

<p>Title: Dissolution of the Local Better Regulation Office and transfer of continuing functions to the Department for Business, Innovation and Skills (and The Welsh Government)</p> <p>Lead department or agency: Department for Business, Innovation & Skills (BIS)</p> <p>Other departments or agencies: Local Better Regulation Office Wales Office The Welsh Government</p>	Impact Assessment (IA)
	IA No: BIS0274
	Date: 18 November 2011
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
<p>Contact for enquiries: Rachel Mallaband (email: Rachel.Mallaband@bis.gsi.gov.uk)</p>	

Summary: Intervention and Options

<p>What is the problem under consideration? Why is government intervention necessary?</p> <p>A review of the Local Better Regulation Office (LBRO), carried out as part of the Public Bodies Review in 2010, concluded that two of LBRO's functions should continue and one function ought to stop. The review also concluded that the existing non-departmental public body model was not the best option for delivery of LBRO's continuing functions. It was concluded that other options could lead to greater accountability, flexibility and efficiency.</p> <p>Government subsequently considered the alternative delivery options and has consulted on the conclusions of that options appraisal: specifically on the proposal to dissolve LBRO and transfer the continuing functions into the Department for Business, Innovation and Skills (and some functions to The Welsh Government). Responses to the public consultation were broadly supportive and the Government now intends to dissolve LBRO as proposed. Legislation is required to make this change to LBRO's status.</p>
<p>What are the policy objectives and the intended effects?</p> <p>The policy objective is to increase accountability, flexibility and efficiency in delivering the functions that LBRO undertakes.</p> <p>The intended effects include:</p> <ul style="list-style-type: none"> • better use of public funding by focusing on the functions that are giving the best return; • efficiency savings (in particular reducing back office functions); • maintaining existing staff expertise; • making more effective use of staff expertise, bringing that closer to Ministers and linking it more directly to the policy making process; and • maintaining the independence required to run the Primary Authority scheme.
<p>What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)</p> <p>The following options for delivering the continuing functions of the LBRO were considered:</p> <ul style="list-style-type: none"> • Option 1 - retain NDPB status (do nothing); • Option 2 - bring into the department: <ul style="list-style-type: none"> • Option 2a - establish as an Executive Agency of the Department; • Option 2b - merge with the Regulatory Policy Committee; • Option 2c - bring into the Department as a distinct specialist unit; and • Option 3 - establish as a Private Limited Company. <p>Option 2c was the preferred option and was supported in the public consultation carried out over the summer of 2011.</p>

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 2015 What is the basis for this review? PIR. If applicable, set sunset clause date: N/A	
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

Senior Economist Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Mark Prisk ----- Date: 28/11/2011 -----

Summary: Analysis and Evidence: Policy Option 2c

Description: Bring into the Department as a distinct and specialist unit.

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 6.4

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	0.1		0.1

Description and scale of key monetised costs by 'main affected groups'

One-off redundancy costs (£80,000).

One-off communication/branding costs (£15,000).

One-off costs for the people, finance and data assimilation processes (£5,000).

These costs will fall on government.

Other key non-monetised costs by 'main affected groups'

One-off costs for pension compensation payments.

One-off costs associated with possible underperformance caused by the time it takes the new organisation to get up to speed. These costs will fall on government.

One-off costs from the loss of expertise. This cost will fall on government and indirectly on businesses.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		0.79	6.5

Description and scale of key monetised benefits by 'main affected groups'

Ongoing efficiency savings from improved use of financial resources (£542,000).

Ongoing programme savings (£243,000).

These will be benefits to government.

