2003 the Government published a consultation 'Protecting our historic environment: making the system work better' which set out a series of broad proposals for improving the system. The response to the consultation was published in June 2004 ('Review of heritage protection: the way forward'). This set out a package of reforms of the heritage protection system in England. DCMS is taking forward the review of heritage protection in partnership with DCLG and English Heritage.

10.3 The reforms are grouped around three priority areas: designation, management and regulation. On designation, the proposals are to unify the current systems of listing, scheduling and registering into a single designation system and to simplify and streamline the designation process; on management, the reforms will introduce the option of new statutory management agreements for some historic assets; and on regulation, the review will introduce a new unified heritage consent to replace listed building consent and scheduled monument consent. The aim is to create a system which works more openly and efficiently to reduce uncertainty when a building or site is being considered for designation; makes clear who owns and manages them and why they are so designated and what obligations they face; and makes it easier for owners to manage them in compliance with the law.

10.4 There has been widespread public consultation on the proposed changes to the heritage protection system. Over 500 responses were received to the consultation, most of which were supportive of reforms. Subsequent separate public consultations have been carried out on the protection of the marine historic environment, the protection of church heritage, Historic Environment Records, and the principles used in making listing decisions. In autumn 2005, DCMS and English Heritage ran a series of seminars involving over 600 representatives from local authorities and the heritage sector. The project is overseen by an external Steering Committee and is supported by a Stakeholder Group including key organisations from the sector.

10.5 Developing detailed proposals for heritage protection reform has taken some time. The initial public consultation took place in 2003, and a White Paper is expected later in 2006. There are a number of reasons for this. First, the reform programme has been subject to extensive public consultation at each stage of the process. Second, these are a complex series of reforms that cut across DCMS, DCLG and DEFRA policy areas and it has taken time to agree detailed proposals for change. In recognition of the long timescales involved, DCMS has also taken forward a number of short-term changes to the system designed to make immediate improvements within existing legislation. In April 2005, English Heritage took over the administration of the current listed building system from DCMS, new list entries have been developed, and new notification and appeal arrangements have been introduced. Initial indications are that these changes have helped to speed up the current listing system. In addition, we have carried out a public consultation on changes to the criteria used when deciding whether a building should be listed. These changes are designed to make the current listing system more open and understandable. The revised principles will be issued as a joint DCMS/ DCLG local authority circular later in the year.

10.6 Over the past two years, English Heritage has run a number of pilot projects to develop and test key reform proposals. Evaluation of the pilots suggests that the proposed reforms have the potential to deliver a system that is simpler, more open and more flexible and that improves the protection, management and understanding of many historic assets. Research has also been undertaken to assess the capability of local authorities to deliver the new system.

10.7 Following publication of the White Paper, DCMS and DCLG will work with English Heritage to develop a detailed implementation plan for the reforms in anticipation of new legislation. DEFRA will also be involved in the process as one of the co-sponsors of English Heritage.

Architecture and Historic Environment Simplification Plan

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|--|------------------------------|---|---|
| <p>Unified Register of Historic Sites and Buildings of England. Will bring together separate systems of listing buildings, scheduling ancient monuments and registering parks, gardens and battlefields and introduce a simpler and more streamlined designation process.</p> | <p><u>Type of measure</u> Consolidation and rationalisation.</p> <p><u>Expected outcome</u> Improved understanding of designation of historic assets, removal of overlapping designation, simpler and more consistent designation process.</p> <p><u>Benefiting Sector</u> Heritage sector, local planning authorities, owners of historic assets.</p> | <p>DCMS/English Heritage</p> | <p>Two stages: Interim changes based on existing legislation to be delivered 2005-2007.</p> <p>Bid for new primary legislation to enable full implementation. Detailed proposals to be published by early 2007.</p> | <p>Partial RIA complete. Expected reductions in time taken to go through a listing application from six to four months for approximately 2,000 applicants annually.</p> |
| <p>Management agreements that will reduce the requirement to separately apply for a number of consents for carrying out relatively minor work on designated sites.</p> | <p><u>Type of measure</u> Rationalisation</p> <p><u>Expected outcome</u> Reduce repeated consent applications. Local planning authorities</p> <p><u>Benefiting sector</u> Owners of historic sites</p> | <p>DCMS/English Heritage</p> | <p>Bid for new primary legislation to enable full implementation. Detailed proposals to be published by early 2007.</p> | <p>Partial RIA complete. Approximately £1.2million p.a. policy cost savings.</p> |

Section 11: Simplification plan for Creative Industries

11. Creative Industries

11.1 There are two sections of Creative Industries that gives rise to administrative burdens.

Video Classification

11.2 In order to protect children from exposure to inappropriate and potentially harmful material, Parliament determined that every video, and those games which feature gross violence and/or human sexual material, should be submitted to a designated authority, in order to receive an age-related classification. It is then an offence to supply a video or game to someone who does not meet the age requirement.

