



Simplification Plan 2006-07

Contents

1	Foreword	3
2	Introduction and summary of actions	5
3	Background to the plan	6
4	Consultation	7
5	The importance of simplification to DWP	7
6	DWP's approach to simplification	8
7	Policy costs and administrative costs	11
8	Administrative burdens and the simplification plan	11
	<i>The Administrative Burdens Measurement Exercise</i>	11
	<i>The size of DWP's administrative burden and target to reduce it</i>	13
	<i>The nature of DWP's administrative burdens</i>	13
	<i>Reducing DWP's existing administrative burdens</i>	15
	<i>Measuring burdens from new regulation from 1 June 2005</i>	18
	<i>Stemming the flow of administrative burdens on business</i>	18
9	Reducing other burdens on business	20
	<i>Statutory Sick Pay</i>	20
	<i>Private Pensions: Deregulatory Review</i>	20
	<i>Private Pensions: Consolidation</i>	21
	<i>Simplification Measures in the Pensions Bill</i>	22
10	Reducing burdens on our customers and staff	22
	<i>Welfare reform and simplifying benefits for people of working age</i>	22
	<i>Benefit Simplification Unit</i>	23
	<i>Housing Benefit: Consolidation</i>	23
	<i>Child Support Reform</i>	24
	<i>Improving customer insight</i>	24
	<i>Leaflet review</i>	25
	<i>Procurement</i>	25
11	Links between this plan and the Hampton Review	26
	<i>Private Pensions: Institutional Review</i>	28
12	Links between this plan and the Davidson Review	28
13	Taking this plan forward	29
	<i>Working with and consulting stakeholders</i>	29
14	Next Steps	31
15	Annex A - Individual simplification proposals	32
16	Annex B Regulations introduced 1 June - 31 October 2005 with some impact on business	47
17	Annex C Members of DWP's Better Regulation Stakeholder Group	52
18	Glossary	53

FOREWORD from the DWP's BETTER REGULATION MINISTER



Better regulation can improve UK productivity, help modernise public services and influence economic reform in Europe.

The Government's response to the Better Regulation Task Force's report, *Regulation - Less is More* commits all departments to publishing rolling programmes of simplification as a key part of taking forward the better regulation agenda.

Simplification plays an important part in the DWP's ongoing programme of reform. The Department's aim is to ensure that individuals are able to provide for themselves and their families over longer, active lives. To enable everyone to play their part in this, we are working to reduce burdens on business and others.

Simplification reduces policy and administrative costs on the frontline (business, voluntary and charitable sector, public services). This plan covers all three sectors and also includes simplification measures for the Department's customers.

The Department's first simplification plan:

- identifies how to deliver nearly half of the Department's 25 per cent administrative burdens reduction target. The plan also sets out a number of reviews which the Department will take forward to meet or exceed the overall target;
- identifies a number of large-scale activities in key areas of policy, including private pensions regulation, Statutory Sick Pay, and benefit simplification; and
- places the Department's better regulation activity in a broader context. The Department will be a smaller organisation, working with and through others to help people achieve better outcomes for themselves.

We could not have developed this plan without the considerable help of our stakeholders and our members of staff. I would like to thank them for the contribution they have made.

A handwritten signature in black ink, appearing to be 'JP', enclosed within a light grey rectangular box.

James Purnell MP

December 2006

Introduction and summary of actions

1. This simplification plan sets out how the Department for Work and Pensions (DWP) plans to reduce the burdens imposed by its regulation. Doing so will help the Department to meet its aim of ensuring that individuals are able to provide for themselves and their families over longer, more active lives.
2. Simplification means reducing burdens on business and frontline staff, employers, citizens, the voluntary and community sector and other stakeholders. This in turn will make access to the State easier for citizens and the people who advise them.
3. Simplification plays an important part in DWP's ongoing programme of reform. The Department's regulation and enforcement approach accords with the five principles of good regulation – proportionality, accountability, consistency, transparency and targeting.
4. DWP is committed to reducing the burdens posed by the existing stock of regulation as well as minimising burdens from the flow of any necessary, new regulation. For example, as a result of the Department's drive to simplify pensions legislation, draft regulations on disclosure of information that were due to come into force on 1 October 2006, and which would have increased administrative costs, were withdrawn.
5. Annex A of this plan sets out 40 proposals to simplify and clarify the Department's current stock of regulation, ease administrative burdens on business, and improve the way the Department interacts with customers. In particular, this plan:
 - sets out how the Department will work towards achieving its target to reduce administrative burdens on business by 25 per cent by 2010. With the assistance of stakeholders £53 million worth of annual burden reductions have already been identified; and a series of reviews over 2006-07, aimed at identifying ways to exceed the Department's target of reducing administrative burdens by £118m, has been developed;
 - sets out details of reviews of Statutory Sick Pay (SSP) and private pensions that should identify opportunities to reduce broader burdens on business;
 - draws attention to the key role that better customer insight will play as the Department seeks to improve customer service, and the effectiveness and efficiency of its frontline operations; and
 - sets out plans to simplify benefits and the Department's information products, to improve the effectiveness and efficiency of services.

Background to the plan

6. Simplification plans form part of the Government's wider better regulation agenda. Reviews and reports which have contributed to the Department's plan include:
- The **Better Regulation Task Force report** *Regulation - Less is More* (March 2005)¹ recommended that all departments, in consultation with stakeholders, develop a rolling programme of simplification to identify regulations that can be simplified, repealed, reformed and/or consolidated.
 - The **Administrative Burdens Measurement Exercise** allowed the Department to identify opportunities for reducing 'red tape'. This exercise was led by the Better Regulation Executive, as part of the Government's commitment to measure and reduce what it costs business in time, money and effort to comply with particular regulations. A report *Department for Work and Pensions Administrative Burdens Measurement Exercise* (June 2006)² and a technical summary produced by the Cabinet Office support this plan.
 - The **Hampton Report** *Reducing administrative burdens: effective inspection and enforcement* (March 2005)³ focused on reducing administrative burdens by promoting more efficient approaches to regulatory inspection and enforcement.
 - The **Davidson Review** examined selectively the stock of EU-derived UK legislation to identify measures where unnecessary regulatory burdens could be reduced or the system simplified. A summary of responses to the review's call for evidence was published in June 2006⁴; a final report⁵ with conclusions and recommendations was published on 28 November 2006.

¹ Better Regulation Task Force report: *Regulation - Less is More*
<http://www.brc.gov.uk/downloads/pdf/lessismore.pdf>

² DWP administrative burdens measurement exercise report: *Department for Work and Pensions Administrative Burdens Measurement Exercise*
http://www.dwp.gov.uk/aboutus/better_regulation/AdminBurdens.pdf

³ Hampton Review report:
<http://www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf>

⁴ Davidson Review's call for evidence:
http://www.cabinetoffice.gov.uk/regulation/documents/davidson_review/sum_of_responses.pdf

⁵ Davidson Review – final report
http://www.cabinetoffice.gov.uk/regulation/documents/davidson_review/davidson_review.pdf

Consultation

7. In putting together this plan, the Department has discussed key proposals with its Better Regulation Stakeholder Group, and taken comments from the Better Regulation Commission and the Better Regulation Executive. DWP is committed to working with all its stakeholders to implement the actions identified in this plan and to identify further opportunities to reduce the burden on business, citizens and other stakeholders.

The importance of simplification to DWP

8. DWP has five high level objectives⁶, to:
 - ensure the best start for all children and end child poverty by 2020;
 - promote work as the best form of welfare for people of working age, while protecting the position of those in greatest need;
 - combat poverty and promote security and independence in retirement for today's and tomorrow's pensioners;
 - improve rights and opportunities for disabled people in a fair and inclusive society; and
 - ensure customers receive a high-quality service, including high levels of accuracy.
9. Every year the Department deals directly with around 20 million citizens and, at some stage in their life, almost everyone in the country is likely to engage with one or more of its services. The Department's frontline staff work closely with a wide range of stakeholders in the private and voluntary sectors.
10. The Department's activities also affect directly all 1.2 million private sector employers in the country (through whom policies relating to SSP, private pensions and child support are delivered) and the financial services industry, in particular general and life insurers and fund managers – both of whom play a key role in private pension provision.
11. Although DWP is a relatively light regulator of the private sector, it has an enormous interest in ensuring that the burdens it places on business are kept to the minimum necessary to ensure that policy objectives are met.

⁶ DWP's five-year plan: *Department for Work and Pensions Five Year Strategy – Opportunity and security throughout life*. February 2005
http://www.dwp.gov.uk/publications/dwp/2005/5_yr_strat/

12. Employers are key to ensuring that the Department maintains high levels of employment, makes progress towards eliminating child poverty, and maintains a durable system of private pension savings.
13. The success of the Department relies to a great extent on its customers and stakeholders understanding the way the system of social security benefits works. The system is complex and simplification is likely to result in both greater effectiveness and greater efficiency. Simplification should also reduce the burdens that the Department imposes on customers, staff, and partners who provide advice and support to DWP customers.

DWP's approach to simplification

14. The Department has a longstanding interest in better regulation and simplification. Although regulation can impose costs, it is intended to bring benefits and/or reduce risk, and it is important to ensure that the burdens imposed by regulation are kept to the minimum necessary to achieve the Government's policy objectives.
15. The Department follows the five Principles of Good Regulation⁷ identified by the Better Regulation Commission's predecessor:
 - **Proportionality** – regulators should only intervene when necessary. Remedies should be appropriate to the risks posed, and the costs identified and minimised.
 - **Accountability** – regulators must be able to justify decisions and be subject to public scrutiny.
 - **Consistency** – government rules and standards must be joined-up and implemented fairly.
 - **Transparency** – regulators should be open, and keep regulations simple and user-friendly.
 - **Targeting** – regulation should be focused on the problem and minimise side effects.