Other key non-monetised benefits by 'main affected groups'

- Improved ability to draw on delivery expertise and experience, to better inform policy development in BIS and throughout Government.
- Greater accountability to Ministers, increased focus on the Government's strategic priorities, and greater flexibility in responding to changing priorities.
- Support for better local regulation remains in the public sector offering continued impartiality, expertise and the capacity to broker policy change within government – a function valued by stakeholders.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
<p><u>Assumptions:</u> Majority, but not all, of LBRO staff transfer to BIS; scope to relocate the organisation to share accommodation with other parts of BIS and to share IT provision; other back office rationalisation possible in LBRO and in BIS (through sharing back office functions and through the removal of the sponsorship function required within the Department for overseeing LBRO as a non-departmental public body); staff reductions to be met by a combination of natural wastage and possible redundancies.</p> <p><u>Sensitivities:</u> The scale and nature of potential efficiency savings can't be precisely determined in advance, being dependent on a number of factors and decisions that can only be addressed in the course of the transition.</p> <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Delivery risk: impact of transition on staff; impact on delivery and possible distraction caused by transition; risk of loss of expertise; difficulties in recruiting replacements for any business-critical staff who leave during transition. - Stakeholder risk: loss of confidence among stakeholders; dissatisfaction among stakeholders with their level of influence over the new body; loss of delivery momentum and reputation caused by rebranding. - Project risks: failure to follow correct finance rules and redundancy procedures, increase in transition costs. 		

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	N/A

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			England and Wales		
From what date will the policy be implemented?			1 April 2012		
Which organisation(s) will enforce the policy?			BIS		
What is the annual change in enforcement cost (£m)?			N/A		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: N/A	Benefits: N/A	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro N/A	< 20 N/A	Small N/A	Medium N/A	Large N/A
Are any of these organisations exempt?	N/A	N/A	N/A	N/A	N/A

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties ^[3]	No	Page 16
Economic impacts		
Competition	No	Page 16
Small firms	No	Page 16
Environmental impacts		
Greenhouse gas assessment	No	Page 16
Wider environmental issues	No	Page 16
Social impacts		
Health and well-being	No	Page 16
Human rights	No	Page 16
Justice system	No	Page 16
Rural proofing	No	Page 16
Sustainable development	No	Page 16

^[3] Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

References

Links to relevant legislation and publications, such as public impact assessments of earlier stages (consultation).

No.	Legislation or publication
1	The Local Better Regulation Office was set up under the Regulatory Enforcement and Sanctions Act 2008: http://www.bis.gov.uk/policies/better-regulation/improving-regulatory-delivery/implementing-principles-of-better-regulation/regulatory-enforcement-and-sanctions-bill
2	The public consultation on the proposed dissolution of LBRO and transfer of functions was published in June 2011: http://www.bis.gov.uk/assets/biscore/better-regulation/docs/f/11-985-future-local-better-regulation-office-consultation.pdf
3	The consultation stage Impact Assessment is available at: http://www.bis.gov.uk/assets/biscore/better-regulation/docs/i/11-988-impact-assessment-delivery-options-functions-local-better-regulation-office.pdf
4	The Government response to the consultation is available at: http://www.bis.gov.uk/Consultations/future-of-local-better-regulation-office-and-primary-authority-scheme

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	0.1									
Annual recurring cost										
Total annual costs	0.1									
Transition benefits										
Annual recurring benefits	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Total annual benefits	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79

* For non-monetised benefits please see summary pages and main evidence base section.

Evidence Base (for summary sheets)

Background

1. The Local Better Regulation Office (LBRO) was created in response to the recommendations of the Hampton review of inspection and enforcement. The Hampton review identified a number of systemic issues in the structure of regulatory enforcement in the UK, particularly inconsistency of enforcement for businesses that operate across more than one Local Authority area. LBRO's activities are intended to ensure proportionate and consistent regulatory enforcement by Local Authorities, and lower administrative burdens and uncertainty for businesses operating across multiple Local Authority areas. Operating the Primary Authority scheme is a significant part of this role¹.
2. LBRO, as currently constituted, is a statutory non-departmental public body (NDPB) sponsored by the Department for Business, Innovation and Skills (BIS) and part funded by the Welsh Government. Its functions can be summarised under three headings:
 - managing and developing the Primary Authority scheme for multi-site businesses;
 - providing direct support for service improvement in local authorities;
 - working to improve and simplify the national framework under which local authorities enforce certain areas of law.
3. In 2010 BIS undertook a review of LBRO as part of the Government's wider review of public bodies². The Review of LBRO was commissioned by Ministers to determine the continuing need for the functions of the organisation and the best options for delivering them. Drivers for the work included commitments in the Coalition Government's programme for government to "reduce the number and cost of quangos". The review of LBRO was carried out in the context of the 2010 Spending Review, HMT's Operational Efficiency Programme and the BIS Commercial Strategy – all of which were seeking efficiencies in back office functions.