11.3 The authority is designated by the Secretary of State, and she has designated the President and Vice Presidents of the British Board of Film Classification (BBFC). When they consider a video or game, they are required to pay special regard to the harm that it might cause. The BBFC is a not-for-profit company and it therefore limits the charges it makes to industry at a level designed only to cover costs. And indeed, in the years 2002–05, the BBFC actually reduced its charges. This year, there has been no change. The BBFC has also steadily decreased the amount of time it takes to process a video or game – from an average that reached as high as 40 days in 1998 to around 20 days in 2006.

Cultural Test

11.4 Film plays an important role in British culture. The Government's core aim in providing tax relief is to promote the sustainable production of culturally British films. This aim is supported through:

- a) Encouraging the production of films that might not otherwise be made;
- b) Promoting sustainability in British film production; and
- c) Maintaining a critical mass of UK infrastructure, creative and technical expertise, to facilitate the production of culturally British films.

11.5 The DCMS has designed a new cultural test to better identify culturally British films that might be considered eligible to claim UK film tax relief. The new test replaces some of the administrative burdens which currently apply to those applying under this test. The burdens replaced are those relating to the provision of evidence relating to expenditure. This information will now though be required by the HMRC. While legislation is in place for the new test, it is awaiting final approval from the European Commission. Once established, quantification of the changes will take place, but it is expected to deliver modest administrative burdens savings.

| Brief Description of Simplifying Measure and how it will be delivered | Type of measure, Expected Outcome and benefiting Sector | Source/Origin of proposal | Deadline for Delivery and any key milestones | Estimated cost benefit and RIA status where applicable |
|---|---|---|--|---|
| <p>Revise the conditions of Schedule 1 to the Films Act 1985 to introduce a new Cultural Test for British Films. Films are required to pass Schedule 1 conditions in order to be certified as a British film. The new test is a points based system which has been designed to be transparent and offer certainty to the industry.</p> <p>Note: This test is still awaiting State Aid approval from the European Commission</p> | <p>The changes to the Schedule 1 introduce which has been designed with input from the industry and is objective and transparent. The costs for the film industry and Government in the long term should be reduced as the system settles down and practitioners become familiar with the criteria and applications process</p> <p>Simplification. A reduction in administrative costs for business and central Government.</p> <p>UK film industry</p> | <p>The cultural test for British films was designed following full public consultation.</p> | <p>Awaiting final European Commission state aid approval of the UK film tax relief scheme.</p> | <p>RIA approved. The effect of the new test will be monitored but it is not expected to be more expensive than the current system to operate. However, there may be slight increase in costs during the transitional arrangements when the industry is adjusting to the new system.</p> |

TABLE 1: Summary of DCMS regulations and associated administrative burdens adjusted for business as usual costs

| Regulation Name | Combined Net Cost £ Million |
|---|--------------------------------|
| National Lottery etc Act 1993 | £0 |
| Video Recordings (Labelling) Regulations 1985 | £4 |
| Films (Certification) Regulations 1985 | £6 |
| Legal Deposit Libraries Act 2003 | £49 |
| Football Spectators Act 1989 | £3 |
| Public Statues (Metropolis) Act 1845 | £0 |
| Ancient Monuments (Application for Scheduled Monuments Consent) regulations 1981 | £0 |
| Protection of Wrecks Act 1973 | £0 |
| Wireless and Telegraphy Act 1967 | £1 |
| Lotteries and Amusement Act 1976 | £24 |
| Gaming (Record of cheques and debit card payments) Regulations 1997 | £0 |
| Gaming Act 1968 | £2 |
| Gaming Clubs (Licensing) Regulations 1969 | £9 |
| Betting Gaming and Lotteries Act 1963 | £27 |
| Betting (Licensing Regulations) 1960 | £1 |
| Gaming Act (Regulations under part III) Regulations 1969 | £6 |
| Licensed Betting Office Regulations 1986 | £0 |
| Lotteries Regulations 1993 | £1 |
| Export of Objects of Cultural Interest (Control) Order 2003 | £0 |
| Council Regulation (EEC) No 3911/92 of 9 December 1992 on the export of cultural goods (as amended) | £0 |