⁷ Better Regulation Task Force publication: Principles of Good Regulation
<http://www.brc.gov.uk/downloads/pdf/principlesleaflet.pdf>

16. These principles are applied rigorously via the Department's use of Regulatory Impact Assessments (RIA). The Capability Review of DWP (July 2006)⁸, overseen by the Cabinet Office, drew attention to the Department's strong record of evidence-based policy making. An excellent example of the Department's analytical work can be seen in the RIA⁹ which accompanied the White Paper on pensions reform *Security in retirement: towards a new pensions system* and which was strongly commended by the Better Regulation Commission.
17. In developing new proposals, the Department is also fully committed to rigorous and inclusive consultation. The welfare reform and pensions reform public consultation exercises¹⁰ both very much exemplified best practice in these areas.
18. The consultation on pensions reform received positive feedback from the Better Regulation Commission, while the welfare reform proposals on SSP which were amended to take account of stakeholders' comments, showed the value of this sort of exercise. Subsequently the Government announced a major review of statutory provision for short-term sickness. This review is underway and simplification is one of its objectives
19. To ensure that simplification issues are given due weight in the Department's decision making processes, the Department has put in place the following initiatives:
 - In September 2005, the Department established a Better Regulation Stakeholder Group¹¹ chaired by the Department's Better Regulation Minister (James Purnell) which meets regularly. Members of the group include representatives from employers' organisations, employers, small business, trade unions, the third sector, the insurance industry, local government, the Pensions Regulator and the Pension Protection Fund. Other relevant government departments and agencies are also invited to attend meetings to ensure an inter-departmental focus on stakeholder issues.
 - In December 2005, the Permanent Secretary announced the creation of the DWP Benefit Simplification Unit with a clearly defined remit to bear down on complexity among the working age benefits. The unit has focused on spreading best practice among policy makers across the

⁸ DWP Capability Review

http://www.civilservice.gov.uk/reform/capability_reviews/publications/pdf/Capability_Review_DWP.pdf

⁹ This, and other recent DWP RIAs, can be found at: <http://www.dwp.gov.uk/resourcecentre/ria.asp>

¹⁰ These, and other DWP consultation documents, can be found at: <http://www.dwp.gov.uk/consultations/2006/>

¹¹ Members of the Better Regulation Stakeholder Group and dates when they have met are at Annex C

Department, producing a guide¹² which sets out ways to avoid complexity for those involved in designing or implementing a change to the benefits system. It has been written in consultation with staff from across DWP and the Social Security Advisory Committee (SSAC).

- The Department's Better Regulation Champion is a member of the Executive Team (which supports the Permanent Secretary in providing corporate leadership for DWP).
 - The Department's Better Regulation Unit has been placed at the heart of the Department's Strategy Directorate, and the resources available to it increased.
20. SSAC¹³ provides a valuable, statutory, independent, external scrutiny of many of DWP's proposed regulations. SSAC was established in 1980¹⁴ and fulfils two important roles both of which are related to better regulation and benefit simplification:
- Many proposed regulations must be submitted to the Committee for scrutiny. The Committee has the power to report its views and recommendations to the Secretary of State and, when preparing its report, may seek the views of interested bodies and individuals. The organisations consulted by the Committee differ according to the subject of the regulations in question, although consultations are open to all. The Department must take account of the Committee's recommendations and, when the regulations are finally laid before Parliament, the Committee's report and a statement explaining the response to its recommendations must also be laid.
 - SSAC also scrutinises a selection of the information products produced by the Department, and offers advice generally on the Department's public information strategy. The Committee examines a sample of high risk information products (for example, pensions planning information), and contributes to the process of ensuring that leaflets are clear enough for any reasonable person to understand, and that there are no significant omissions. It also scrutinises the production and assurance processes within the Department, and assesses how effectively information products are used by staff when handling customer enquiries.

¹² DWP Benefit Simplification Unit guide: *Simplification – Guide to Best Practice*
<http://www.dwp.gov.uk/publications/dwp/2006/simplification-guide-best-practice.pdf>

¹³ The SSAC website can be found at: <http://www.ssac.org.uk/>

¹⁴ SSAC's current legal basis – Social Security Administration Act 1992
http://www.opsi.gov.uk/acts/acts1992/Ukpga_19920005_en_14.htm#mdiv170

Policy costs and Administrative costs

21. The costs of regulation can be split into two types:
- *Policy costs* are the costs inherent in meeting the aims of a regulation. For example, employers making statutory payments.
 - *Administrative costs* are those costs that are incurred in gathering or providing information about a business, or checking on a business's compliance with regulation. So, for example, filling in a form is an administrative cost for business, as is providing an inspector with access to records.
22. The decision on the acceptable level of policy costs for a particular outcome reflects the political decision on the regulatory goal to be achieved. The administrative cost, however, is an overhead and should be reduced to the minimum level required to ensure the effective implementation of the regulation.
23. A good illustration of these concepts can be found in the Government's proposal to develop and introduce a new private pension saving scheme of low-cost personal accounts. Consultation on these proposals¹⁵ revealed widespread support from across a wide spectrum of stakeholders. The financial services industry, CBI, TUC and Equal Opportunities Commission all expressed support.
24. This new scheme is likely to increase the policy impact on business. The priority remains to design the personal accounts scheme and the transition phase so that impacts on employers are minimised. The Department will continue to work with employers on designing the scheme to achieve this aim.

Administrative burdens and the simplification plan

The Administrative Burdens Measurement Exercise

25. Along with other government departments, DWP took part in the Administrative Burdens Measurement Exercise (ABME) to quantify the administrative costs incurred by business, charities and the voluntary sector as a result of complying with central government or European (or other international) regulation.
26. ABME forms part of the Government's wider Administrative Burdens Reduction project. The overall aim of the project is to bring about cultural change in the way policy is made as part of the broader better regulation agenda.
27. DWP sees the identification and measurement of administrative costs as a necessary prelude to, and driver for, regulatory simplification - a broad term

¹⁵ White Paper on pensions reform: *Security in retirement: towards a new pensions system – Summary of responses to consultation* <http://www.dwp.gov.uk/pensionsreform/pdfs/pens-wp-response.pdf>

encompassing activities such as deregulation, consolidation, rationalisation and codification of regulation, the simplification of forms and guidance, and data-sharing.

28. The results of ABME have provided the Department with the opportunity to identify how changes to regulation, or the way in which it is implemented, could help to reduce the cost to business. DWP is using the results to:
- understand the scale of the administrative burdens imposed by its regulation;
 - identify opportunities to reduce the overall level of these burdens;
 - monitor future progress in reducing the burdens;
 - integrate better regulation practices into policy making, to help create culture change; and
 - improve relationships and dialogues between the Department and the stakeholders that it regulates.
29. The measurement of **administrative costs** took place between autumn 2005 and spring 2006 and focused on identifying the Information Obligations and Data Requirements (IO/DRs) which business has to meet as a result of DWP regulation.
30. The measurement was carried out in accordance with the framework and methodology set out in the Standard Cost Model (SCM)¹⁶. Given the need to manage the overall costs of data collection while providing information about a very large number of IO/DRs, the SCM relies on the input of a limited number of experts and/or businesses. As such, it does not produce a statistically representative measurement of costs. Instead, it is a pragmatic approach to measurement that gives an indicative estimate of the size of costs and provides a starting point for setting reduction targets and highlighting the areas to focus upon.
31. Not all of these administrative costs represent an **administrative burden**. The administrative costs include some costs which a business might expect to incur regardless of regulatory requirements. These are termed Business As Usual (BAU) costs.
32. A separate exercise to identify BAU costs took place in May 2006 and involved the Department, the Better Regulation Executive and independent stakeholder panels. The result was a final dataset quantifying the main administrative burdens that the Department imposes on business. By adjusting the results of

¹⁶ Better Regulation Executive: *Administrative Burdens – Routes to Reduction*
<http://www.cabinetoffice.gov.uk/regulation/documents/reform/routes.pdf>

the ABME to take account of BAU costs, the Department can focus on those areas where deregulation is likely to have the greatest real impact on the burden it imposes on business.

The size of DWP's administrative burden and target to reduce it

33. ABME identified 53 pieces of DWP regulation (with 537 associated IO/DRs) that place an administrative cost falling within the scope of the exercise.
34. The overall gross **administrative cost** of DWP's regulation was estimated to be £591 million a year. Of this total, £385 million was attributable to private pensions regulation.
35. BAU costs were estimated to be around £120 million a year. After taking account of these, the Department's **net administrative burden regulatory baseline** was agreed to be **around £471 million a year** at 31 May 2005.
36. DWP has set itself **a target of reducing its administrative burden by 25 per cent** by 2010. This target amounts to achieving reductions of **£118 million a year** and is **net of any new administrative burdens** imposed by the flow of any new regulations.
37. The distribution of burdens across DWP's regulation suggests that the Department should focus on a small number of regulations and obligations in key policy areas which offer the greatest potential to reduce the administrative burdens and key irritants for employers and business. In addition, since almost all of the regulations and associated IO/DRs are domestic in origin, the Department's ability to reduce the burdens associated with these regulations will not be greatly restricted by international legislation over which the Department has less control.

The nature of DWP's administrative burdens

38. The majority of the obligations arising from the Department's regulation are concerned with private pensions (for example, the Pensions Act 1995) although there are a number of other regulatory areas including: Employers' Liability Compulsory Insurance, Statutory Sick Pay (SSP), Statutory Maternity Pay (SMP), Housing Benefit and the recovery of social security benefits. Table 1 sets out the IO/DRs that account for the Department's ten largest administrative burdens.

Table 1: Top 10 Information Obligations by Net Administrative Burden

Regulation	Net Burden (£m)	Requirement
Statutory Sick Pay (General) Regulations 1982	44	Maintain – for each employee, for three years – records of sick absence of four or more consecutive days
Employers' Liability (Compulsory Insurance) Regulations 1998	37	Retain – for a period of 40 years - each certificate of Employers' Liability Insurance issued under the regulations
Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996	34	Obtain an actuarial valuation of the pension scheme's: assets and liabilities; contribution rates and future funding level
Employers' Liability (Compulsory Insurance) Regulations 1998	34	Display certificate of Employers' Liability Insurance at each place of business to which the certificate relates
Personal Pension Schemes (Payments by Employers) Regulations 2000	24	Keep records of employers' payments to personal pension schemes , including contributions deducted from employees, and those paid by employers on behalf of employees
Pensions Act 1995 - MFR	23	Minimum Funding Requirement - obtain an actuarial certificate stating whether or not contributions payable to the pension scheme are adequate
Social Security (Recovery of Benefits) Act 1997	16	Provide benefit claimants who have made a successful compensation claim due to accident, injury or disease, information about the date and calculation of the payment
Pensions Act 1995 – scheme investment	14	Obtain written advice whether pension scheme investment is satisfactory having regard to various factors including scheme's own statement of investment principles
Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996	13	Keep records of steps taken to put in place, the required arrangements for member nominated trustees
Personal Pension Schemes (Disclosure of Information) Regulations 1987	12	Provide written information to each member of pension scheme

39. A very high proportion of DWP's regulation and IO/DRs apply to all businesses regardless of size, although some have exemptions for small business and a number of them are contingent, i.e., they are only applicable when a certain circumstance arises rather than on a regular or periodic basis.
40. This matters because it is important for the Department to understand the main drivers of administrative burdens if it is to successfully identify areas for burden reduction. As many of DWP's most costly IO/DRs affect very large populations, it is mostly the case that it is the sheer number of pension schemes, or members of those schemes, which drives the cost rather than the actual cost per firm of complying with the regulation.
41. It is also important for the Department to understand that nearly 40 per cent of the administrative costs are attributable to IO/DRs classified as providing statutory information to third parties. Comments from business suggest that a

significant amount of this information would be provided as a matter of client service regardless of the regulations.

