



Northern Ireland
Executive

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Better Regulation

An Action Plan for Reform

March 2016

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Contents

Ministerial Foreword	3
Executive Summary	5
Part 1: Background & Context.....	6
Part 2: Vision	9
New Principles of Regulatory Reform	9
Vision	10
Part 3: Key Actions.....	12
Championing Regulatory Reform	12
Regulatory Management	13
Regulatory Design and Development	16
Regulatory Delivery and Enforcement	18
Digital Transformation	19
Demonstrate Success.....	21
Part 4: Timeframe	22
Annexes	24
Summary List of proposed actions	25
Responses to list of recommendations in ‘Making Life Simpler: Improving Business Regulation in Northern Ireland’	29

Accessibility

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This document is available for download at: www.detini.gov.uk/betterregulation

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Ministerial Foreword

Regulatory reform is a key aspect of a modern economy, moving with the times and supporting fair and competitive enterprise, while affording necessary protections for society and the environment.

We can have an effective and efficient regulatory regime which contributes to business growth, and can provide competitive advantage for trading and exports. Notwithstanding this the fundamental purpose of regulation is to ensure our citizens are appropriately protected, along with the local environment of which we are simply custodians of for future generations.



Better Regulation: An Action Plan for Reform is the result of a period of review, reflection and assessment of how we can do things better; how we can support businesses and thus encourage economic growth.

On behalf of the Executive I endorse this Action Plan as a blueprint for effective reform of the regulatory regime in Northern Ireland. Recognising the complex and dynamic nature of regulatory intervention it is a challenging programme of activity to build on those areas of progress which have been made, while effecting a cultural change towards greater collaboration, more business centric in the design and implementation of regulations, thus minimising the impact on business.

I recognise that there are many factors which impact on those areas where regulatory intervention is necessary, however the Executive continues to place growth of the economy as a key lever for social change.

Delivery on these actions will help to manage the regulatory stock, more effectively measure the impact on business and allow for more scrutiny on how new policies are developed and implemented by Regulators. Furthermore it is recognised that better engagement, better analysis and having regard for economic growth will help ensure we have a modern regulatory regime. We must continue to build the strong foundations for growth of the Northern Ireland economy, supporting our locally grown businesses, encouraging business start ups and entrepreneurship, and attracting international investment. Our approach to regulation therefore must be one which is attractive and clearly demonstrates that Northern Ireland is pro-business.

As with many aspects of public service it is important that this work is progressed in partnership with stakeholders, across both the public and private sectors, including the third sector. We have much to be proud of in progressing what has been achieved to afford necessary protections in our society, for our citizens, employees and the beautiful environment in which we live. We can build on our successes, improve our standards and demonstrate our ability to be a leading player in regulatory reform.

Jonathan Bell MLA

Minister of Enterprise, Trade and Investment

March 2016

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Executive Summary

This document sets out the Northern Ireland Executive response to the recommendations put forward by the **Review of Business Red Tape** by way of a series of Actions designed to progress a sustainable regulatory reform agenda in Northern Ireland, which will support business growth, in line with the Northern Ireland Economic Strategy.

Regulatory activity impacts on all parts of the business community, on society and on the environment. All parts of government from policy and strategy development through to implementation and delivery have a contribution to ensuring an efficient and effective regulatory regime which supports economic growth. To this end it is important that any new regulatory framework is supported and shared by all stakeholders.

The proposed regulatory reform approach, set out in this Action Plan, affords an opportunity for more effective partnerships between business and the public sector in designing new and innovative ways to achieve business compliance. It challenges business representative bodies to consider how they can be more directly involved in supporting their respective members in understanding the regulatory requirements, contribute to reforming how regulations are delivered and helping to secure regulatory compliance.

The approach for regulatory reform is the adoption of a Vision, supported by a set of principles of regulatory reform and a series of key reform actions grouped under 6 key themes.

Vision

Single Northern Ireland regulatory regime making a tangible contribution to economic growth and a fair competitive market while continuing to protect the environment and citizens.

Key Themes:

- **Championing Regulatory Reform**
- **Regulatory Management**
- **Regulatory Design and Development**
- **Regulatory Delivery and Enforcement**
- **Digital Transformation**
- **Demonstrating Success**

The 20 key actions are designed to focus on supporting business, securing compliance, creating more efficient policy making and regulatory delivery processes and continuing to protect the environment and citizens.

Part 1: Background & Context

Northern Ireland is a great place to do business and a great place to start a new business. While all businesses experience regulatory impacts it is accepted that regulation, delivered well, has the potential to be a positive support to business, enabling a level, fair and competitive playing field.

The Northern Ireland Executive is committed to ensuring that we have the best possible regulatory environment, one that reduces the costs of compliance and provides certainty for businesses thus enabling confidence in investment decisions.

Economic Strategy

The Northern Ireland Economic Strategy recognises the need to rebalance the Northern Ireland economy and has at its core the growth of the private sector and a reduction in the reliance on the public sector. In support of this strategy it is important that we create an environment in which it is easier to do business, by promoting an efficient coherent regulatory framework.

The regulatory landscape in Northern Ireland is complex with almost 40 regulators discharging roles on devolved matters, and a further 30 national regulators with an operational role here. This can create various demands and pressures on business leading to the potential for confusion and misunderstanding in the requirements and roles of the various players.

With a regulatory regime covering diverse issues from health and safety through to entertainment licensing, from waste management through to road closures, transport requirements and employment law; it is important that we focus on ways to minimise the burden on business while continuing to protect citizens, employees, the environment and ensure there is a fair and competitive market for business to operate in.

Review of Business Red Tape¹

In December 2013 the Minister of Enterprise Trade and Investment launched a review of Northern Ireland Business Red Tape on behalf of the Executive. This was a commitment which the Executive made with the UK Government in the Economic Pact – Building a Prosperous and United Community (June 2013).

The Review Team and Advisory Panel set up to carry out this review published its findings in November 2014. This was a substantial and comprehensive assessment of the regulatory regime in Northern Ireland. The Executive acknowledges the work undertaken by the Advisory Panel and wishes to record their thanks for their leadership during this Review.