| | |
|--|-------------|
| Treasure Act 1996 | £0 |
| National Heritage Act 1980 | £0 |
| Licensing Act 1964 | £136 |
| London Government Act 1963 | £4 |
| London Local Authorities Act 1990 | £0 |
| Cinemas Act 1985 | £1 |
| Theatres Act 1968 | £1 |
| Licensing (Occasional Provisions) Act 1983 | £4 |
| Local Government (Misc. provisions) Act 1982 | £39 |
| Private Places of Entertainment (Licensing) Act 1967 | £1 |
| Late Night Refreshment Houses Act 1969 | £1 |
| Broadcasting Act 1990 | £0 |
| Broadcasting Act 1996 | £1 |
| Development of Tourism Act 1969 | £0 |
| Communications Act 2003 | £23 |
| DCMS Total | £344 |

Appendix A: Table of cumulative savings until end 2009/10 by DCMS Policy Division (in millions).

| <u>Division</u> | <u>Admin Burdens Savings</u> | <u>Policy Savings</u> | <u>Total</u> |
|---------------------------------------|------------------------------|-----------------------|--------------|
| Licensing (of which) | | | |
| • Licensing Act 2003 | 450 | | 450 |
| • Changes to Licensing Act 2003 | 43 | | 43 |
| Tourism | 1 | | 1 |
| Sport | | 0.1 | 0.1 |
| Arts | | 2 | 2 |
| Architecture and Historic Environment | | 2.4 | 2.4 |
| Lottery | | 27.5 | 27.5 |
| TOTAL | 494 | 32 | 526 |

Appendix B: Business as usual costs

The administrative burdens measurement exercise has also identified and captured the costs of activities which businesses would be likely to carry out regardless of the regulation measured being in place. These activities, and the estimates for the ‘business as usual’ costs they represent, could lead to distortion in the focus of our reduction efforts. The actual admin burden is the *additional* cost imposed by regulation, over and above what businesses would do anyway.

To ensure our reduction strategy focuses on areas where regulation adds specific additional burdens, the Department for Culture Media and Sport took part in a cross-government process developed by the Cabinet Office and agreed with business stakeholders to identify those activities within our total administrative cost which might be classified as ‘business as usual’. Using a pragmatic methodology to apportion the estimates captured by the measurement exercise, an independent panel of business representatives looked at the activities that make up 70 percent of our total administrative cost to consider the apportionment of business as usual costs. Annex A shows the total admin burden for each regulation following this process.

Appendix C: Explanatory Note for DCMS ABR Savings resulting from the Licensing Act 2003

Introduction

This note attempts to explain the thinking and assumptions underpinning the accompanying calculations (see spreadsheet attached) and is being drawn up with assistance a group of independent specialists from the sector. **It is strictly work in progress and should not be taken to be an accurate representation of the ABR savings but rather as an illustration of the projected cumulative savings** at a steady state for businesses to comply with the requirements of the new Act, based on the likely costs that businesses are most likely to incur on an ongoing basis, for varying their licenses or to enter the market for the first time. That will be the subject of wider review and evaluation, especially of the savings projected by the Regulatory Impact Assessment (RIA), which accompanied the Act. The spreadsheet is designed as a tool to be used to draw out stakeholder perspectives and facilitate dialogue between the Better Regulation Executive (BRE) and DCMS.

Background and context

As part of the work to draw up and quantify the savings arising out of the measures within the DCMS Simplification Plan, we have been asked by the BRE to provide an estimate for the likely burdens and related ABR savings arising out of the Licensing Act 2003.

The purpose of reforming the licensing laws was to achieve a balance of significant deregulation, providing the opportunity for increased economic activity and modern fit for purpose regulation to support Government's wider objectives, for example on crime and disorder; protecting the vulnerable from harm; and empowering local communities.

The Licensing Act 2003 took full effect in November 2005. This was a radical simplification e.g. consolidating nine licensing regimes into one; reducing the number of forms from 174 to 20; and establishing a single licensing authority in place of four. DCMS forecasts, based on the level of entry, exit and variation under the former regime, that for over 90 percent (170,000) of newly licensed businesses/organisations, there will be no information obligation costs at all associated with the new regime (aside from making an annual fee payment).