42. Balancing this, business believes that information provision could be made more manageable and less expensive. The Department is therefore looking at opportunities to:
- reduce the population to whom a regulation is applied;
 - reduce the frequency with which compliance is required during the course of a year; and
 - identify simpler methods of complying with relevant regulations, for example, replacing paper-based methods with online equivalents.

Reducing DWP's existing administrative burdens

43. Since May 2005, the Department has already made changes to IO/DRs which will reduce the administrative burdens placed on business by £42 million a year by 2010. In addition, reductions already in the pipeline will yield further reductions of £11 million a year by 2010. Table 2 sets out the main areas where these reductions have already been identified.

Table 2: Reductions in Administrative Burdens since May 2005

Regulation	Net Burden £(million)	Action	Net Reduction £(million)
Personal Pension Schemes (Payments by Employers) Regulations 2000	24	Following concerns raised by the regulator about the submission of a large number of low-risk reports of late payments by employers to personal pensions, legislation was amended in 2006 to make the regulatory requirements less prescriptive and more risk-based	24
Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 1996	23	In response to an independent report ¹⁷ on pensions simplification commissioned by the Government, major changes were introduced to the requirements relating to member-nominated trustee and directors which allow trustees more flexibility to adopt arrangements to suit their scheme without having to go through prescriptive administrative processes	16
Housing Benefit (General) Regulations 1987	17	By early 2007, legislate to remove the requirement from landlords to provide information in connection with claims to Housing Benefit from refugees	11
Social Security (Recovery of Benefits) Act 1997	23	The Department has worked with compensators, insurers and Department of Health to simplify the exchange of information by the introduction of data transfer by electronic means	1
Pensions Act 2004 – The Pensions Regulator	7	Following concerns raised by pension schemes, in May 2006 the Pensions Regulator halved the size of the compulsory annual return completed by Pension Schemes	1
Total			£53

44. Several of the simplification measures in Table 2 were enacted in response to stakeholders' concerns. Taken together, the proposals in this table will achieve 45 per cent of the Department's target to reduce administrative burdens by £118 million. Table 3 shows the trajectory of reductions that flow from these initiatives.

Table 3: Trajectory of Net Savings from Opportunities already Identified

	£m	2006	2007	2008	2009	2010
Estimated saving per year		1	43	53	53	53
Percentage of target		1%	36%	45%	45%	45%

45. This forecast trajectory towards the target does not take into account new administrative burdens created since May 2005, or expected to be created by 2010. The Department has gathered information on regulation brought forward between 1 June 2005 and 31 October 2006 which has some impact (however slight) on business. Annex B provides details, including the estimated scale of

¹⁷ <http://www.dwp.gov.uk/publications/dwp/2002/pickering/report.pdf>

possible new administrative burdens and on whom these fall. The Department is carrying out further work to quantify any new administrative burdens that have been created and will report on this in future editions of the plan.

46. The Department is committed to meeting its target in full and will be taking forward a number of comprehensive reviews of regulations and IO/DRs to identify further reductions in administrative burdens. Table 4 sets out the areas that will be reviewed first to identify burden reductions.

Table 4: Planned Reviews to Identify further Administrative Burden Reductions

Regulation	Total Net Burden £(million)	Reviews 2006/07
Employers' Liability (Compulsory Insurance) regulations 1998	71	By September 2007, identify with stakeholders, ways to reduce the administrative burdens arising out of the requirement to store and display Employers' Liability Compulsory Insurance (ELCI) policy certificates. This might be achieved by identifying alternatives to the requirement for businesses to retain certificates for 40 years, and other options for ensuring that employees and safety representatives have access to ELCI policy certificates
Personal Pension Schemes (Disclosure of Information) Regulations 1987/ Occupational Pension Schemes (Disclosure of Information) Regulations 1996	56	By September 2007 with a view to implementation in April 2008, consider with stakeholders simplifications to the occupational and personal pension schemes disclosure regime
Statutory Sick Pay (General) regulations 1982	50	By spring 2007, together with HMRC, DTI, and BRE, assess feasibility, and discuss findings with stakeholders, of reducing the requirement for employers to maintain records and furnish information relating to Statutory Sick Pay payments
Occupational Pension Schemes (Scheme Administration) Regulations 1996	19	By July 2007, together with the Pensions Regulator and HMRC, assess feasibility of (and consider with stakeholders) scope to reduce requirement for trustees to maintain scheme admin records
Stakeholder Pension Schemes Regulations 2000	5	By the end of 2007, review Stakeholder Pension regulation, in particular employer designation aspects, to identify simplification measures
Welfare Reform and Pensions Act 1999	10	
Pensions Act 2004 – trustee returns & reports	7	By the end of 2007, together with the Pensions Regulator, assess feasibility of the scope to reduce requirement for trustees to make returns and reports
Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996	4	By the end of 2006, consult on the possible removal of existing rules that determine how protected rights must be used
Statutory Maternity Pay (General) Regulations 1986	3	By spring 2007, together with HMRC, DTI, and BRE, assess feasibility, and discuss findings with stakeholders, of reducing the requirement for employers to maintain records and furnish information relating to Statutory Maternity Pay payments

47. The figures contained in Table 4 are the total net administrative burdens associated with the regulation and represent the maximum possible reduction in net burdens assuming removal of all associated IOs. However, any burden reductions identified by these reviews could, for example, relate to changes in the method used to transmit the information rather than removal of the requirement altogether.
48. The Department will continue to assess all the data obtained from the ABME to identify further opportunities to reduce administrative burdens, and will report progress on this work next year.

Measuring burdens arising from new regulation from 1 June 2005

49. The Administrative Burdens Measurement Exercise quantified the administrative cost of all DWP's IO/DRs that were current at 31 May 2005. The Department's target reduction of £118 million a year is net of the flow of any new administrative burdens created since this date. This section provides details of a programme of work to monitor the flow of new burdens.
50. In general, DWP is not a major regulatory department - the majority of its regulations involve social security benefits. Between 1 June 2005 and 31 October 2006, the Department introduced one Bill (The Welfare Reform Bill) to Parliament; and brought forward 163 sets of regulations, less than ten per cent of which resulted in new costs to business. A further fifteen per cent had only a negligible impact on business.
51. Regulations which have a significant impact on business, charities or the voluntary sector are supported by an RIA; ten have been published by the Department between 1 June 2005 and 31 October 2006.
52. The Department is scrutinising regulation it has introduced since 1 June 2005 to identify any new IOs, and using the Standard Cost Model (SCM) to assess any new administrative burdens on business. Once quantified, any new burdens will be netted off the reductions already achieved to enable more precise monitoring of progress towards the administrative burdens reduction target.
53. One example of this analysis of new administrative costs concerns the replacement of the minimum funding requirement with new scheme funding requirements from 30 December 2005.
54. Application of SCM principles to the new legislation estimated that the administrative burdens arising from it were marginally lower than under the legislation it replaced.
55. These new requirements reflect measures required by a European Directive¹⁸. This Directive will be reviewed by the European Commission in due course as part of the EU's wider better regulation agenda, and the Department will be pressing the Commission to focus on reducing the burden of these regulations on employers.

Stemming the flow of administrative burdens on business

56. As already noted, much of the Department's legislation relates to social security benefits and, as such, does not normally impose administrative burdens on business.

¹⁸ The Supervision of Institutions for Occupational Retirement Provision Directive 2003/41/EC
http://europa.eu.int/servlet/portail/RenderServlet?search=DocNumber&lg=en&nb_docs=25&domain=Legislation&coll=&in_force=NO&an_doc=2003&nu_doc=41&type_doc=Directive

57. However, the Department is committed to monitoring the flow of new regulation and scrutinising it for new administrative burdens on business. The Department's Better Regulation Unit (BRU) plays an active role in carrying out this task, and stakeholders' views are also taken into consideration.
58. Some recent examples of this type of activity within the Department are:
- New regulations on disclosure of information to members of occupational pension schemes were proposed for introduction on 1 October 2006. Because these regulations would have increased the administrative burdens on pension schemes, they were withdrawn¹⁹.
 - The Government's Green Paper *A new deal for welfare: Empowering people to work*²⁰ proposed various changes to the SSP scheme. The package of changes was designed to represent a balance between keeping costs down, and retaining protection for the most vulnerable employees. The original impetus for these proposals was to support employers by simplifying the process of administering the scheme. The response from employers indicated that the simplicity gained was not sufficient to warrant the loss of flexibility provided by the existing rules. As a result, the proposals were withdrawn.
 - There was a mixed response²¹ to the Government's proposal to pilot a pensions law re-write project. Some stakeholders questioned whether the project was likely to prove worthwhile. Others felt that, although it would make the law easier to understand, they did not want resources to be diverted from more urgent areas of reform. In the light of these comments, the Government decided not to proceed with this pilot project.
59. Looking ahead, the future flow of regulation through to 2010 is likely to focus on welfare reform, changes to child support, and pensions issues.
60. The Department's systematic use of the RIA framework should ensure that any administrative burdens imposed by new regulation are the minimum necessary to ensure that policy objectives are achieved.
61. The Department's BRU is working to ensure that future RIAs use the SCM to estimate the administrative burdens imposed on business. This is in addition to assessing policy or other costs. This process will ensure that the Department's progress towards its administrative burdens reduction target can be properly tracked.

¹⁹ DWP press release <http://www.dwp.gov.uk/mediacentre/pressreleases/2006/aug/pens072-140806.asp>

²⁰ welfare reform Green paper:
http://www.dwp.gov.uk/welfarereform/docs/welfare_reform_response.pdf

²¹ included in the summary of responses to the White Paper on pensions reform: *Security in retirement: towards a new pensions system – Summary of responses to consultation*
<http://www.dwp.gov.uk/pensionsreform/pdfs/pens-wp-response.pdf>

Reducing other burdens on business

62. The Department has identified two areas where it has significant opportunities to reduce the wider burdens that its regulations impose on business.

Statutory Sick Pay

63. As already mentioned, proposals to make various changes to the SSP scheme were withdrawn following consultation. However, the Department remains keen to work with employers' and employees' representatives to consider whether there are alternative approaches to simplification.
64. To this end, the Department has begun a thorough review of the SSP scheme. The first meeting of the SSP Review Working Group took place on 7 November 2006 to approve terms of reference for the review. The working group will undertake a thorough examination of the existing provision for short-term sick pay for employees. The group will provide ministers with a preliminary report early in 2007 and with agreed final recommendations on the future of SSP by mid 2007.