Summary of 2010 Review of LBRO

4. The Review concluded that there was a continuing need for two of the functions carried out by LBRO: operating the Primary Authority scheme; and, improving the national framework for local authority regulation; but that the third function of statutory and directive service improvement should be discontinued.
5. In summary the Review found that stakeholders, and businesses in particular, valued:
 - a. improvements in the consistency of regulatory enforcement being achieved under the Primary Authority (PA) scheme;

¹ The Primary Authority scheme was created in response to the Hampton Report (2005) which noted widespread inconsistencies of regulatory interpretation between different local authorities. It came into force on 6th April 2009 following the passing of the Statutory Instruments which set out more detail about the implementation of the Primary Authority scheme. The scheme allows businesses, charities or other organisations that are regulated by more than one local authority to enter into a partnership with a local authority and for it to become a Primary Authority. The Primary Authority provides assured advice to the business and can then block proposed enforcement action it regards as inconsistent with advice or guidance that it has previously given.

² This was a government internal review and therefore is not published.

- b. culture change in local regulatory services being achieved by Local Authorities operating within the Primary Authority scheme;
 - c. LBRO's expert panels and collaborative project work;
 - d. LBRO's functions of improving and co-ordinating the work of national regulators and central government policy-makers.
6. Both Primary Authority and LBRO's work to simplify the national framework for local authority regulation are important levers in delivering culture change in enforcement. Consistency of treatment across the country remains a major concern for business. Respondents to the 2010 Review reported that the Primary Authority scheme represented a significant step forward in addressing this and that it was delivering culture change at a local level. The Review recommended that the function of operating the Primary Authority scheme should continue.
 7. Many positive comments were received through the 2010 Review on the value of LBRO's work in collaboration with national regulators and central government policy-makers – helping to improve and better co-ordinate activities across the regulatory system. The Review noted that the function was effectively part of the national policy-making process and its abolition would therefore detract from government's ability to secure fundamental culture change in the way the regulatory system as a whole operates. The Review recommended that this function of simplifying the national regulatory system should also continue.
 8. Stakeholder views on the issuing of enforceable statutory guidance to Local Authorities, and of directing service improvement in this way, were mixed with no strong evidence of significant added value. The Review also considered the appropriateness of this role in the wider context of the drive towards localism and reforms to central government's relationship with local government. The Review recommended abolition of this function and the associated statutory powers.
 9. The Review also concluded that the existing non-departmental public body model was not the best option for delivery of LBRO's continuing functions and that other options could lead to greater accountability, flexibility and efficiency.

Public Consultation on the Proposal to Dissolve LBRO

7. Taking account of the conclusions of the 2010 Review of LBRO, and following an appraisal of the different options, Government announced proposals to dissolve LBRO and to transfer the continuing functions to the Department for Business, Innovation and Skills. As part of this change it is proposed that more will be done to focus the activities, to provide better value for money and to provide for greater flexibility and accountability in deploying the organisation's resources to support Government policies on improving the enforcement of regulation.
8. Following this decision a public consultation³ was carried out to test reactions to the proposal for dissolving LBRO, for refocusing its purpose, for bringing the continuing functions into BIS, and for managing the work under that proposed new arrangement. The consultation was published in June 2011 and closed in mid-September. The summary of

³ <http://www.bis.gov.uk/assets/biscore/better-regulation/docs/f/11-985-future-local-better-regulation-office-consultation.pdf>

consultation comments and statement of the Government's response was published in November 2011⁴.