The new Licensing regime requires licensing authorities to apply a risk based approach to the enforcement and inspection of the requirements of the Act – many examples of best practice have been identified across the new licensing authorities via the Department's Scrutiny Council initiative, which reported in July 2006. The licensing fee system allows only for the costs of the effective and efficient operation of authorities to be recovered.

Implementation of the new Licensing regime was a difficult period for many businesses, in particular SMEs and non-commercial organisations, as they had to get used to new provisions, guidance and forms. Whilst bulk of upfront effort and costs associated with reform were identified early, including through the RIA, the Department accepts that this does not lessen the impact for those firms that had to contend with change.

Since the former regime costs – using ABR methodology – amounted to over £190 million per annum, DCMS believes that even a cautious analysis indicates that residual annual administrative costs e.g. costs for businesses varying their licence or for new entrants (about 10,000 organisations), will mean that the Department can demonstrate substantial administrative cost savings through these reforms.

DCMS accepts that some independent/industry verification is appropriate – this is the start of that process. And it will also include reconvening the industry Monitoring Group, which oversaw and endorsed the PwC assessment of administrative burdens imposed by the Department.

DCMS acknowledges there have been additional policy costs for many businesses associated with reform e.g. increased licensing fees and the need to meet specific licence conditions. Government considers these essential in delivering against the four licensing objectives on crime and disorder; protection of children; public safety; and nuisance.

Policy benefits should be set against these costs e.g. longer opening hours and the ability to offer a more diverse range of licensable activities.

There is work to be done during evaluation of the reforms of the overall costs and benefits, and this will be a broader exercise than either the RIA or ABR baselines established. By the end of the year to assess progress and report back to the Minister's BR Panel and in time for the next assessment by the BRE Panel.

As has been acknowledged, implementation of the licensing reforms i.e. the transition period was a difficult time for many businesses, especially SMEs. The Department has put in place a significant programme of monitoring and evaluation. This includes the Independent Review of Licensing Fees, which as part of its remit is considering the impact of the arrangements on different sub-sectors. This will report at the end of the year. The Department accepts that there are lessons to learn from implementation of reform e.g. guidance to businesses should have been available earlier, and 'intelligent' online forms should be developed.

DCMS acknowledges that there is still more to do, it accepts that lessons from the recent NAO Report on Regulatory Impact Assessments, feedback from those regulated and reports like that from the Better Regulation Commission on licensing reform need to be acted upon. Indeed, many of the measures in the Simplification Plan can be related to BRC findings.

Methodology and basis for assumptions

The method used, although similar to the SCM, is not an SCM model in itself. This is because it is not possible at this moment to gather the detailed information that a fuller SCM methodology would require. We have however tried to use the same principles.

The basic principle we have tried to apply is to multiply the total costs resulting from the various processes likely to take place from either applying for a licence for the first time or varying an existing one, with the total population likely to be affected.

The population will be driven by businesses entering the sector for the first time, or new premises being opened up by existing businesses and existing businesses, varying their existing licenses and the assumption here is based on previously recorded activity.

The cost will be driven by the time it takes to fill out the form, the frequency that this has to be done to comply with the information obligation and the number of processes that take place in any given reporting period.

Set out in a formula this would look like $(P \times C)$. Where P is the number of businesses involved multiplied by the frequency they have to comply with an information request/obligation. Cost includes the time it takes to fill out the form any other related external costs or goods

Distinction between policy and administrative burdens costs

Administrative burdens are the costs of regulation to business in time or money that come from regulators' inspection or enforcement activities. These are the costs incurred in gathering information about a business or checking on a business's compliance, for example, filling in a form or showing an inspector round a site.

Administrative costs must be distinguished from policy costs. Policy costs are the costs inherent in meeting the aims of a regulation such as the costs of installing new machinery prescribed by legislation or making changes to a factory in order to meet new health and safety regulations. They do not include business as usual costs – the costs of activities which businesses would be likely to carry out regardless of the regulation measured being in place.

The basic premise of the DCMS BR work is that administrative costs are an overhead and should be reduced to the minimum level required to ensure the effective enforcement of the regulation.