Private Pensions: Deregulatory Review

65. The Department has established a rolling deregulatory review aimed at reducing the regulatory burden imposed on pension schemes, including occupational pensions provided by employers. The aim is to reduce regulatory burdens while encouraging good pension provision.
66. The review is examining regulation of private pensions with the aim of simplifying and reducing the burden of regulation on employers and pension schemes governing private pensions, drawing on proposals from stakeholders and taking account of the balance between member protection and encouraging employer provision of pensions; and having regard to appropriate legal and other constraints.
67. The review has been widely welcomed by stakeholders although they raised two general areas of concern. Some thought the review only worthwhile if measures that had a significant impact resulted from it, and were concerned whether government would be determined enough to implement measures that could attract opposition. Others wanted to ensure the protection of members' benefits and were concerned that the review would recommend measures that could adversely affect this. These views represent the two sides of the debate.
68. Although it will be difficult, the Government's view is that it is important the review aims to build a consensus on the issues of concern to schemes, and the appropriate solutions. The Government recognises that occupational pension schemes face significant challenges. The review will seek to establish agreement among key stakeholders about those challenges, the options available to schemes to cope with them, and the recommendations that should be made.

69. An advisory group has already been established and is supported by a team from within DWP. The advisory group consists of external stakeholders and it has representatives from the Association of British Insurers, Association of Consulting Actuaries, Association of Pension Lawyers, Confederation of British Industry, Faculty and Institute of Actuaries, Investment Management Association, National Association of Pension Funds, Society of Pension Consultants, the SAUL (Superannuation Arrangements for the University of London) Trustee Company, the Trades Union Congress, and Amicus. The group, which meets every 6-8 weeks, has begun to develop proposals for consideration.
70. The review will report to ministers in the first half of 2007, having undertaken analysis and consulted upon emerging conclusions. The review will have an important role to play in generating debate on the key issues to be tackled and the best approach to use.
71. In two areas identified by stakeholders, the Government has already taken action:
- As mentioned above, it decided not to proceed with a series of amending regulations on disclosure. Instead it proposed to conduct a root and branch review of disclosure principles in both occupational and personal pensions (this forms an important part of the effort to identify savings in administrative burdens and is reflected in Table 4, above).
 - It has launched an informal consultation process on payments to employers where the scheme is in surplus, with a view to developing proposals to reduce the regulatory burden in this area.

Private Pensions: Consolidation

72. Work is in progress on a long-term project to consolidate primary legislation dealing with private pensions, which is contained in five Acts of Parliament:
- Pensions Schemes Act 1993
 - Pensions Act 1995
 - Pensions Act 2004; and parts of
 - Welfare Reform and Pensions Act 1999, and
 - Child Support, Pensions and Social Security Act 2000;
- and any new pensions Acts receiving Royal Assent during the project.
73. The Department proposes to consolidate pensions legislation as soon as practicable. The Law Commission has appointed a solicitor to undertake this consolidation and work is underway. The project is expected to be completed by the end of 2009.

Simplification Measures in the Pensions Bill

74. The Pensions Bill²² introduced on 28 November 2006 has three simplification proposals:
- Abolish contracting-out of the state Second Pension into defined contribution schemes. The Department is also considering simplifying protected rights (i.e. rights derived from contracted-out defined contribution schemes).
 - Allow pension schemes to convert Guaranteed Minimum Pension rights into scheme benefits, with the potential for estimated administrative savings of around £6 million to £13 million a year, benefiting pension schemes and employers.
 - Simplify the internal dispute resolution procedures for schemes, enabling them to operate a single stage process in place of the current two stages with administrative savings for many schemes, particularly those which are small and medium sized.

Reducing burdens on our customers and staff

75. It is important to look beyond burdens that DWP imposes on business, to try to identify other burdens that might be reduced while still achieving the Government's policy intent.
76. The Department is taking forward a significant programme of policy development and legislation. In particular, relating to:
- Welfare reform
 - Pensions reform
 - Child Support reform
77. Each of these initiatives has afforded an opportunity for the Department to identify areas where regulatory burdens on its customers, partners and staff can be reduced.

Welfare reform & simplifying benefits for people of working age

78. The Government introduced the Welfare Reform Bill to Parliament in July 2006. This Bill does not impose any new administrative costs on business.

²² Pensions Bill as introduced to Parliament (28 November 2006)
<http://www.publications.parliament.uk/pa/cm200607/cmbills/012/2007012.pdf>

79. The Department has published a RIA²³ and will monitor the impact this legislation has on the staff delivering these new proposals.
80. The Department has a strong ambition to improve the efficiency and effectiveness of the system of working age benefits. The present benefits system for people of working age is complex. The many different rules may make sense in isolation, but together they can make for a confusing and incoherent picture. This complexity makes it hard for benefits claimants to understand their rights and responsibilities, and hard for staff and advisers to help people to get their correct entitlements. It makes the system more prone to fraud and error and expensive to administer, and often makes it harder to move into work.
81. The replacement of incapacity benefits by a single, new Employment and Support Allowance will be an important step to a simpler system. It proposes to provide a single integrated benefit to people with an illness or disability whereas the current benefit arrangements consist of two separate benefits. The new benefit will also give claimants a single point of access to a menu of support to meet their individual needs.

Benefit Simplification Unit

82. In December 2005, the Permanent Secretary set up a new Benefit Simplification Unit (BSU). It is designed to act as a catalyst for driving forward simplification across the system of working age benefits to challenge existing complexity and to ensure that the benefits system operates in ways that customers and staff can understand.
83. In May 2006, the BSU published a guide²⁴ for anyone considering policy and operational changes to the benefit system. Procedures have also been put in place to ensure that policy makers consult the BSU at an early stage in their thinking and provide assurance to ministers that policy proposals have been developed in line with Departmental best practice.

Housing Benefit: Consolidation

84. The Department completed an exercise in 2006 to consolidate over 200 sets of Housing Benefit and Council Tax Benefit amending regulations into just four new sets of regulation. This attracted favourable comment from the House of Lords Select Committee on the Merits of Statutory Instruments which applauded the Department's efforts to clarify for users, this frequently amended area of law.

²³ Welfare Reform Bill RIA: <http://www.dwp.gov.uk/welfarereform/docs/WelfareReformRIA.pdf>

²⁴ DWP Benefit Simplification Unit guide: *Simplification – Guide to Best Practice*
<http://www.dwp.gov.uk/publications/dwp/2006/simplification-guide-best-practice.pdf>

Child Support Reform

85. DWP is re-designing the system of child support following a series of recommendations made by Sir David Henshaw in his report *Recovering child support: routes to responsibility* (Cm 6894, 24 July 2006)²⁵. The Government published its response *A fresh start: child support redesign – the Government's response to Sir David Henshaw* (Cm 6895, 24 July 2006)²⁶. The Government accepted Sir David's principal recommendations which will enable the creation of a more streamlined and focused child maintenance system, and plans to publish a White Paper with its final detailed proposals in late 2006.
86. The Government will publish a RIA with the White Paper, and plans to bring forward legislation in 2007. Its ambition is to see some aspects of the new system in place from 2008.
87. The key better regulation changes that will underpin the new system are to:
- further reduce the caseload for a new child maintenance organisation by ending the rule that means parents with care claiming benefit are treated as applying for child maintenance – whether or not they have an arrangement in place; and
 - lighten the load on the new body by providing better information and guidance to parents, and encouraging them to make their own child maintenance arrangements.

Improving customer insight

88. In response to the DWP Capability Review, the Permanent Secretary announced a ten point action plan including, putting in place a specific capability, spanning the Department as a whole and reporting directly to the Executive Team, dedicated to better understanding the Department's customers and their needs so that the Department can respond to them seamlessly.
89. This initiative will ensure that the Department takes a more holistic view of its customers and makes more systematic use of insight about their preferences and behaviours when designing services. This will include direct input from customers, from frontline staff, from customer satisfaction surveys and from secondary analysis of administrative data systems. The greater use of customer insight should improve both the effectiveness and efficiency of the Department.
90. To drive forward this work, the Department has appointed a Director of Change Management reporting directly to the Permanent Secretary.

²⁵ Sir David Henshaw's report to the Secretary of State for Work and Pensions http://www.dwp.gov.uk/childsupport/pdfs/Henshaw_complete22_7.pdf

²⁶ Government's response to *Sir David Henshaw's* report may be found here <http://www.dwp.gov.uk/childsupport/>

Leaflet review

91. The National Audit Office published a report²⁷ on 25 January 2006 that was critical of the number and readability of DWP's leaflets. SSAC will be involved in a Departmental project which is examining and re-writing the Department's customer-facing leaflets. The project will remove all the unnecessary information that appears in leaflets, ensure that the Department's messages are complete, consistent and accurate and provide signposting to other services and government departments where appropriate.
92. The Department publishes 178 leaflets²⁸ and the project expects to reduce this number significantly. These new leaflets will comply with Departmental standards, be accredited by the Plain English Campaign where possible and will be tested with stakeholders and customer groups before they are made available to the public. These measures will make the benefits system more accessible to members of the public and make it easier for them to navigate the services and benefits the Department provides. The new product set will be available from April 2007. Almost all the Department's leaflets are available on the Department's internet site.

Procurement

93. DWP is a leading user of Office of Government Commerce (OGC) initiatives to improve procurement processes and make them more effective for the Department, its staff and suppliers.
94. In 2005/06 the Department made about 319,000 transactions using the government procurement card and e-commerce. In July 2006 the Department introduced OGC's Zanzibar electronic marketplace service²⁹. The Department also makes use of e-auctions and e-tendering and the management information they can provide to deliver best value for money. Settlement of all DWP invoices is paid direct into suppliers' bank accounts. The electronic purchasing process is quicker and cheaper for both government and suppliers, and has been assessed as costing up to 70 per cent less than paper-based purchases.

²⁷ NAO report: *Using leaflets to communicate with the public about services and entitlements*
http://www.nao.org.uk/publications/nao_reports/05-06/0506797.pdf

²⁸ Details of DWP leaflets and guides may be found at:
http://www.dwp.gov.uk/resourcecentre/leaflets_guides.asp

²⁹ Zanzibar is a government-regulated, electronic, centralised procurement service managed by the Office of Government Commerce

95. The Better Regulation Task Force report *Better Regulation for Civil Society – Making life easier for those who help others* (November 2005)³⁰ recommended that by April 2007 DWP should undertake a systematic measurement of the administrative burdens arising from Jobcentre Plus contracts with the Voluntary and Charitable Sector (VCS). DWP accepted this recommendation and will develop proposals to reduce these administrative burdens. These will be reflected in the next simplification plan.