The report, **‘Making Life Simpler: Improving Business Regulation in NI’²**, recognises the importance of an effective and efficient regulatory regime which supports economic and business growth, contributes to a fair, equitable and competitive market place whilst having the protection of citizens and the environment at its core.

¹ <https://www.detini.gov.uk/articles/review-business-red-tape>

² <https://www.detini.gov.uk/publications/making-life-simpler-improving-business-regulation-ni>

The Report sets out a series of challenging and far reaching recommendations aimed at effecting meaningful change in the regulatory landscape and ultimately making Northern Ireland a better place in which to do business.

The Executive was encouraged by the level and extent of engagement in the review and would wish to build on this in delivering against the recommendations made. Success in this area cannot be delivered by government alone but requires active participation and commitment from all those operating in the field of regulation.

This document sets out the Executive's response to the recommendations put forward by the Review of Business Red Tape. The Executive welcomes and endorses the key principles behind the recommendations and has set out in this response, how it intends to take forward a body of work. While the majority of recommendations are accepted and have been addressed through the Actions, there are a number which cannot be progressed at this time. These are highlighted in Annex 2. The Executive will prioritise necessary resources to deliver on this Action Plan to ensure the outcomes make a significant contribution to economic growth.

In taking forward the Actions, there is a collective challenge to maximize the use of limited and reducing State resources. Regulatory interventions need to consider the needs of business, including the importance of proportionate and targeted action and the value of assured advice and guidance.

UK Government and EU

The previous UK Coalition Government had an ambitious regulatory reform initiative which reportedly cut red tape by £10bn over the course of the Parliament. A number of high profile initiatives were undertaken as part of this work.

The current Government has equally set itself a challenging target to remove a further £10bn regulatory burden from business. This target is to be legislated for in the Enterprise Bill, which was introduced to Parliament in September 2015. It recently publicised its Cutting Red Tape initiative which is designed to crowd source opinion to support regulatory reform on a sectoral and thematic basis. This particular initiative will consider both legislation and how the regulatory requirements are secured by regulators.

In addition the UK Government is enhancing its independent scrutiny function, through the Regulatory Policy Committee.

The commitment to regulatory reform is demonstrated by it being jointly led by Ministers in both Cabinet Office and Department for Business, Innovation & Skills.

The European Commission announced its Better Regulation Agenda: Enhancing transparency and scrutiny for better EU law-making in May 2015. It will introduce, through a web portal, greater transparency on its policy making process and will continue with the existing REFIT programme of reviewing existing regulatory requirements. Further enhancements to independent scrutiny are planned with the creation of an Independent Regulatory Scrutiny Board for checking the quality of impact assessments for new proposals and fitness checks and

evaluations of existing legislation. The Commission also wishes to enter into a new Inter Institutional Agreement, with the Council and Parliament, on better regulation to secure a common commitment throughout the EU institutions on regulatory reform.

The Actions, contained in this document, build on the experiences in UK, EU and elsewhere, however they are tailored for Northern Ireland, taking into account relevant local issues.

Part 2: Vision

New Principles of Regulatory Reform

The Executive had previously agreed to the five existing principles of Better Regulation – **proportionality, transparency, consistency, targeted** and **accountability**. These continue to be valid and necessary, in helping to shape our development and delivery of regulations. They contribute to minimising the burden and, where possible, reducing it through review and consideration of alternative methods of securing a policy objective.

The Review of Business Red Tape put forward three additional principles, along with the five established principles of better regulation. The new principles are **collaboration, support** and **regard for economic growth**. Collectively they are termed **Principles of Regulatory Reform**. The Executive recognises the value of these additional principles and fully endorses the Principles of Regulatory Reform. With increasing pressures on public finance it is important that we look to enhance external partnerships with the private sector as well as considering more productive internal collaboration within the public sector in delivering effective and efficient regulation.

Regulation is necessary to make markets function in a fairer way, to address market failures, to protect the public and consumers and to meet broader public health and environmental objectives. However, if regulation is poorly designed or not delivered in a proportionate, consistent, transparent and accountable way, it can impose disproportionate costs on business, damage competitiveness and reduce innovation.

The Executive therefore recognises and accepts the value of the 8 Principles of Regulatory Reform:

- | | |
|------------------------|---|
| proportionality | <ul style="list-style-type: none">◦ policy solutions should be proportionate to the perceived problem or risk◦ ‘think small first’◦ enforcement regimes should be proportionate to the risk posed |
| accountability | <ul style="list-style-type: none">◦ publish and consult with those affected◦ explain how and why final decisions have been reached◦ establish clear standards against which performance can be judged |
| consistency | <ul style="list-style-type: none">◦ regulators should be consistent with each other and work together◦ new regulations should take account of existing or proposed regulations◦ regulations should be applied consistently across the country |
| transparency | <ul style="list-style-type: none">◦ policy objectives and need for regulation should be clearly defined and communicated◦ effective consultation |

targeted

- regulations should be clear and simple and guidance in plain language
- regulations should focus on the problem
- guidance and support should be adapted to needs of different groups
- enforcers should focus primarily on those whose activities give rise to the most risk

collaboration

- policymakers and regulators should collaborate with key stakeholders to identify best solutions
- regulators should actively identify opportunities to lessen the burden on business through more effective joined up working
- recognising the value of good regulation, interested parties should work together to identify opportunities for reform

support

- regulators should work to support legitimate businesses to achieve compliance
- ‘think business first’ when designing processes which businesses are required to adopt when ‘transacting’ with regulators
- policies designed to support regulators and enforcers in securing compliance to meet the policy objective

regard for economic growth

- regulations should balance the need to meet necessary protections while supporting wider economic growth
- regulators should consider economic impact of their respective enforcement and inspection policies

Vision

Regulatory activity is a fundamental role of government in providing protection for citizens, society, the environment and indeed the business market place. Given the wide ranging demands for regulatory intervention in securing these protections it can be difficult to balance these with the need to minimise the potential burdens on business. In order to progress a viable regulatory reform agenda we therefore recognise the value in setting a Vision which is ambitious, yet realistic and one which secures ownership and support from all stakeholders.