List of Abbreviations used

ABR - Administrative Burdens Reduction

BRC - Better Regulation Commission

BRE - Better Regulation Executive

BR - Better Regulation

NAO - National Audit Office

RIA - Regulatory Impact Assessment

SCM - Standard Cost Model

| Modelling of Estimated Admin Burdens Imposed by the Licensing Act 2003 and Projected Savings from DCMS Simplification Plan | Population | Scenario 1 | Scenario 2 | Scenario 3 |
|--|--------------|--------------------|--------------------|--------------------|
| | | Total Unit Costs £ | Total Unit Costs £ | Total Unit Costs £ |
| Total number of businesses affected by Act (note 1) | 190,000 | | | |
| Total number of businesses likely to apply for variations (note 2) | 30,000 | £1,500 | £2,500 | £3,000 |
| Total number of likely new entrants and related total costs (see note 3) | 10,000 | £2,000 | £2,500 | £3,000 |
| Total churn and resulting burden (note 4) | 40,000 | £70,000,000 | £100,000,000 | £120,000,000 |
| DCMS ABR Total for Licensing as at May 2005/related savings resulting from new Act (note 5) | £190,000,000 | £120,000,000 | £90,000,000 | £70,000,000 |
| ABR saving resulting from Licensing Act 2003 by scenario as a % of Licensing AB as of May 2005 (note 6) | | 63% | 47% | 37% |
| Total Admin Burdens imposed by DCMS regulations and projected % savings across the whole DCMS policy resulting purely from the Licensing Act 2003 (note 7) | £343,000,000 | 35% | 26% | 20% |
| Additional Cumulative Savings from Licensing measures identified from the new Act in current plan | | 43,000,000 | 43,000,000 | 43,000,000 |

| Modelling of Estimated Admin Burdens Imposed by the Licensing Act 2003 and Projected Savings from DCMS Simplification Plan | | | Scenario 1 | Scenario 2 | Scenario 3 |
|---|--|--|-------------------|-------------------|-------------------|
| Cumulative savings from other policy areas identified in the plan | | | 2,000,000 | 2,000,000 | 2,000,000 |
| | | | | | |
| Total projected ABR savings from DCMS Plan | | | 165,000,000 | 135,000,000 | 115,000,000 |
| | | | | | |
| ABR saving resulting from DCMS plan by scenario as a % of AB as of May 2005 | | | 48% | 39% | 34% |
| | | | | | |
| | | | | | |
| ABR savings identified within DCMS Plan by policy area | | | £ | £ | £ |
| Tourism - Price display order | | | 2,000,000 | 2,000,000 | 2,000,000 |
| Sports - FLA to be confirmed | | | | | |
| Creative industries - Film certification to be confirmed | | | | | |
| Arts - No ABR | | | | | |
| Heritage | | | | | |
| Lottery | | | | | |
| Broadcasting through Ofcom plan | | | | | |
| Legal Deposits | | | | | |
| Gambling to be confirmed as part of the RIA for the enabling legislation | | | | | |
| | | | | | |
| Total ABR | | | 2,000,000 | 2,000,000 | 2,000,000 |
| | | | | | |
| | | | | | |
| Notes and assumptions | | | | | |
| Note 1: Total population is based on current national estimates and is consistent with figure used for the RIA and ABR exercise. | | | | | |

| Modelling of Estimated Admin Burdens Imposed by the Licensing Act 2003 and Projected Savings from DCMS Simplification Plan | | | Scenario 1 | Scenario 2 | Scenario 3 |
|--|--|--|-------------------|-------------------|-------------------|
| Note 2: This is the estimated number of businesses assumed to seek a variation to their licence. It assumes that any average variation will involve at least a change to 90 percent of the original license and includes any changes to a previously issued licence i.e. changes to DPS, personal license changes and TENS. This figure is at the upper end of the spectrum. | | | | | |
| Note 3: The number of businesses/firms seeking a new licence for the first time. | | | | | |
| Note 4: Total churn resulting from variations and new entrants and related burden. | | | | | |
| Note 5: Total Admin burden resulting from the old licensing regime and related ABR saving by scenario. | | | | | |
| Note 6: Projected ABR % savings by scenario from Licensing Act 2003 at a steady state. | | | | | |
| Note 7: Total Admin burdens imposed by all DCMS regulations and projected ABR % savings resulting from the Licensing Act excluding additional proposals currently identified in the plan. | | | | | |
| Note 8: ABR reductions resulting from the Licensing Act as a result of the additional measures currently identified in the plan. | | | | | |