Links between this plan and the Hampton Review

96. The Hampton Review, *Reducing administrative burdens: effective inspection and enforcement*³¹, was published in March 2005 and considered how to reduce administrative burdens through more efficient approaches to regulatory inspection and enforcement.
97. DWP is committed to the principles and recommendations set out in the Hampton Review, which include:
- Putting assessments of risk at the heart of policy making, and at the heart of enforcement.
 - Ensuring that inspections and enforcement can be and are carried out in a proportionate and risk-based manner.
 - Making much more use of advice, again applying the principle of risk assessment.
 - Substantially reducing the need for form-filling and other regulatory information requirements.
 - Look to improve co-operation and data sharing to reduce the need for stakeholders to submit the same data more than once.
 - Regulators should be structured around simple, thematic areas, in order to create fewer interfaces for businesses, to improve risk assessment and to reduce the amount of conflicting advice and information that businesses receive.
98. Although DWP does not play a significant role in inspection or enforcement, it is committed to reviewing policy areas where it is responsible for setting compliance regimes. This includes an assessment of the role of record keeping for SSP and SMP.

³⁰ Better Regulation Task Force report: *Better Regulation for Civil Society – Making life easier for those who help others* <http://www.brc.gov.uk/downloads/pdf/betregforcivil.pdf>

³¹ Hampton Review report: <http://www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf>

99. The Pensions Act 2004 led to the establishment of the Pension Protection Fund (PPF) and The Pensions Regulator (TPR). The PPF is a public corporation and, as such, does not fall within the remit of the Hampton Review. However, TPR was established in line with Hampton principles and recommendations. The four components of its regulatory approach are:

- Working with individual schemes to reduce risks, taking a risk based approach to priorities.
- Working with other bodies with similar responsibilities, TPR has a tripartite memorandum of understanding³² with DWP and the PPF which sets out the responsibilities of each organisation and the information flows between them.
- Helping the regulated community understand what is expected of them - all schemes have access to the Regulator's codes of practice and guidance via printed literature and the TPR's website³³. All trustees can access the Regulator's free e-learning programme.
- Analysing the risks in the pensions environment – this will inform the Regulator's priorities for helping the regulated community to understand what is expected of them and increase the effectiveness of its scheme based interventions.

100. TPR has contributed to the reductions in the burdens of regulatory enforcement and inspection that are being driven through as a result of the Hampton review. For example:

- TPR has halved the size of its original scheme return.
- In developing the scheme returns, TPR recognised that much information on sponsoring employers could be obtained from commercial business information services.
- Smaller defined contribution schemes are required to complete scheme returns only every three years.
- After the first scheme return is submitted the return will be populated with existing data so that schemes need only make amendments where details have changed.
- Data from the scheme return is shared directly with the PPF.

³² Tripartite (DWP, TPR, PPF) memorandum of understanding:
<http://www.dwp.gov.uk/publications/dwp/2005/ppf/memo-2005.pdf>

³³ The Pension Regulator's website <http://www.thepensionsregulator.gov.uk/>

Private Pensions: Institutional Review

101. In the pensions reform White Paper published on 25 May 2006, the Government committed to publishing a document later in the year setting out its intended approach on the operation of personal accounts. The Government intends to publish a personal accounts White Paper in December 2006. This publication will set out further detail on policy proposals for personal accounts and will include the proposed organisational design.
102. Following consultation on proposals set out in the pensions reform White Paper, the Government will proceed to review the organisations involved in the regulation and protection of work-based pensions, and to make recommendations about the most effective and efficient way to configure those functions to deliver government policy going forward.
103. In particular, the Government will examine how the functions of the organisations established through the Pensions Act 2004 – the Pension Protection Fund and The Pensions Regulator – fit with its pension reform proposals.
104. The Government will also examine how the functions of other bodies fit with the reform proposals. This extends to those involved in:
 - Regulation of work-based pensions; or
 - Provision of advice, mediation or dispute resolution for pensions, in particular The Pensions Advisory Service, Pensions Ombudsman, Pension Protection Fund Ombudsman, Financial Ombudsman Service (in a pensions role) and Pensions Regulator Tribunal.
105. The review will address the regulatory boundaries between the Financial Services Authority and the pension institutions. In particular, the scope for regulatory imbalance between pension schemes backed by regulatory capital and those backed by employer covenant may require clarification. The regulation of defined contribution occupational pensions and personal accounts should also be in scope.
106. The aim of the review will be to encourage debate and build consensus, consulting on emerging proposals for any changes in the way the functions are best configured between organisations.
107. The review will develop preliminary views and will aim to commence consultation early in 2007, reporting with reasoned recommendations to ministers in spring 2007.

Links between this plan and the Davidson Review

108. The Davidson Review scrutinised areas of existing EU-derived legislation for evidence of over-implementation in the UK, or smarter implementation by other

Member States. The review looked at three areas of potential over-implementation:

- Extending the scope of European legislation or bringing EU-derived obligations into force earlier than required (**gold-plating**).
- Failing to streamline the overlap between existing legislation in force in the UK and new EU-sourced legislation (**double-banking**).
- Uncertainty created by lack of clarity about the objectives or status of regulations and guidance, or over-zealous enforcement (**regulatory creep**).

109. The Department assisted the Davidson Review team to clarify areas where the Department might be thought by some to have over-implemented EU directives. None was identified in the final report. The DWP has a strong record in Europe and is keen to work with stakeholders to ensure that the objectives of the Davidson Review³⁴ are reflected in the Department's approach to implementation.

Taking the plan forward

Working with and consulting stakeholders

110. DWP has an extensive network of consultative groups providing insights into such issues as local government, ethnic minorities, private pensions, older people, disability, and employment and employability. DWP's Policy and Strategy Forum provides an opportunity for early discussion of developing policy issues, whilst the Better Regulation Stakeholder Group has provided invaluable advice in developing DWP's simplification plan.

111. The Department's Better Regulation Stakeholder Group will be the main vehicle through which the DWP will report on progress against this plan. The Department will provide the Group with regular updates, monitoring progress on agreed actions, and will bring forward proposals for further actions.

112. The Department undertakes public consultations in accordance with the Cabinet Office Code of Practice on Consultation (January 2004).³⁵ DWP consultations, and government's response to the comments received, are published on the Department's website.³⁶

³⁴ Better Regulation Executive link:

http://www.cabinetoffice.gov.uk/regulation/reviewing_regulation/davidson_review/index.asp

³⁵ Better Regulation Executive link:

<http://www.cabinetoffice.gov.uk/regulation/documents/consultation/pdf/code.pdf>

³⁶ DWP consultations: http://www.dwp.gov.uk/resourcecentre/consultation_papers.asp

113. Where possible the Department seeks innovative ways of making consultations more effective and inclusive. For example:

- The National Pensions Debate broke new ground in making extensive use of deliberative engagement principles. The project was undertaken in partnership with Opinion Leader Research (OLR), recognised national leaders in this type of engagement. Deliberative engagement enables people to participate in informed, meaningful discussions about issues that have wide-ranging impact. The centrepiece of this project³⁷ - National Pensions Day - was the largest deliberative poll undertaken by a government department.
- The Department has also supported the development of the pensions reform White Paper with a ministerial weblog, explaining the complex issues raised by this sort of exercise in an accessible way which enables feedback to be passed directly to the Minister for Pensions Reform.
- DWP also worked closely with the Hansard Society³⁸ to deliver an interactive on-line consultation to broaden participation in the welfare reform Green Paper - *A new deal for welfare: Empowering people to work*.
- DWP consulted stakeholders and service users very early in developing the Office for Disability Issues³⁹, and a National Forum for Organisations of Disabled People. Through four regional events in 2005, delegates were invited to give views on what such bodies should do and the principles on which they would be based. Delegates were pleased with such early engagement. One outcome was an advisory group of disabled people developing recommendations for the forum, in the light of which the Minister for Disabled People decided to create an advisory non-departmental public body to be known as *Equality 2025 - the United Kingdom Advisory Network on Disability Equality*.

114. All consultations are evaluated for their impact on policy development, and to identify best practice and lessons learned. DWP has a dedicated consultation coordinator who evaluates the process of departmental consultations, and works with experts inside and outside government to identify and share best practice in public engagement, and advises colleagues on the most appropriate consultation methods and strategies.

115. In addition to forums and meetings, DWP develops a closer understanding of its stakeholders through partnerships, secondments, and awareness visits:

³⁷ Full details of the activity undertaken with the public, and the results, can be found on the OLR website <http://www.opinionleader.co.uk/project.php?prID=54>.

³⁸ Hansard Society website: <http://www.hansardsociety.org.uk/>

³⁹ Office for Disability Issues website: <http://www.officefordisability.gov.uk/>

- The Pension Service has begun delivering better-integrated and more accessible services for older people in partnership with local authorities and voluntary organisations. In addition to the service-delivery outcomes, the process of setting up joint teams has improved its understanding of the priorities, targets, and funding arrangements of these organisations.
- The Pension Service has also arranged a number of secondments to charitable organisations such as Tax Help for Older People and the Scarman Trust resulting in a two-way transfer of skills and experience. The Disability and Carers Service launched its Community 500 initiative in 2005. Over 600 staff went on one-day placements with voluntary and community organisations to provide meaningful insights into the lives of disabled people. Both staff and organisations involved reported success in achieving this objective. The exercise has been repeated in 2006 and the learning and value derived is being evaluated.
- The Jobcentre Plus National Sales Team has been created to establish Jobcentre Plus as the recruitment partner of choice and ensure that employers' needs are met by placing them at the heart of the Welfare to Work agenda, working in partnership with and supporting field colleagues and responding flexibly and innovatively to changes in the labour market. Working at national and local levels, they provide a crucial source of information about employer issues and practices.

116. To deliver on its strategic challenges the Department recognises that it will need to look beyond its boundaries, to other parts of government and the public and private sectors and develop strong strategic partnerships more consistently. The Department needs to be open to other organisations and open to their feedback about how it can enable them to support better social outcomes.

117. DWP is undertaking some social research to better understand how it interacts with employers with a view to improving these relationships in the long term. The Department has set up a joint project with HMRC.

Next Steps

118. The Department is committed to achieving the actions set out in this plan and will update it over the coming months as the results of the various reviews become available. An updated plan will be published in autumn 2007.

119. The plan has been published on the Better Regulation page of the Department's website⁴⁰. The Department would be delighted to receive comments on the plan or on any other issues relating to the simplification agenda. For this purpose the Department can be contacted at simplification@dwpgsi.gov.uk.