The regulatory environment is ever changing with new developments at both European and national levels. It is therefore important that we have structures and relationships in place to effectively consider new and emerging issues and how these could be assessed and appropriate responses and actions developed and agreed. These will help to maintain the right levels of protection while reforming processes and regulatory demands to lessen the burden on business.

It is important that a single overarching approach is taken to progressing improvements and efficiencies as regulatory requirements are delivered and compliance is secured from the business community. The series of Actions set out in this document are designed to bring

cohesion to the Northern Ireland regulatory regime, secure a tangible contribution to reducing the burden on business while delivering a more effective and efficient public service. It is recognised that there are many examples of good practice across the public sector in Northern Ireland and only by highlighting these and working collectively to raise the standards by all involved in the regulatory requirements can tangible progress be made. The Actions will build on the professionalism, integrity and enthusiasm of those involved and contribute to the international competitiveness of the Northern Ireland economy.

The Executive therefore agrees to the following vision for regulatory reform:

A single regulatory regime in Northern Ireland making a tangible contribution to economic growth and a fair competitive market while continuing to protect the environment and citizens

Part 3: Key Actions

Taking account of the recommendations in the Review of Business Red Tape report³, and other relevant issues, a comprehensive set of actions are proposed to deliver Better Regulation and regulatory reform going forward. The Executive wishes to work with businesses and its representatives to secure better compliance, while supporting growth and continuing to protect the environment and citizens.

The actions being proposed by the Executive have been grouped under a number of key themes, designed to support a single, collaborative and coherent approach across the regulatory community in Northern Ireland. The actions focus on the regulatory regime under the remit of the Executive. There are a range of national regulators whose remits extend to Northern Ireland. We will continue to engage and involve these bodies as necessary and seek their contributions to improvements in regulatory delivery.

The Executive recognises that it must take a holistic approach to regulatory activity and a reform regime. We are committed to working collaboratively to secure the necessary infrastructure to support the delivery of professional input to regulatory services. It will be necessary to continue to develop the evidence base to demonstrate how good regulatory development achieves protection and growth.

Championing Regulatory Reform

It is important that regulatory reform is championed both within and across Departments and regulatory bodies. Other jurisdictions which have appointed a better regulation ‘champion’ have reported a range of benefits including the fact that they provide a point of focus for business, they have an ability to be independent of the machinery of government while continuing to focus on securing improvements; and having access to Ministers and senior management as necessary to ensure the system delivers on commitments. It is important that a ‘Champion’ is an advocate for change and reform; and provides leadership and support to those in the public sector responsible for regulatory activity. Equally a ‘Champion’ should not only listen to business concerns but challenge and explore with businesses, to get behind headline calls for cutting red tape.

It is important that better regulation and regulatory reform has a clearly identified responsible owner at a senior level within each Department, ensuring accountability for delivery.

While the Department of Enterprise, Trade and Investment has policy lead for better regulation and has played an important role in progressing the Review of Business Red Tape and with the support of other Departments developed a comprehensive response to the Review, the Executive regards regulatory reform as a matter for all Ministers, Departments and public sector organisations which impose regulatory burden on business.

It is therefore important that there is a shared ownership of this work, designed to support economic growth and, as such, the Executive wishes the departments and organisations to be

³ <https://www.detini.gov.uk/publications/making-life-simpler-improving-business-regulation-ni>

more proactive in helping to deliver on this particular agenda. The various Actions are listed together in Annex 1 and against each are lead Departments and organisations which will support the Executive by taking a lead role in progressing these actions.

The Executive will appoint a Better Regulation Champion. This appointment will be progressed by the DETI Minister and their role, which will require full Executive approval, will include, but not be exclusive to:

1. Driving forward the agreed Regulatory Reform agenda for Northern Ireland
2. Chair the Northern Ireland Regulators Forum
3. Chair meetings of all top officials who have better regulation/regulatory reform as an integral part of their work
4. Meet with business representative bodies
5. Lead on key reform initiatives and provide input to all others
6. Chair the independent scrutiny committee, responsible for assessing the cost/burden implications of Regulatory Impact Assessments.

The initial appointment will be for a period of 3 years and it is anticipated that the position would be part time however this will be dependent on the terms of reference set by the Executive, prior to the advertisement of the position.

The Executive requests that each Department ensures a member of the top management team is responsible for, and reports against, better regulation and regulatory reform.

The Executive requests that local government in Northern Ireland appoint a Senior Responsible Owner (SRO) responsible for leading regulatory reform and better regulation across the network of Northern Ireland local councils.

Regulatory Management

It is recognised that potential regulatory burdens can be created by various parts of the wider government structures including the European Union, the UK Government, and the Northern Ireland Assembly and Executive. There can be differing interpretations by Regulators as to what constitutes a burden, how it is measured and what alternative options may be available for securing the same outcome.

The Review of Business Red Tape put forward a strong case for introducing a regulatory budget scheme in Northern Ireland, along with a number of recommendations to support such an approach. While the Executive accepts the principle of effective management of the regulatory burden there is, however, a need to consider what is the right approach for Northern Ireland to be able to deliver on a measurement scheme which demonstrates the value of the burden being imposed on business through regulation.

The Executive sees value in taking a holistic approach to identifying opportunities for reducing the burden on business. As such, it believes that all stages in the regulatory process could be included in a measurement scheme to identify potential savings or reduction in the burden on

business. While the Executive acknowledges the success of the “One In One Out” initiative, as undertaken by the previous UK Coalition Government, it does not believe it would be practical, at this stage to undertake such a specific initiative within the Northern Ireland context, as there may be more scope for delivering a real burden reduction within a wider measurement scheme. We do however wish to introduce a scheme which will take account of a number of regulatory reform measures which ensure the collective management of regulatory activities. The Executive accepts that there should be a single mechanism to manage the burden and impact of new or amended regulations, which is closely aligned to the Regulatory Impact Assessment process. It is therefore necessary to clearly define what should be included in such a mechanism.