9. The specific consultation questions were:

Question 1:

- Are the functions identified for the new organisation (Primary Authority and system improvement) consistent with the aspirations identified by the government; and
- Does the name of the new organisation, Better Regulation Delivery Organisation, accurately reflect its scope and function?

Question 2:

Will the proposed governance arrangements for the BRDO, including the creation of the Representative Steering Group and the draft Memorandum of Understanding with BIS provide the necessary levels of independent decision making and accountability to stakeholders?"

Question 3:

Do the arrangements for the Representative Steering Group and the draft Memorandum of Understanding with BIS provide sufficient assurance for businesses and local authorities in Primary Authority partnerships that the BRDO will be sufficiently independent?

Question 4:

Is the proposed membership of the Representative Steering Group appropriate?

Question 5:

Are the terms of reference and areas of responsibility for the Representative Steering Group appropriate?

Question 6:

Do you agree that the BRDO should continue to support LBRO's existing stakeholder reference groups (World Class Coalition, Business Reference Panel and the Local Authority Reference Panel).

Question 7:

Are the arrangements for working with the Devolved Administrations appropriate?

10. A majority of positive responses were received in relation to all bar one of the questions. The exception was question 4 to which responses were split 50-50 between 'yes' and 'no'. The split responses in this case reflected the fact that a number of respondents wanted to see the membership of the proposed steering group expanded. Responses to questions 2, 3 and 5 showed support for the basic proposal to establish the Representative Steering Group. Question 4 aside, for all other questions the responses ranged from 61% positive to 95% positive. The average response rate was 72% in favour of the proposals put forward in the consultation document.

11. Taking account of the public consultation, the Government has decided to move ahead with the proposals to dissolve the LBRO and to form the Better Regulation Delivery Office (BRDO) within BIS. Care will be taken when forming the Representative Steering Group to

⁴ <http://www.bis.gov.uk/Consultations/future-of-local-better-regulation-office-and-primary-authority-scheme>

12. The consultation responses echoed earlier findings in relation to the importance of the expert panels to stakeholders, and the desire to see these continue. Question 6 had the highest approval rate of all issues raised – with 95% supporting the proposal to maintain the existing reference panels / expert groups. The combined findings of the Review and the Consultation have therefore led to the decision that the Representative Steering Group will work with LBRO’s three existing panels to provide a broad base of expert advice and stakeholder input to the continuing work. The existing panels and their scope are:
 - a. The Business Reference Panel - LBRO has formed strong relationships with the business community through its business reference panel and we expect the BRDO to continue this work. The current panel includes members from over 25 different membership organisations, including sector representative bodies, national multi-site businesses, trade associations and small and medium sized enterprises with access to a network of over 750,000 businesses. The panel will enable the BRDO to understand and articulate business concerns and experience in helping to shape better regulatory policy making.
 - b. The World Class Coalition – this delivery group was established to address the interdependencies and complexities of the regulatory system. The group harnesses the power of a coalition of national regulators, government departments and professional and representative bodies to develop and implement coordinated activities, enabling effective and efficient delivery by regulatory professionals. Its work includes the development of a common competency framework to help build professional standards in regulatory services.
 - c. The Local Authority Reference Panel – this panel has provided important practitioner input to LBRO’s work to simplify regulatory delivery. Representatives are drawn from a range of local authority regulatory services and the panel ensures that work undertaken by the World Class Coalition, such as the development of common frameworks, meets the needs of regulatory professionals.
13. The consultation responses highlighted that the LBRO had shown a willingness to think independently and innovatively. The proposed organisational change which would see the LBRO dissolved and the continuing functions transferred into BIS was not strongly remarked upon however comment was made regarding the hope that the new unit would not be inhibited from showing the same independence once it had been absorbed into a central government department.