⁴⁰ DWP website – Better Regulation http://dwp.gov.uk/aboutus/better_regulation/

Annex A Individual simplification proposals				
	Type of Burden	Description of measure/ Outcome	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
1.1 Simplify process for claiming statutory sick pay and statutory maternity pay by removing upper and lower age limits	Administrative	Employers will no longer need to make provision in their payroll system to exclude SSP if the employee is over 65. These changes implement the requirements of the European Employment Directive 2000/78/EC which outlaws discrimination in the workplace on the grounds of age. This will simplify the process of establishing whether SSP/SMP is due	Negligible one-off costs for computer software changes Annual savings £4m Net Savings in 2009/10 £4m	Implemented October 2006
1.2 Simplify member-nominated trustee/director requirements	Administrative Burden	Stakeholders considered that member-nominated trustee requirements had very prescriptive processes and inflexible timetables which made it difficult for schemes to comply with the requirement. Government policy is for all occupational pension schemes (with limited exceptions) to have one third member-nominated trustees but how they achieve this is left to schemes to decide. The new requirements removed the prescriptive processes and timetables. The member-nominated trustee requirements will be simpler, cheaper and more flexible	One-off costs £10m Annual savings £16m Net Savings in 2009/10 £16m	Came into force April 2006

Title/initiative	Type of Burden	Description of measure/ Outcome	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
1.3 Improve section 67 of the Pensions Act 1995 to allow changes to members' accrued pension rights in certain circumstances	Administrative Burden	Schemes found it difficult to design changes allowed under the original wording of section 67 Occupational Pension schemes can make changes to members' accrued pension rights where the affected member consents to the change. If the member does not consent the actuarial value of each member's rights at the point of change is maintained	One-off costs £10m Annual savings £3.5m Net Savings in 2009/10 £3.5m	Came into force April 2006
1.4 Improve pension regulations to allow bulk transfer of protected rights	Administrative	The pensions industry said that it was difficult to amalgamate several pension schemes into one to save administrative costs. Employers are now able to consolidate schemes which contain protected rights in the same way that they undertake other consolidation	One –off costs nil Annual savings for 3 years £3m	Came into force November 2005
1.5 Improve pension regulations to allow Guaranteed Minimum Pension (GMP) conversion	Administrative	GMPs ceased to accrue in 1997 but past rights still exist. Employers have told us that these past rights cause schemes difficulty particularly on wind up and over transfers. We propose to allow schemes to convert GMP rights into scheme benefits offering the actuarial equivalent value in exchange. This would allow for easier administration and make it easier for a member to move their rights into another pension product where they wish	One-off costs £11m Annual savings £6m Net savings in 2009/10 £6m	Pensions Bill introduced 28 November 2006

Title/initiative	Type of Burden	Description of measure/ Outcome	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
<p>1.6 Improve pension regulations to extend ways in which contracted-out rights can be taken as a lump sum</p>	<p>Administrative</p>	<p>This measure extends the ways in which contracted-out rights can be taken as lump sums and allows them to be paid at the same age as other rights. It was introduced in parallel to the HMRC tax simplification measures. The changes affect contracted-out rights held in defined benefit occupational pension schemes, money purchase occupational schemes and personal pensions.</p> <p>This simplifies administration of contracted out benefits and provides members of pension schemes with greater degree of choice and flexibility when taking pensions derived from contracted-out rights. It means that contracted out rights and non contracted-out rights are treated in a more consistent way.</p>	<p>One-off costs £2m</p> <p>Annual savings £9m</p> <p>Net savings in 2009/10 £9m</p>	<p>Implemented April 2006</p>

Title/initiative	Type of Burden	Description of measure/ Outcome	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
1.7 Improve pension regulations to make payments by employers less prescriptive	Administrative Burden	Amended legislation about records of payments by employers to make the requirements less prescriptive	Annual savings £24m Net savings in 2009/10 £24m	Implemented April 2006
1.8 Simplify protected rights regulation	Administrative	Consider simplifying protected rights regulation	Annual savings £4m Net savings in 2009/10 £4m	Consultation 2006
1.9 Improve pensions legislation to simplify internal disputes resolution	Administrative	Amend legislation relating to private pension internal dispute resolution	Net savings in 2009/10 negligible	Internal dispute resolution legislation to be amended in 2007

Title/initiative	Type of Burden	Description of measure/ Outcome	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
<p>1.10 The Pensions Regulator:</p> <p>Simplify Pension Scheme Returns</p>	<p>Administrative Burden</p>	<p>The Pensions Regulator is conducting an ongoing review of its scheme return form in response to pensions industry request. The scheme return can be completed by trustees or administrators of all registered pension schemes. It ensures that the Regulator has up-to-date information and enables the accurate calculation of levies. The scheme return is reviewed in line with regulation and changes in the industry. The current version of the form is half the length of the original form.</p> <p>It can be completed on- line and after initial return it will be pre-populated so that only changes need be entered;</p> <p>Trustees can forward parts of the form to third parties (e.g. actuaries) for completion of certain sections while retaining overall control of the form;</p> <p>The Pensions Regulator will continue to review the scheme return and items required on the return by legislation to ensure only necessary information is collected.</p>	<p>One-off costs nil</p> <p>Annual savings £1m</p> <p>Net savings 2009/10 £1m</p>	<p>Implemented May 2006</p>

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Employers/Business (Section 1)				
1.11 Improve clarity of regulations on deeming incapacity in the case of an infectious disease	Administrative	Out-of-date terminology and references have been Deleted to make the legislation clear. This updates arrangements for dealing with someone who is not incapable of work but who needs to be prevented from working because they have come into contact with an infectious disease. This makes it clearer for an employer to understand	N/A – this clarifies	Implementation December 2006
1.12 ICT Solution Compensation Recovery Unit (CRU) has created several e links with Insurers to remove high volume administrative tasks	Administrative	Major business processes are e enabled meaning that claim data can be extracted and sent to CRU Allows full end to end CRU process.	Annual savings £1.5m £1m to business £0.5m to public sector (Department) Net savings 2009/10 £1.5m	Completed Dec 2005
1.13 Simplify and consolidate the Disability Discrimination Act's five sets of Service Providers Regulations	Administrative	Simplifying legislation by bringing 5 sets of regulations together will benefit legal practitioners.	One-off costs nil Small savings	Regulations progressively brought into force on 5 December 2005 and 4 December 2006
1.14 Remove regulation requiring landlords to provide information about refugees claiming Housing Benefit	Administrative	Landlords no longer required to provide information required by ScheduleA1 para5(2) of the Housing Benefit (General) Regulations 1987	One-off costs nil Annual savings £11m Net savings 2009/10 £11m	Legislation repealed by the Asylum and Immigration (Treatment of Claimants etc) Act 2004 To be implemented January 2007

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
(Section Employers/Business 1)				
1.15 Simplify the national Jobcentre Plus Accreditation System	Administrative	Organisations now undergo the accreditation process only once for procurement – and only if they are selected as preferred bidders	One-off costs £133k Annual savings £200k Net savings in 2009/10 £200k	Implemented from August 2005
1.16 Simplify the bidding process for contracting with Jobcentre Plus	Administrative	Jobcentre Plus is moving towards fewer, larger contracts and will require the larger providers to enter into direct contracts with smaller organisations on a normal commercial basis with certain safeguards. This approach will alleviate the burden and risk for smaller providers by removing the requirement for them to submit bids and manage provision in their own right.	One-off costs nil Savings in 2005/06 £4m	Implemented August 2005

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department's Customers (Section 2)				
2.1 Simplify the claims process for Carer's Allowance	This is a simplification measure to improve our customers' experience of the Department	This provision removes the need for carers to make 2 claims for Carer's Allowance (CA) to preserve their entitlement to the benefit where the care component of the person they care for is undecided	N/A	Implemented April 2006
2.2 Simplify the claims process for pensioners where Pension Credit and Housing Benefit and Council Tax Benefit are claimed	This is a simplification measure to improve our customers' experience of the Department	The claims process has been combined and the 26 page Housing Benefit/Council Tax Benefit (HB/CTB) claim form has been replaced with a 3 page claim form completed over the telephone. Improved customer service removing the need for the customer to provide the same information twice to two organisations.	N/A	New HB/CTB claim form introduced from December 2005
2.3 Simplify the claims process for the surviving partner where the claimant dies	This is a simplification measure to improve our customers' experience of the Department	Housing Benefit/Council Tax Benefit process has been simplified so that bereaved partners no longer need to apply for backdating if they make a claim within a month of bereavement. We will be exploring how we can simplify the process for people over pension age to ensure the surviving partner has a weekly income pending verification of any changes in income and capital	N/A	November 2005 Housing Benefit/Council Tax Benefit process simplified July 2007 automated link with the Office for National Statistics for date of death in England and Wales

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department's Customers (Section 2)				
2.4 Simplify and consolidate Housing Benefit/Council Tax Benefit regulations	This is a simplification measure to improve our customers' experience of the Department	Principal HB/CTB regulations have been consolidated to produce four sets of regulations and a consequential provisions set that lists all the previous savings provisions in one place.	N/A	Completed March 2006
2.5 Simplify the new Housing Benefit claims provisions and end of claims provisions for hostel dwellers with a daily rent liability	This is a simplification measure to improve our customers' experience of the Department	Allows HB to be awarded from the start of the tenancy. The end of entitlement provisions have been amended so that HB ends on the day the person was no longer entitled to HB. HB matches the period of occupation and all hostel claims with a daily liability are treated in the same way. Easier for claimants and landlords to understand, fairer to claimants and landlords and easier for local authorities to administer	N/A	Introduced April 2006
2.6 Simplify the Housing Benefit change of circumstances provisions	This is a simplification measure to improve our customers' experience of the Department	Changes of circumstances are effective from the benefit week after the change occurs; any change to the rent either for an existing home or move to another address is effective on the day of the change; any change ending entitlement is effective from the following benefit week. The changes make the rules easier to understand, fairer and easier to administer	N/A	Introduced April 2006

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department's Customers (Section 2)				
2.7 Simplify the calculation of the weekly equivalent of a calendar monthly rent	This is a simplification measure to improve our customers' experience of the Department	New method is to multiply the monthly rent by 12 and divide by 52. The change aligns the calculation with that of rent officers.	N/A	Introduced April 2006
2.8 Simplify hospital downrating rules	This is a simplification measure to improve our customers' experience of the Department	Removal of linking rules for Housing Benefit so each spell in hospital starts afresh	N/A	Introduced April 2006
2.9 Simplify by aligning treatment of tax credit arrears disregard for Housing Benefit/Council Tax benefit	This is a simplification measure to improve our customers' experience of the Department	All arrears of tax credits to be treated as capital and disregarded for 52 weeks. Previously only those due to change of circumstances were disregarded	N/A	Introduced April 2006
2.10 Simplify rules for deferral of State Pension (SP) - HB/CTB disregard of lump sum payments	This is a simplification measure to improve our customers' experience of the Department	Someone deferring receipt of their SP can choose whether to have a lump sum payment or increased SP at the end of the deferral period. The HB/CTB provisions have been aligned with those of Pension Credit so that if the person chooses a lump sum it is fully disregarded in HB/CTB for the claimant's lifetime	N/A	Introduced April 2006
2.11 Simplify method of recovery of overpayments of Housing Benefit	This is a simplification measure to improve our customers' experience of the Department	Regulations amended where a customer who has been overpaid HB for one tenancy moves to another so that overpayment can be offset (in one lump sum) against HB due for 2 nd property. Cuts administration costs & stress for customer	N/A	Introduced April 2006