The Executive will introduce a Regulatory Management Scheme whereby all Northern Ireland Departments will be required to report annually on its regulatory activity. This will include:

- New regulatory measures to be introduced
- Regulatory measures which are being removed or reviewed in order to lessen the burden on business
- Reforms of Regulator activity under the sponsorship of Northern Ireland Departments, resulting in a more efficient regulatory delivery approach thus reducing the unnecessary burden on business.

The Regulatory Impact Assessment will be used to assess the cost implications of new measures, amended measures or refinements to delivery. The RIA process will be reviewed to ensure it is fit for purpose in supporting this Regulatory Management Scheme (see Section **Regulatory Design and Development**)

The Review of Business Red Tape put forward a recommendation on the introduction of a Regulatory Budget Scheme, with a target of securing a neutral balance on the regulatory impact experienced by business by the end of a specified period. While the Executive recognises the merit in setting such a target, it is proposed that during a transitional period, while new processes are designed and the RIA Guidance is reviewed, further assessment is necessary before deciding on the validity of setting a single ‘budget based’ target for reducing the regulatory burden.

The Executive will undertake a measurement mapping exercise for two years to determine to what extent the regulatory burden is increasing or decreasing. This measurement will utilise the Regulatory Impact Assessments produced for each regulatory intervention activity by Departments in each year.

Based on the quantitative data, an assessment will be made on the merits of introducing a regulatory budget scheme at the end of the two year period.

Regulatory Impact Assessments play an important role in developing good regulation and will contribute to a new regulatory management scheme. Stakeholders have a central role to play in assessing RIA’s and testing their assumptions. It is recognised that there would be value in

introducing independent scrutiny of RIA's in order to validate the assessment and provide independent assurance for businesses, Executive Ministers and the Assembly.

Based on data provided by Departments it is estimated that, on average, in excess of 100 RIA's would be completed annually by Northern Ireland Departments. In addition there would be a significant number of policy developments/reviews whereby it has been proposed that no significant or direct impact on business is measureable and therefore no RIA's are completed.

The Executive believes that to introduce independent scrutiny of Regulatory Impact Assessments would be a constructive and positive contribution to more realistic policy assessments and provide transparency and confidence to the overall regulatory management scheme. Such a Committee would focus its activities on scrutiny of evidence supporting changes in law that affect businesses, charities and community groups. They would not consider or comment on policy as that solely resides with Ministers. The intent is to ensure Ministers are provided with robust quality information on policy options and therefore have confidence in decisions being made on regulatory interventions.

The Executive will introduce independent scrutiny of RIA's by appointing an RIA Independent Scrutiny Committee, in line with the recommendation in the Review of Business Red Tape. This committee will have the appropriate skills required to assess the economic impact of the preferred option identified in the RIA's produced by Departments and consider if the evidence and data robustly support this option. An opinion will be produced for the Department to consider and act on as appropriate.

The RIA Independent Scrutiny Committee will be chaired by the Better Regulation Champion.

In addition to the core role of assessing the costs/savings of the preferred option put forward in an RIA, the Independent Scrutiny Committee will also consider the justification provided when a decision was taken to not undertake an RIA.

This role will be enhanced and developed when revised RIA guidance is introduced (see Section **Regulatory Design and Delivery**) which will apply to both policy makers in Departments and Regulators for their delivery policies.

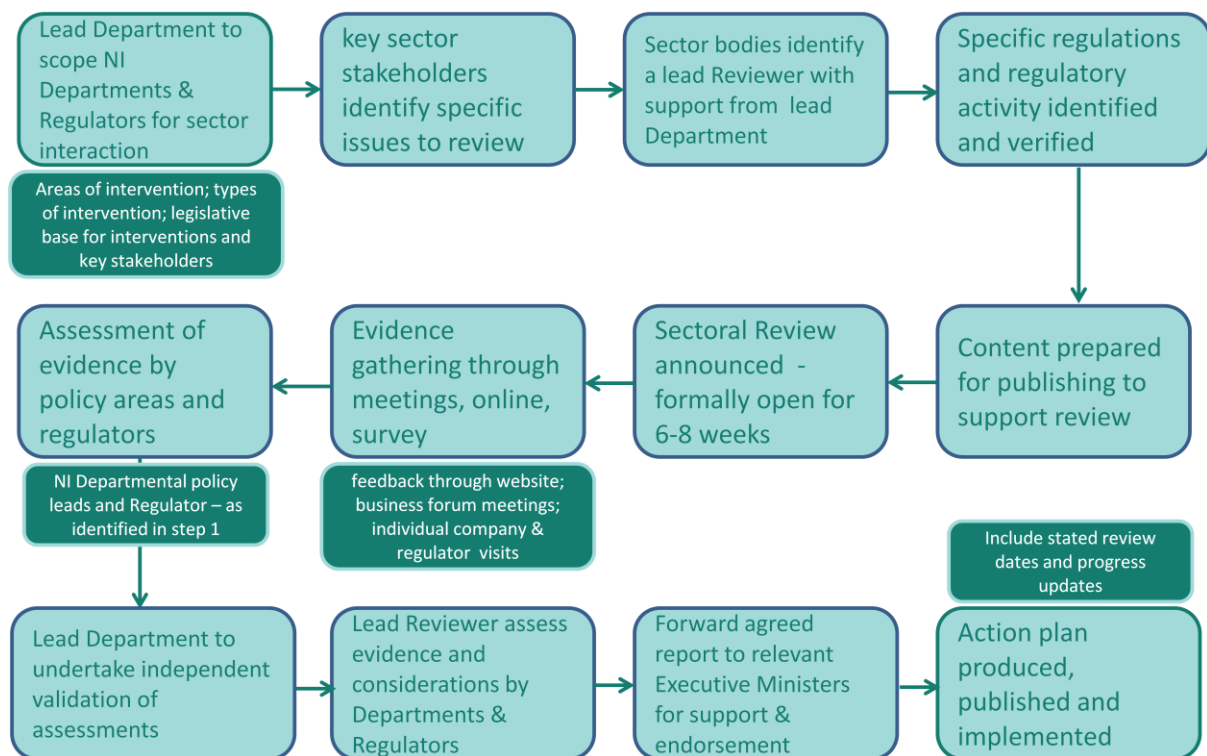
A helpful approach to undertake when progressing work to support a regulatory management scheme is to focus on a sectoral or thematic basis, affording the opportunity to consider specific issues. It is recognised that, given the wide and varied regulatory requirements imposed on business, a 'spotlight' focus on specific areas has the potential to be effective in cumulatively reducing the burden, while continuing to achieve the policy intent and levels of necessary compliance.