Problem under consideration

10. The 2010 Review of LBRO concluded that the functions of: (i) operating the Primary Authority scheme; and (ii) creating the conditions for a simpler regulatory system should continue; but that one of LBRO’s functions: direct and enforceable service improvement with Local Authorities should be discontinued.
11. The Review also concluded that LBRO should not retain its current status as a non-departmental public body and that there were better options for delivering its continuing functions. It was recommended that an alternative organisational structure would promote greater efficiency, accountability, flexibility, and support for Ministers, whilst maintaining the

12. The consultation stage Impact Assessment discussed the detail of the options for delivering the two continuing functions. The preferred option emerging from that was to dissolve LBRO as an NDPB and to transfer its continuing functions to the Department for Business, Innovation and Skills (BIS).

Rationale for intervention

13. Legislation is required in order to dissolve LBRO and transfer its continuing functions. **It should be noted that this policy involves mainly an administrative change in the status and working arrangements of the LBRO.**

Policy objectives

14. The policy objective is to ensure greater accountability, transparency and efficiency of the functions that LBRO undertakes.
15. The intended effects include:
 - Better use of public funding by focusing on the functions that are giving the best return;
 - Achievement of efficiency savings and independence to continue to run the Primary Authority scheme; and
 - More effective utilisation of expertise on the implementation of regulation, to enhance the policy development and impact assessment process.

Options identification

16. The following options for delivering the continuing functions were considered.
 - Option 1 - Retain NDPB status (do nothing);
 - Option 2 - Bring into the Department:
 - Option 2a - Establish Executive Agency of the Department;
 - Option 2b - merge with the Regulatory Policy Committee;
 - Option 2c - bring into the Department as a distinct and specialist unit.
 - Option 3 – Establish a Private Limited Company.
17. Bringing LBRO's functions in-house (Options 2a – 2c) and establishing a Private Limited Company (Option 3) would all require legislation.

Summary of options analysis

18. The options analysis involved the assessment of monetised costs and benefits expected under each scenario. This was supplemented with a scored assessment of a number of operational factors.
19. The main monetised costs included: one-off transition costs; potential redundancy costs; legal costs associated with the transfer; communications and branding costs. Monetised benefits included: savings on NDPB Board costs; staff savings from ending one of the

20. The operational factors taken into consideration were:
- **Independence:** how effectively the option would assure independence of decision-making – especially in delivering Primary Authority;
 - **Transparency and accountability:** how effectively the option would provide transparency and accountability to stakeholders;
 - **Flexibility:** how effectively the option would provide flexibility to align the work to Ministers' priorities and to inform policy development;
 - **Stakeholder reactions:** what was most likely to have credibility with LBRO's stakeholders.
21. Each option was scored against each criteria using qualitative judgement on a scale of 1 to 5. A score of 5 has been used to reflect the best that could be achieved and a score of 1 was used to reflect the worst probable outcome. All options were scored against this range.
22. The preferred option: 2c, bringing LBRO into the Department as a distinct and specialist unit, was chosen taking account of the cost-benefit analysis and the analysis of other impacts. As summarised in the tables below. It offered the same estimated net benefits as options 2a and 2b, but scored better than these on the operational factors. Option 1 didn't offer net benefits, and Option 3 had a small estimated net cost. Options 1 and 3 also both scored relatively poorly on the assessment of operational factors.
23. The table below summaries the estimated costs and benefits of each option.

Costs and benefits	Option 1: Do nothing	Option 2a: Establish as an Executive Agency	Option 2b: Merger with RPC	Option 2c: Bring into BIS as a distinct unit	Option 3: Establish as a Private Limited Company
Total annual benefit	No additional benefit	£785,000	£785,000	£785,000	No additional benefit
Total annual cost	No additional costs	No additional costs	No additional costs	No additional costs	No additional costs
Total annual net benefit	No additional net benefit	£785,000	£785,000	£785,000	No additional net benefit
Transition costs	No additional costs	£100,000	£100,000	£100,000	£2,000
NPV	N/A	£6.4m	£6.4m	£6.4m	£-2,000