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department's Customers (Section 2)				
2.12 Simplify linking rules in Incapacity Benefit	This is a simplification measure to improve our customers' experience of the Department	Reform of linking rules which allow an individual to return to previous levels of benefit within two years of ceasing to claim. Process also simpler and more automatic for claimants and should therefore be easier for staff to explain	N/A	Introduced October 2006
2.13 Simplify measures on Statutory Maternity Pay (SMP) and Maternity Allowance (MA)	These are simplification measures to improve the practical operation of SMP and MA and improve our customers' experience of the Department	Aligning start of the SMP and MA pay periods with the start of maternity leave. Introduction of "Keeping in Touch" days allowing women to work for up to 10 days without loss of SMP or MA or ending their maternity leave. MA becomes a seven day benefit in line with all other social security benefits. Employers can "split" the weekly payment of SMP if this helps them align payments with their own payroll systems	N/A	Introduced October 2006
2.14 Enabling HB/CTB claims and reports of changes of circumstance to be made by telephone or electronically	This is a simplification measure to increase customers' options for making and handling claims to benefit See 3.8 below also	Change legislation to enable claims for Housing Benefit and Council Tax Benefit, and reports of changes of circumstances to be made by telephone or electronically	N/A	Legislation made 14 November 2006, coming into force 20 December 2006

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department's Customers (Section 2)				
2.15 Reduction of Working Age Information Leaflets and introduction of three-tier approach to information	This is a simplification measure to improve our customers' experience of the Department	The number of working age leaflets has been reduced to 86. We have introduced a system of tiered information, designed to deliver the right amount of digestible information at the time when customers most need it. Tier 1: an introduction to overall Jobcentre Plus service provision. Tier 2: Cross-cutting leaflets tailored by customer group. Tier 3: Leaflets containing more detailed information about one or more of the services, work programmes or benefits available. We now submit all leaflets to the Plain English Campaign and, where possible, obtain Plain English accreditation (crystal markings) for leaflets	N/A	Completed June 2006
2.16 Simplify claims process by taking telephone applications for State Pension (SP) and Pension Credit (PC)	This is a simplification measure to improve our customers' experience of the Department	From August 2005 The Pension Service began to introduce the new SP telephone claim process which allows claims to be made without the need for a signature, removing the need for customers to sign and return a paper claim form. Between July 2006 and April 2007 The Pension Service is rolling out the new PC telephone application process which will also remove the need for the customer to sign and return a paper claim form	N/A	From August 2005 From July 2006 to April 2007

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department/Public Sector (Section 3)				
3.1 Improve legislation by extending existing provisions for people to claim Disability Living Allowance and Carer's Allowance at alternative offices	Administrative	Local authorities and other alternative offices can receive, record and forward information and evidence in respect of claims for specified benefits and all claims for DLA/CA in addition to existing specified benefits	Awaiting results of Pilots	April 2006 Pilots likely to end 2007/08
3.2 Improve and strengthen legislation governing the payment of AA/DLA to care home residents	Administrative	The changes clarify and strengthen the legislation making it easier to understand and less susceptible to judicial challenge or attempted circumvention	N/A	Welfare Reform Bill introduced to Parliament July 2006
3.3 Simplify Incapacity Benefits Permitted Work and Test trading Rules	Administrative	<p style="text-align: center;">Permitted Work</p> <p>Simplifies the administrative process for customers undertaking Permitted Work. A customer can now undertake an initial period of Permitted Work for 52 weeks as opposed to 26 weeks followed by a further 26 weeks upon further application and approval of a Support officer.</p> <p style="text-align: center;">Test Trading</p> <p>The new Test Trading rules allow customers to be treated as being in training as with other "work-based learning for adults" provision and brings them more in line with the arrangements for JSA/IS customers. Reduces administrative complexities</p>	N/A	Introduced April 2006

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department/Public Sector (Section 3)				
3.4 Improve data sharing within Government through Customer Databases Programme	Administrative	This will provide a central repository of customer data for the DWP, other Government Departments and local authorities This will contribute to interdepartmental sharing of information – information need not be gathered from the individual	Net saving in 2009/10 £27m	Phased between July and November 2007
3.5 ICT solution: Improve Information flows between Government and Local Authorities	Administrative	Department has replaced the current DWP/LA information flows via the remote access terminals and electronic transfer of data reports system with a web based browser system accessing Customer Databases Programme. Will improve the supply of information between the department and local authorities to enable more efficient Housing and Council Tax Benefit administration	Annual savings £11m Net savings in 2009/10 £11m	May to November 2006
3.6 ICT solution: Introduction of a Fraud Referral and Intervention Management System	Administrative	This will provide a single national database of fraud/compliance cases	One-off costs £17m Annual savings £10m Net savings in 2009/10 £10m	December 2006 to April 2007

Title/initiative	Type of Burden	Description of Measure	Cost saving	Milestones/ Deadlines
Department/Public Sector (Section 3)				
3.7 ICT solution: Improve efficiencies through a strategic virtual contact centre network for Jobcentre Plus	Administrative	The network of Contact Centres in Jobcentre Plus will over time be linked into a single virtual network providing more efficient call answering services and a common telephone number nationally for each business line handled by those contact centres	One-off costs £5m Annual savings £2.5m Net savings in 2009/10 £2.5m	April 2006 to March 2008
3.8 Remove the requirement for HB/CTB claims and reports of changes of circumstance to be made in writing	Administrative See 2.14 above also	To give local authorities (LAs)/DWP the option of streamlining processes by accepting claims for HB/CTB, or reports of changes of circumstances, by telephone or electronically	Some one-of costs for LAs which opt to make use of this Modest longer- term net savings for LAs. Opportunity for faster administration	Legislation made 14 November 2006, coming into force 20 December 2006

Annex B – Regulations introduced 1 June – 31 October with some impact on business

Regulations introduced 1 June 2005 – 31 October 2006 with some impact on business

Costs/Savings are to pension schemes unless otherwise stated

Made	Title	SI Number	Estimated Scale of Administrative Burdens
14 July 2005	The Occupational Pension Schemes (Equal Treatment)(Amendment) Regulations 2005	2005/1923	low
19 July 2005	The Financial Assistance Scheme Regulations 200	2005/1986	negligible costs
19 July 2005	The Financial Assistance Scheme (Internal Review) Regulations 2005	2005/1994	nil
25 July 2005	The Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Schemes) (Surviving Civil Partners) Order 2005	2005/2050	nil
25 July 2005	The Civil Partnership (Pensions and Benefit Payments) (Consequential, etc. Provisions) Order 2005	2005/2053	negligible costs
04 August 2005	The Pensions Regulator (Financial Support Directions etc.) Regulations 2005	2005/2188	negligible
04 August 2005	The Financial Assistance Scheme (Provision of Information and Administration of Payments) Regulations 2005	2005/2189	negligible costs
30 August 2005	The Occupational Pension Schemes (Administration and Audited Accounts) (Amendment) Regulations 2005	2005/2426	reduced admin burdens - moderate
28 September 2005	The Disability Discrimination (Questions and Replies) Order 2005	2005/2703	nil – employer of a disabled person who considers he or she has suffered discrimination

Regulations introduced 1 June 2005 – 31 October 2006 with some impact on business

Costs/Savings are to pension schemes unless otherwise stated

Made	Title	SI Number	Estimated Scale of Administrative Burdens
17 October 2005	The Disability Discrimination (Service Providers and Public Authorities Carrying Out Functions) Regulations 2005	2005/2901	nil – service providers and public authorities
18 October 2005	The Protected Rights (Transfer Payment) (Amendment) Regulations 2005	2005/2906	reduced costs – low admin burdens
21 October 2005	The Disability Discrimination (Public Authorities)(Statutory Duties) Regulations 2005	2005/2966	nil - public authorities
10 November 2005	The Occupational Pensions (Revaluation) Order 2005	2005/3156	negligible costs
11 November 2005	The Occupational and Personal Pension Schemes (Civil Partnership) (Miscellaneous Amendments) Regulations 2005	2005/3164	nil
23 November 2005	The Financial Assistance Scheme (Modifications and Miscellaneous Amendments) Regulations 2005	2005/3256	negligible costs
23 November 2005	The Disability Discrimination (Private Clubs etc.) Regulations 2005	2005/3258	nil – private clubs
28 November 2005	The Financial Assistance Scheme (Appeals) Regulations 2005	2005/3273	negligible costs
08 December 2005	The Occupational Pension Schemes (Scheme Funding) Regulations 2005	2005/3377	significant but replaced MFR regulations so broadly neutral
08 December 2005	The Occupational Pension Schemes (Investment) Regulations 2005	2005/3378	nil

Regulations introduced 1 June 2005 – 31 October 2006 with some impact on business			
Costs/Savings are to pension schemes unless otherwise stated			
Made	Title	SI Number	Estimated Scale of Administrative Burdens
08 December 2005	The Occupational Pension Schemes (Internal Controls) Regulations 2005	2005/3379	nil
08 December 2005	The Occupational Pension Schemes (Regulatory Own Funds) Regulations 2005	2005/3380	negligible costs
08 December 2005	The Occupational Pension Schemes (Cross-border Activities) Regulations 2005	2005/3381	low
09 January 2006	The Occupational Pension Schemes (Early Leavers: Cash Transfer Sums and Contribution Refunds) Regulations 2006	2006/33	low
10 January 2006	The Occupational Pension Schemes (Transfer Values etc.) (Coal Staff and Mineworkers' Schemes) (Amendment) Regulations 2006	2006/34	negligible costs
15 February 2006	The Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006	2006/349	low
23 February 2006	The Occupational Pension Schemes (Republic of Ireland Schemes Exemption (Revocation) and Tax Exempt Schemes (Miscellaneous Amendments)) Regulations 2006	2006/467	negligible costs
27 February 2006	The Social Security Revaluation of Earnings Factors Order 2006	2006/496	negligible costs

Regulations introduced 1 June 2005 – 31 October 2006 with some impact on business			
Costs/Savings are to pension schemes unless otherwise stated			
Made	Title	SI Number	Estimated Scale of Administrative Burdens
06 March 2006	The Pension Protection Fund (General and Miscellaneous Amendments) Regulations 2006	2006/580	negligible costs
07 March 2006	The Pension Protection Fund (Provision of Information) (Amendment) Regulations 2006	2006/595	negligible costs
08 March 2006	The Guaranteed Minimum Pensions Increase Order 2006	2006/673	negligible costs
09 March 2006	The Social Security Benefits Up-rating Order 2006	2006/645	negligible costs - employers
13 March 2006	The Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006	2006/714	reduced costs – nil admin burdens
13 March 2006	The Occupational Pension Schemes (Levy Ceiling) Order 2006	2006/742	negligible costs
14 March 2006	The Occupational Pension Schemes (Modification of Schemes) Regulations 2006	2006/759	reduced costs – nil admin burdens
14 March 2006	The Occupational and Personal Pension Schemes (Miscellaneous Amendments) Regulations 2006	2006/778	moderate
16 March 2006	The Occupational Pension Schemes (Payments to Employer) Regulations 2006	2006/802	nil
21 March 2006	The Disability Discrimination (Premises) Regulations 2006	2006/887	nil - landlords