The Review of Business Red Tape devised a model to be used for specific issue reviews within sectors. Under the review process issues can be identified and discussed between the regulator and businesses with a view to resolution. It is recognised that this approach has value with the model placing an emphasis on industry leadership and engagement of business.

The Executive therefore will adopt the model devised and tested by the Review of Business Red Tape as outlined below. The Department of Enterprise, Trade and Investment will provide guidance for Departments and Regulators on the application of the model. Each Department and Regulator will use this as a tool to support review work in their respective policy areas.

The Executive further commits to undertaking a rolling programme of sector specific reviews from 2016 to 2021.

Outline model for Regulatory Reform Sector Issue Reviews



It is expected that all of the above Actions, while progressed and delivered at Departmental and organisational level across the public sector, will contribute to a coordinated annual report by the Executive which will demonstrate the progress being made on regulatory reform (see **Demonstrate Success** section below).

Regulatory Design and Development

The Executive recognises its responsibility to construct effective regulations and delivery structures that are based on best practice and contain evidence based policy objectives. It has a role to play in influencing and helping to shape policy and directives which emanate from the UK Government or the European Union, and which impact on Northern Ireland. There are currently structures in place for inputting to and commenting on national regulations which will impact on Northern Ireland. At a European level the Executive seeks to maintain influence on potential EU

regulations through the Office of the Northern Ireland Executive in Brussels, the UK Joint Ministerial Council (Europe), NI MEPs and the UK permanent representative in Brussels (UKREP).

The Northern Ireland departments are responsible for developing policies in line with the Executive's Programme for Government. The Northern Ireland Civil Service has in place a Policy Champions Network (PCN) to enhance the policy making process, through guidance, training and support for policy makers. This is a senior level group which progresses a body of work to help improve Northern Ireland's public sector policy making capabilities. The PCN is progressing a work plan to update guidance, for policy makers, to reflect current approaches to policy making and a number of the recommendations put forward by the Review of Business Red Tape have or will be reflected in the work of PCN. It is however important that the support structures are in place to provide policy makers access to guidance, training and necessary tools to develop good policy for Ministers.

The Review of Business Red Tape put forward a number of recommendations in the area of policy making and the relationship with Europe.

In accepting and actioning these recommendations the Executive intends to:

1. Make best use of existing EU structures, promoting them widely with business representative bodies;
2. Circulate as widely as possible timely notification of policy developments in Europe which will potentially have implications on business in Northern Ireland;
3. Require the introduction of a 'Review Clause' for all new regulations, where appropriate. Guidance will be provided for officials on introducing a 'Review Clause' into legislation;
4. Continue to review regulatory reform best practice in other jurisdictions and consider the potential applicability in Northern Ireland; and
5. Require the NICS Policy Champions Network to reflect on relevant recommendations in the Review of Business Red Tape and address these through their current work plan. In addition further work should be undertaken to raise the profile of the guidance, support and tools available for policy makers, through a single online signposting presence. PCN should take an active role in departments to foster a culture of more effective policy making on regulatory matters.

Regulatory Impact Assessment (RIA) is a key mechanism for policy makers to assess options for meeting policy objectives. The current RIA guidance was revised in 2014, but it is recognised that further enhancements are required to support both policy makers and regulators in making a measureable contribution to the proposed Regulatory Management Scheme as outlined in the section **Regulatory Management**.

RIA guidance is currently focused on new policies with the potential for introducing additional burdens on business. We recognise the need to widen the scope of this assessment tool and ensure it is used to demonstrate the savings/costs associated with all regulatory activity. It is important that the assessment of likely costs/burdens and savings associated with regulations are based on accurate and robust assessment of the financial implications.

The Executive will review the current RIA Guidance and take account of the following:

1. Increased focus on costings as the key measure of the burden (whether lessened or increased) of regulation on business;
2. The impact of regulatory delivery policies when they are reviewed by Regulators; and
3. The data sources available to officials to support them in undertaking more robust cost/benefit assessments on options.

In a number of regulatory areas there is a legislative requirement for Departments and Regulators to advertise public notices of changes. This is a policy issue which cuts across a number of specific regulatory areas and generally, the costs of advertising are required to be passed on to the business making the application. The legislative bases for these dates to a period when the printed word was the main method of ensuring wide scale public awareness of the issues. There is a need to consider how best to utilise current digital and social media technologies and applications in communicating public notices and thereby affording a reduction of the cost to business. It is recognised that further work needs to be done across the regulatory regime to assess the scale of this element of policy need.

The Executive will undertake further consideration of advertising costs which are passed onto businesses and assess options for reducing these, while retaining the necessary purpose of Public Notice advertising.

Regulatory Delivery and Enforcement

Within a complex regulatory environment there exists the potential for differences in approach on how regulatory compliance is achieved. Coupled with this there already exist areas of expertise, skills, and knowledge on which to build improvements and increased consistency, in how the regulatory principles are implemented. The actions set out below are designed to build on the good practice which already exists, ensure appropriate recognition is given for that and work towards a more collaborative and synergistic approach to securing regulatory compliance, while more effectively dealing with rogue or non compliant businesses.