24. The table below summaries the scoring of operational factors under each option.

Impacts	Option 1: Do nothing	Option 2a: Establish as an Executive Agency	Option 2b: Merger with RPC	Option 2c: Bring into BIS as a distinct unit	Option 3: Establish as a Private Limited Company
Independence	5	2	5	4	2
Transparency/accountability	1	1	3	3	3
Flexibility	2	5	2	5	3
Stakeholder reactions	2	3	3	4	2
Total scoring	10	11	13	16	10

Risks

25. We have considered a wide range of risks (summarised in the table below).

Risk	Issue
Project management risk	Failure to establish/follow correct procedures regarding redundancies
	Failure to agree clear governance procedures for the new organisation
	Failure to comply with finance rules around closing accounts
	Transition costs increase
Reputation/PR Risk	LBRO's contractors and suppliers are unprepared for the transition
	Previous name - Local Better Regulation Office or LBRO - is used in a way that damages the reputation of the department or the government
Staffing Risk	Loss of staff knowledge/expertise if key staff members do not transfer to the new organisation
	Once converted from public servants to civil servants, staff move elsewhere in the civil service, resulting in reduced implementation expertise
	Difficulties in recruiting replacements for any business-critical staff who leave during the transition
Stakeholder Risk	LBRO's business stakeholders lose confidence in our commitment to their concerns
	Stakeholders perceive a loss of independence and see the body as part of central government
	Winding up of LBRO website causes problems for stakeholders
	Secondary legislation needed to make the changes is delayed due to consultation on staff cuts
Benefits realisation risk	The transition of responsibility to BIS results in a drop in delivery pace
	Loss of independence for LBRO - particularly problematic for Primary Authority determinations
	Valuable LBRO activities are lost in the abolition of the improvement function
	Perceived or actual impropriety around finances during the transition and final accounts
	Intellectual property is lost without potential value being gained

26. Our preferred option is based on the need to deliver four things:

- assurance to business that they will continue to receive a professional service;
- assurance of the government's continued commitment to the Primary Authority scheme;
- a platform for a radical transformation in our relationship with local authorities going ahead; and
- efficiency savings from improved use of financial resources.

27. The consultation sought views on these issues.

One-In, One-Out and sunseting regulations

28. This policy does not impose any direct costs on business, so no corresponding 'out' is required.

29. As the proposal will not result in any new burden on businesses or civil society organisations it is out of scope for sunseting.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review , or there could be a political commitment to review (PIR)]; Political commitment to review success of change to status and the impact of LBRO.</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?] 1) Review the success of the processes involved in the administrative change to LBRO and 2) review the impact of the LBRO.</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach] 1) Consider whether the costs and benefits have been realised and if not why. Lessons learned. 2) In-depth evaluation of the impact of LBRO's policies.</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured] 1) The impacts assessment provides the figures on the baseline admin costs and expected benefits. 2) The baseline for the evaluation of the impact of LBRO's work is the Review of the LBRO 2010.</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives] 1) Costs and benefits in line with expectations or better. Risks mitigated. 2) Positive additional impact of LBRO's work on business.</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review] LBRO already undertakes extensive monitoring and evaluation.</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here] N/A</p>

Annex 2: Specific impact tests

Equality Test

30. We do not believe that there will be any impacts in the area of equality.

Competition Test

31. The initial analysis of the competition filter test reveals that a detailed competition assessment is not considered necessary. Table below gives the results of the competition filter test.

Results of the Competition Filter test:

In any affected market, would the proposal	
Directly limit the range of suppliers?	No
Indirectly limit the range of suppliers?	No
Limit the ability of suppliers to compete?	No
Reduce the suppliers' incentives to compete vigorously?	No

Small Firm Test

32. This policy does not impose any direct costs on business including small firms.

Other Impact Tests

33. We do not believe that there will be any impacts in the areas of greenhouse gas, wider environmental issues, health and well being, human rights, rural proofing and sustainable development.