Regulations introduced 1 June 2005 – 31 October 2006 with some impact on business

Costs/Savings are to pension schemes unless otherwise stated

Made	Title	SI Number	Estimated Scale of Administrative Burdens
30 March 2006	The Social Security (Reduced Rates of Class 1 Contributions, Rebates and Minimum Contributions) Order 2006	2006/1009	negligible costs-employers
16 May 2006	The Occupational Pension Schemes (Contracting-out) (Amendment) Regulations 2006	2006/1337	negligible costs
29 June 2006	The Occupational Pension Schemes (Winding up Procedure Requirement) Regulations 2006	2006/1733	negligible costs
04 September 2006	The Statutory Maternity Pay, Social Security (Maternity Allowance) and Social Security (Overlapping Benefits) (Amendment) Regulations 2006	2006/2379	nil - employers
06 September 2006	The Employment Equality (Age) (Amendment) Regulations 2006	2006/2408	nil
10 October 2006	The Pension Protection Fund (Levy Ceiling) Regulations 2006	2006/2692	negligible costs

negligible **costs** = very low - probably nil - admin burdens

low = less than £10m admin burdens

moderate = £10-50m admin burdens

high = £50m+ admin burdens

Annex C Members of DWP's Better Regulation Stakeholder Group

Sarah Anderson, Consultant, Mayday Group
Adrian Askew, Better Regulation Commission (Gen Sec of Connect)
Bob Bain, Pensions Manager, Sainsbury
Neil Churchill, Communications Director, Age Concern England
Alan Duncan, Director of Operations, Pension Protection Fund
Fiona Draper, Pensions Officer, Prospect
Jenny Eastabrook/Elizabeth Hodkinson, Health and Safety Executive
Richard Exell, Senior Policy Officer, Trades Union Congress
John Lawson, Marketing Technical Manager, Standard Life
Charlie Massey, Director for Strategic Development, the Pensions Regulator
Frank Newton, Benefit Adviser, Local Government Association
Kevin O'Boyle, Pensions Director, BT
Jackie Petherbridge, The Payroll Practice
Joanne Segars, Policy Director, National Association of Pension Funds
Lewis Sidnick, Policy Adviser, British Chambers of Commerce
Stuart Stephen, Independent Trustee (formerly Pensions Director, Barclays)
Karen Thomson, Head of Policy and Research, Institute of Payroll Professionals
Bob Watson, Group HR Director, BUPA
Emma Winsor-Cundell, Federation of Small Businesses
David Yeandle, Deputy Director of Employment Policy, EEF.

Papers only to:

Emma Bandey, "Which"
Liz Cole Institute of Chartered Accountants in England and Wales

Meetings held:

21 September 2005
7 December 2005
21 March 2006
11 July 2006

Glossary of terms

Term (and abbreviation)	Definition
Act of Parliament	Law as approved by the House of Commons and the House of Lords, and formally agreed to by the reigning monarch (known as the Royal Assent). An Act of Parliament is a law, enforced in all areas of the UK where it is applicable
Admin Burdens Measurement Exercise (ABME)	An exercise (conducted in DWP and other government departments) to quantify <i>administrative costs</i> incurred by business, charities and the voluntary sector as a result of complying with central government or European (or other international) regulation
Administrative burden	A sub-set of administrative cost which excludes <i>business as usual costs</i> – see below
Administrative cost	The recurring cost of the administrative activities a business incurs in complying with information obligations required by central government regulation
Benefit Simplification Unit (BSU)	A Departmental unit responsible for driving forward simplification across working age benefits, to challenge existing complexity and to ensure that the benefits system operates in ways that customers and staff can understand
Better Regulation	Balancing proper protection with proportionate regulation which is necessary, fair, effective, affordable, balances cost and risk, and commands public confidence
Better Regulation Champion	A board level member of a department who has responsibility for promoting better regulation in the department

Term (and abbreviation)	Definition
Better Regulation Commission	An independent body (established January 2006) from business and other external stakeholders, which provides independent advice to government about regulatory issues, and reviews the Government's overall regulatory performance in delivering better regulation. The Commission continues the challenge role previously carried out by the <i>Better Regulation Task Force</i> (see below), in addition to new responsibilities including vetting departmental plans for simplification and administrative burden reduction
Better Regulation Executive (BRE)	The Better Regulation Executive sits within the Cabinet Office and works across government to support and challenge departments and regulators as they reduce and remove regulation across the private, public and voluntary sectors
Better Regulation Minister	A departmental minister, with responsibility for promoting the better regulation agenda at ministerial level in the department
Better Regulation Stakeholder Group	A group which includes representatives from employers' organisations, employers, small business, trade unions, the third sector, the insurance industry, local government, the Pensions Regulator, the Pension Protection Fund, and other government departments. The group provides advice on simplification, and monitors the Department's progress on the simplification plan and on wider better regulation issues
Better Regulation Task Force (BRTF)	An independent body (established September 1997) to advise government on action to ensure that regulation and its enforcement accord with five principles of good regulation. Until replaced by the <i>Better Regulation Commission</i> (January 2006), it carried out studies and produced detailed reports (e.g. <i>Regulation – less is more</i>)

Term (and abbreviation)	Definition
Better Regulation Unit (BRU)	A departmental unit responsible for establishing and promoting the principles of good regulation and better policy making in the department, and for providing advice and guidance on better regulation and <i>Regulatory Impact Assessment</i> issues
Bill	A proposal for a new law or a proposal to change existing law that is presented before Parliament for examination, discussion and amendment. If approved by Parliament, a Bill is presented to the reigning monarch for approval (known as the Royal Assent) when it becomes an <i>Act of Parliament</i>
Business	An organisation in any sector of the economy, with the exception of the public sections of public administration and public services, as defined by the Office for National Statistics for national account purposes. It includes business, charities, and the voluntary sector
Business as Usual (BAU)	The proportion of <i>administrative costs</i> which a business might expect to incur by choice regardless of regulatory requirements
Capability Review	An assessment of a department's capability to identify the specific measures needed to meet challenges of the future
Child Support	The money that a non-resident parent must pay towards the cost of bringing up their children
Council Tax Benefit (CTB)	An income-related benefit designed to assist with the costs of council tax
Data Requirement (DR)	A separate piece of information or data that a business provides in order to fulfil an <i>information obligation</i> – see below
Davidson Review	A review which considered whether UK implementation of European legislation resulted in unnecessary regulatory burdens
Green Paper	A published consultation document produced by the Government, often when it is considering introducing a new law. The aim of the document is to allow people both inside and outside Parliament to debate the subject and give feedback on its suggestions

Term (and abbreviation)	Definition
Hampton Review	A review which considered how to reduce administrative burdens through more efficient approaches to regulatory inspection and enforcement in a proportionate and risk-based manner
Housing Benefit (HB)	An income-related benefit designed to assist with the payment of rent
Incapacity Benefit (IB)	A taxable benefit for people who are unable to work because of sickness or disability but who are not entitled to <i>SSP</i> – see below
Information Obligation (IO)	A duty to procure or prepare information and subsequently make it available to a public authority or a third party (not a public authority). A duty that business cannot decline without coming into conflict with the law
Law Commission	A statutory independent body created to keep the law under review and to recommend reform where it is needed
National Audit Office (NAO)	Provides an audit service of all government departments and agencies, and many other public bodies, and reports to Parliament on the value for money with which these bodies have spent public money. As well as providing accountability to Parliament, the NAO aims to bring about improvements in the delivery of public services
Office of Government Commerce (OGC)	An independent office of the Treasury which works with public sector organisations to help them improve their programme and project management, become more efficient, and save money on the goods and services they buy. This allows them to deliver better value and direct more of their resources at important front line services
Pension Protection Fund (PPF)	A public corporation responsible for paying compensation to members of eligible private pension schemes
Policy cost	The costs inherent in meeting the aims of a regulation (e.g. employers making statutory payments)

Term (and abbreviation)	Definition
Private pensions	A scheme organised by an employer, or an arrangement between an individual and a pensions provider (e.g. an insurance company), to provide pensions and/or other related benefits
Regulation	Includes all measures with legal force imposed by central government, with which failure to comply would result in coming into conflict with the law
Regulatory baseline	The total departmental <i>administrative burdens</i> against which the Department's target to reduce these has been set
Regulatory Impact Assessment (RIA)	A short structured document used to assess the impact of regulatory proposals and new legislation. It describes the issues that have given rise to the need for regulation and compares various possible options (including non-regulatory) for dealing with those issues. The costs and benefits of each option are identified – and quantified wherever possible – to assist public debate about proposals and to inform ministerial decisions about regulation
Rolling deregulatory review	An ongoing review of private pension regulation
Simplification	The term given to reducing burdens on business and frontline staff, employers, citizens, the voluntary and community sector and other stakeholders
Simplification Plan	Published rolling departmental programmes of simplification: deregulation, consolidation, rationalisation, and reduced administration
Social Security Advisory Committee (SSAC)	An independent statutory body which advises the DWP Secretary of State on social security matters
Standard Cost Model (SCM)	A simplified but consistent framework and methodology for estimating the administrative costs imposed by regulation

Term (and abbreviation)	Definition
Statutory Maternity Pay (SMP)	A non-contributory maternity payment paid by employers for up to 26 weeks (39 weeks for those expecting babies on or after 1 April 2007) to qualifying employees. It is administered by employers, who may recover from National Insurance and Income Tax via their PAYE tax scheme, some or all of the payments made
Statutory Sick Pay (SSP)	A short-term, non-contributory payment for employees – payable from the fourth consecutive day of sickness. It is administered by employers, who pay it for the first 28 weeks of sickness. A measure of compensation is available to employers faced with high levels of sickness absence
The Pensions Regulator (TPR)	A non-departmental public body responsible for the regulation of all work-based private pension schemes
Third parties	A person or organisation that is not a public sector body but for whom business has a duty to procure or prepare information and subsequently make it available. Typically, to employees, pension scheme members, consumers or other stakeholders
White Paper	A published document produced by the Government setting out details of future policy on a particular subject. It will often be the basis for a <i>Bill</i> to be put before Parliament, and allows the Government an opportunity to gather feedback before it formally presents the policies as a Bill