Fundamentally regulators are required to implement legislative requirements and in so doing protect citizens, the environment and the business market through securing compliance and undertaking appropriate enforcement action against non compliance.

Regulatory delivery is undertaken by units within Departments, arms length bodies and agencies and at local government level. There is the potential for regulators to develop a common set of standards and approaches on a range of issues.

The Executive agrees to revitalise the existing Northern Ireland Regulators Forum and, under the chairmanship of a Better Regulation Champion (see Section **Championing Reform**) and task it with taking forward a body of improvement work. This includes:

1. Identifying and agreeing to a single accreditation service to validate their respective regulatory delivery policies, and in so doing:
 - a. Set up a protocol for future proofing all key regulatory delivery policies;
 - b. Examine how existing good practice delivery models could be extended beyond current (geographical or regulatory) areas;
 - c. Review existing ‘appeals’, ‘risk’ and ‘enforcement’ processes/policies to secure core consistencies across all Regulators and aim to make these more visible to businesses;
 - d. Incorporate an assessment of information needs from business to ensure what is requested is proportionate and necessary
2. Working with relevant professional/sector bodies to identify schemes that might be adapted to allow greater use of Earned Recognition across Northern Ireland
3. Working with business support services in public sector to deliver a range of practical improvements, to include:
 - a. Designing all application processes (including Licence and Permit) from the ‘first time applicant’ perspective
 - b. Investigate how existing internal contacts databases can be adapted to help identify suitable contacts in Regulators across the public sector
 - c. Placing online 100% of all forms used by business as a short term achievement, with further consideration of online development of transactional services in the context of digital transformation
4. Identifying and working with specialist organisations to support skills development of staff by:
 - a. Devising and adopting a common framework on core regulatory skills in order to assist consistency of delivery across the regulatory community in Northern Ireland, including enforcement and prosecution action;
 - b. Developing a programme of activity which would help staff better understand the challenges facing those whom they regulate
5. Requesting the Information Commissioner for refreshed guidance to assist Regulators wishing to share information

The Executive wishes the Northern Ireland Regulators Forum to consider other key issues of common interest and look to expand the work of this Forum to include staff from throughout Regulators organisations.

Digital Transformation

As part of its public sector reform strategy the Executive is committed to digital transformation as a means of delivering better, more effective services to citizens.

More businesses utilise technology in developing, delivering and growing their business. The internet and online technologies are now pervasive within business and government must be prepared to respond to the demands for its services to be available and accessible.

The Executive recognises that there clearly is a need to focus on a single online space for business in relation to regulations and regulatory activity. Businesses must be given the online tools which will enable them to more effectively ensure regulatory compliance. This could be, for example, through email or text reminders, advance notification of new regulations coming into force, or creating online space to share key documents with Regulators.

The development of an online resource has several key benefits beyond streamlining the regulatory process. It provides the potential for the development of a risk based approach to inspection; the opportunity to benchmark the impact and cost of the various regulatory bodies in Northern Ireland and across the UK.

The Executive intends to design a digital transformation programme for the regulatory community in Northern Ireland with the aim of moving toward a single online fully integrated Business Regulation Hub. This will require a longer term programme of activity, building on existing investments; however it will have the following core elements:

1. A secure online space for business to create a presence, whereby they can store their key documents/certificates/insurances necessary for regulatory compliance
2. An ability to create and track online applications for certifications
3. An ability to pay online (or through Paypoint, IVR) for chargeable services
4. Ability to conduct online consultations around new/proposed regulations
5. Online Search and Filter process for access to information relating to regulatory requirements for businesses – sector specific, thematic in structure
6. Series of tools to support business to avoid becoming non compliant and to help prepare them for new regulations due to come into force, e.g. SMS text and email notifications/reminders

The Executive proposes to develop a single online Resource Centre for all public sector staff involved in regulatory activity which impacts on business. This Resource Centre will:

1. Provide access to guidance for policy makers and regulators
2. Provide access to standard templates and agreements
3. Provide an online space for sharing knowledge, documents, information to support improvement projects including use of WIKIs
4. Central store of RIA's completed by public bodies

It is recognised that there may be legislative barriers in place which may hamper progress in working towards a single Business Regulation Hub. The Executive will consider these following a scoping exercise for this work and will decide on whether legislative changes would be necessary.

Digital Transformation Service within Department of Finance and Personnel, is delivering a programme of digital services across the Northern Ireland Civil Service. There is the potential to utilise functionality or services already in place and therefore achieve further savings.

The Executive recognises that effective solutions can come from small scale collaborative projects developed at a local level. To address a specific regulatory issue through greater private

and public sector collaboration has the potential to be very rewarding. The offer of short term seed funding support therefore can help to trigger innovative thinking to develop potential solutions, which could in turn be up scaled across the wider regulatory community. It is recognised that not all potential projects will succeed however the potential return can outweigh the risks.

Given pressures on public finances the Executive could not commit to running a pilot Challenge Fund at this time. It does however recognise the value of this approach and will review the potential for supporting such an initiative at a later stage.

The Executive will keep under review the potential for funding a Challenge Fund on a pilot basis. The purpose of which will be to offer funding to projects identified by private and public sector which will contribute to reducing the regulatory burden on business and have the potential (if successful) of being scaled up and feeding into the vision for an online Business Regulation Hub.

Demonstrate Success

The Executive is committed to demonstrating success through outcomes and specifically the experiences of businesses in meeting regulatory requirements. The Executive acknowledges the contribution made by the Northern Ireland Chamber of Commerce and Industry during the Review of Business Red Tape by including a baseline into their Quarterly Business Perceptions Survey. The Executive would welcome the continued support of the Northern Ireland Chamber of Commerce and Industry in measuring business perceptions on an annual basis through one of the quarterly business perception surveys. This is an important measure to gauge the success of this proposed approach to regulatory reform.

The Executive will produce a consolidated Annual Report on Regulatory Impact, based on the annual reports of each Department on the progress each is making in delivering better regulation as measured through the Regulatory Management Scheme.

In addition this new coordinated Annual Report will include progress against the actions in the regulatory reform agenda, once agreed by the Executive.

The Executive would welcome a commitment from the Northern Ireland Chamber of Commerce and Industry to continue with an annual measurement of business perception on regulatory reform as baselined in 2014 during the Review of Business Red Tape.

Part 4: Timeframe

The Executive considers that this regulatory reform agenda can be progressed in the next 5-7 years, and that there are a number of initiatives which can be started during 2016. These include:

1. Agree the scope and remit of a Better Regulation Champion and commence the appointment process;
2. Agree the scope, remit and structures for the introduction of independent scrutiny for Regulatory Impact Assessments;
3. Commence review of the Regulatory Impact Assessment Guidance;
4. Revitalise the Northern Ireland Regulators Forum; and
5. Commence scoping of a digital transformation programme for regulatory activity.

The Executive has committed to producing an Annual Report covering progress on managing the regulatory burden and on how the agreed regulatory reform actions are progressing. This will be based on annual Departmental statements on the planned regulatory activity.

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Annexes

- Annex 1 Summary list of proposed actions
- Annex 2 Responses to list of recommendations in 'Making Life Simpler: Improving Business Regulation in Northern Ireland'

Summary List of proposed actions

Reference number	Summary of Action	Lead
1.	8 Principles of Regulatory Reform	All
2.	Vision – Single Northern Ireland regulatory regime making a tangible contribution to economic growth and a fair competitive market while continuing to protect the environment and citizens	All
3.	Appoint a Better Regulation Champion	DETI
4.	Each Department to ensure a member of the respective Top Management team is responsible for better regulation and regulatory reform and that Local Government nominate an SRO to take on a similar role.	NICS Board and SOLACE
5.	Design and introduce a Regulatory Management Scheme which will include annual reporting on: <ul style="list-style-type: none"> • New measures to be introduced • Measures which are being removed or reviewed to lessen the burden on businesses • Other regulatory activities resulting in a more efficient regulatory delivery approach <p>The RIA will be the primary tool for measuring the cost (saving) implications</p>	NI Departments and NI Regulators DETI with a working group to devise scope and guidance
6.	Regulatory activity mapping exercise for 2 years to assess the increase/decrease of the regulatory burden – following which an assessment will be undertaken on the potential for progressing a regulatory budget scheme whereby the Executive will commit to a neutral balance on regulatory burden imposed on business	DETI with a working group to devise scope and guidance for NI Departments and NI Regulators to map and measure
7.	Introduction of an independent scrutiny function to assess the validity of the projected costs/savings in the RIA and provide an opinion on the robustness of the evidence	DETI
8.	Specific issue review model to be used with sectors or on themed regulatory areas through a rolling programme agreed by the Executive	All DETI to seek Executive agreement to programme content
9.	Make best use of existing EU structures promoting them widely with business representative bodies	DETI/European Liaison Officer

	Circulate as widely as possible, timely notification of policy developments in Europe which will potentially have implications for Northern Ireland	(Economy) All
10.	Introduce a 'Review Clause' for all new regulations, where appropriate, and provide associated guidance for officials	All Depts with guidance from OFMDFM & DETI
11.	Identify regulatory reform initiatives in other jurisdictions and assess potential applicability in Northern Ireland	DETI
12.	NICS Policy Champions Network to reflect on relevant recommendations in the Review of Business Red Tape and address these through their current work plan. In addition further work should be undertaken to raise the profile of the guidance, support and tools available for policy makers, through a single online signposting presence. PCN should take an active role in departments to foster a culture of more effective policy making on regulatory matters.	NICS Policy Champions Network
13.	Review RIA Guidance, which will include: <ul style="list-style-type: none"> a. Increased focus on costings as the key measure of the burden (whether lessened or increased) on business of regulation b. the impact of regulatory delivery policies when they are reviewed by Regulators c. the data sources available to officials to support them in undertaking more robust cost/benefit assessments on options 	DETI with a working group representing key NI public sector bodies
14.	Consideration of advertising costs for public notices, when the costs are passed onto business applicants to assess what options there are for reducing these	EIS in OFMDFM with input from Departments
15.	Revitalise Regulators Forum to undertake a body of work, including: <ol style="list-style-type: none"> 1. Identifying and agreeing to a single accreditation service to validate their respective regulatory delivery policies, and in so doing: <ul style="list-style-type: none"> a. Set up a protocol for future proofing all key regulatory delivery policies; b. Examine how existing good practice delivery models could be extended beyond current (geographical or regulatory) areas; c. Review existing 'appeals', 'risk' and 'enforcement' processes/policies to secure core consistencies across all Regulators and aim to make these more visible to business; d. Incorporate an assessment of information needs from business to ensure what is requested is proportionate and necessary 2. Working with relevant professional/sector bodies to identify schemes that might be adapted to allow greater use of Earned Recognition across Northern Ireland 3. Working with business support services in public sector to deliver a range of practical improvements, to include: <ul style="list-style-type: none"> a. Designing all application processes (including Licence and 	All NI Regulators, with support from All NI Departments

	<p>Permit) from the ‘first time applicant’ perspective</p> <ul style="list-style-type: none"> b. Investigate how existing internal contacts databases can be adapted to help identify suitable contacts in Regulators across the public sector c. Placing online 100% of all forms used by business as a short term achievement, with further consideration of online development of transactional services in the context of digital transformation <p>4. Identifying and working with specialist organisations to support skills development of staff by:</p> <ul style="list-style-type: none"> a. Devising and adopting a common framework on core regulatory skills in order to assist consistency of delivery across the regulatory community in Northern Ireland, including enforcement and prosecution action; b. Developing a programme of activity which would help staff better understand the challenges facing those whom they regulate <p>5. Requesting the Information Commissioner for refreshed guidance to assist Regulators wishing to share information</p>	
16.	<p>Design and development of a Digital Transformation programme which will provide:</p> <ul style="list-style-type: none"> a. An online space for business to create a presence, whereby they can store key documents/certificates/insurances necessary for regulatory compliance b. Filtering process for access to information relating to regulatory requirements for businesses – sector specific, thematic in structure c. Series of tools to support businesses to avoid becoming non compliant and to help prepare them for new regulations due to come into force 	DETI and other Departments to take a lead role with expert input from DFP
17.	<p>Design and develop an online Resource Centre for public sector staff involved in regulatory activity, which will:</p> <ul style="list-style-type: none"> 1. Provide access to guidance for policy makers and regulators 2. Provide access to standard templates and agreements 3. Provide an online space for sharing knowledge, information to support improvement projects 4. Central store of RIA’s completed by public bodies 	DETI and other Departments to take a lead role with expert input from DFP
18.	Pilot a Challenge Fund depending on affordability	DETI/ DFP
19.	Production of a better regulation/regulatory reform annual report	DETI
20.	Annual survey of business perceptions via the NICC Quarterly Business Perception Survey	DETI with NICC

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Responses to list of recommendations in ‘Making Life Simpler: Improving Business Regulation in Northern Ireland’

	Making Life Simpler: Improving Business Regulation in Northern Ireland - Recommendations	Action Plan reference
1.	Adopt 8 principles of regulatory reform	1
2.	Appoint an independent NI Better Regulation Champion, which has the full support of all NI Ministers. It should be a public appointment by the Enterprise, Trade and Investment Minister with the Champion reporting to the NI Executive’s Sub Committee on the Economy.	3
3.	Adopt a Regulatory Budget scheme to manage the flow of regulations. In the first period of operation the aim should be to achieve a neutral balance for the cost of regulation on business	5 & 6
4.	Progress sector specific reviews in a rolling programme	8
5.	Introduce improvements to the policy making and Regulatory Impact Assessment (RIA) process, including the appointment of an independent scrutiny committee to assess and provide opinion on all RIA’s produced by NI Departments	7 & 13
6.	Publish an Annual Statement of Regulation	5 & 19
7.	Revitalise the Regulators Forum	15
8.	All new devolved regulation should include review clauses	10
9.	Map out the various elements of the EU influencing routes available to Departments and NI businesses and undertake an awareness campaign to embed these structures	9
10.	Review the impacts of the regulatory reform measures of the UK Government and other jurisdictions to gauge the value of the various measures introduced and to consider whether to introduce them in NI for devolved legislation	11
11.	Appoint a proportionate independent external committee to scrutinise RIA’s from all NI Departments	7
12.	Better regulation support staff are introduced in NI Departments	4 – the decision will rest with individual Departments
13.	Adopt all the recommendations of the Innovation Lab set up to consider independent scrutiny of RIA’s – See Annex F for Innovation Lab report and detailed recommendations.	see below
14.	Set up a Change or Challenge Fund as a means of generating innovative approaches to improved regulatory delivery	18 - this will depend on affordability
15.	Introduce a single guidance note on a mechanism for setting regulatory fees/charges	it is considered not viable at present to progress this
16.	Review the costs and benefits of alternative methods of advertising public notices for regulatory activity	8

17.	Progress work on a single online Business Regulation Hub	16
18.	As a minimum standard all Regulators should provide functionality to download 100% of documentation directly from their websites.	9
19.	Continue to work with the NI Chamber of Commerce and Industry on an annual survey on business perceptions of regulation in Northern Ireland	20
20.	Voluntary adoption of a complementary economic growth duty by all regulatory functions operating in NI	1
21.	Single online space for Regulators for guidance, templates and agreements	17
22.	Information Commissioner issues refreshed guidance to assist Regulators wishing to share information	15
Regulators Forum Recommendations		
23.	Examine and consider how good practice delivery models already in operation across NI could be extended beyond their current (geographical or regulatory) area	
24.	Evaluate the appeals processes of NI Regulators and introduce consistency of approach, transparency and visibility of information for businesses	
25.	Investigate suitable organisations which can validate or accredit Regulators risk management and enforcement policies and set up a protocol against which their individual policies can be validated.	
26.	Work with relevant professional/sector bodies to identify schemes that might be adapted to allow greater use of Earned Recognition across NI	
27.	Ensure that the information that is being requested from businesses is relevant and proportionate	
28.	Licence and Permit application processes to be designed from the perspective of a 'first-time-applicant'	
29.	Consider how existing contact databases in the NI public sector could be adapted to help identify Regulator contact details	
30.	Devise and adopt a common framework on core regulatory skills in order to assist consistency of delivery across the regulatory community in NI	
31.	Develop a programme of activity with relevant, external bodies which would help staff better understand the challenges facing those whom they regulate	
Innovation Lab Recommendations		
32.	Establish an Independent Scrutiny Unit for RIA's	7
33.	Launch the new guidance for RIA in a more high profile manner	This was completed for new RIA Guidance agreed in June 2013
34.	Establish Better Regulation Units within each Executive Department	See rec 12 above
35.	Establish a Better Regulation Champions network	4 and 7
36.	Introduce revised RIA training to complement and embed the new guidance	RIA training was updated as a result of

		new Guidance agreed in June 2013
37.	Embed the culture of engagement by emphasising the value of early and regular engagement	12
38.	Introduce the use of new engagement methodologies including digital and social media	12
39.	Undertake an assessment of policy critical stakeholders to identify gaps in network	12
40.	Establish an easily assessable central store of RIA information and examples	17
41.	Identify and replace those areas of guidance that are subject to interpretation	Application of guidance and compliance will often be down to professional judgment and ultimately for the Courts to decide
42.	Create a single policy making toolkit, containing RIA, that will take practitioners step by step through the process	12
43.	Create a comprehensive DATA protocol to allow for optimum use	13
44.	Establish a monitoring unit within DETI to evaluate the entire RIA process	Not accepted, however DETI's Better Regulation Unit will continue to offer advice to Departments and officials as necessary
45.	Introduce a regulatory budget for Northern Ireland Executive Departments	5 & 6



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