



## Summary: Analysis & Evidence

## Policy Option 2

**Description:** To introduce a new service; to provide details of civil registration entries in PDF format for births, deaths, marriages and civil partnerships on payment of a fee (set at cost recover levels).

### FULL ECONOMIC ASSESSMENT

Price Base Year 2018	PV Base Year 2018	Time Period Years 5	Net Benefit (Present Value (PV)) (£m)		
			Low: -£2.7	High: -£4.2	Best Estimate: -£3.4

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.1	1	1.4	8.4
High	0.1		1.5	9.0
Best Estimate	0.1		1.5	9.0

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

The GRO pilot scheme incurred a IT capital cost of £67,000 and a one-off cost of £12,000 (£79,000) in year 1 only. Business may face a familiarisation cost of £3,000 to £30,000 with a central estimate of about £11,000 but this is a negligible cost to GRO (in year 1 only). There is a loss of revenue to GRO of about £5.6m over 5 years (PV), in a range of £5.7m to £4.9m over five years (PV). New staff, recruited for the PDF process, cost GRO about £2.6m to £4.1m, with a central estimate of £3.3m, again over five years (PV).

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

There are no familiarisation costs allocated to individuals (about 80% of applications) as there is no evidence of usage pattern and the guidance is similar to the application guidance for certificates.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	0.8	3.9
High	N/A		0.5	2.7
Best Estimate	N/A		0.7	3.6

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

There is a benefit from the reduction of the fee, from £9.25 for a certificate to £6 for a PDF in year 1, then from £11 to £7 in years 2 to 5. Business benefits are estimated in a range of £0.9 to £1.2m, with a central estimate of £1.1m over 5 years (PV). Benefits to individuals are in a range of £4.9m to £3.7m with a central estimate of £4.5m over five years (PV).

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

Limiting the service to online applicants who provided a GRO index reference should help drive customers towards more efficient application channels and therefore reduce operational costs associated with less efficient application routes.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
Forecast volumes are taken from GRO estimates and lie in a range of 280,000 to 340,000, with a central estimate of 310,000. There is no information about how robust these forecasts are. Similarly, the number of probate solicitors has been taken from various survey sources and is quite uncertain. Volumes are a sensitive factor in these estimations. It should be noted that the Low scenario, is 'low cost' and the High scenario is 'high cost.'		

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: £0.0	Benefits: £0.2	Net: £0.2	
			N/A

# Evidence Base (for summary sheets)

## A. Strategic Overview

### A.1 Background

1. The General Register Office for England and Wales (GRO) is part of HM Passport Office. Civil registration records, which include records of birth, death, and marriages, date back to 1837 with civil partnership records dating back to 2004. The Registrar General for England and Wales (RG) is responsible in legislation for the system of civil registration, and through the GRO, maintains those records as well as issuing certificates for such events through both primary and secondary legislation; with policy ownership straddled across a number of other Government Departments (OGD's).
2. GRO holds copies of registration entries of births, deaths, marriages and civil partnerships under the Marriage Act 1949, the Births and Deaths Act 1953, the Civil Partnership Act 2004 and Marriage (Same Sex Couples) Act 2014. Those same Acts provide for certified copies of register entries (certificates) to be provided for a fee.
3. For the first time since the introduction of civil registration in 1837, the Deregulation Act 2015<sup>1</sup> (The 'Deregulation Act') allows GRO to provide the public with data in formats other than a certificate of a birth, death, marriage or civil partnership. Prior to The Births, Deaths, Marriages and Civil Partnership (Records) Regulations 2016<sup>2</sup> and the Civil Partnership (Records) Regulations 2016<sup>3</sup> (the 'records regulations') which came into force on 5 October 2016, the only way to access information from a register was to buy a certificate at a (current) cost of **£9.25\*** (standard service up to 15 days) and a premium service for (currently) **£23.40\*** for a next working day service. Customer insight saw this as an inefficient and expensive method of providing access to civil registration information.
4. Applications for a paper certificate are received by post, telephone or (predominantly) electronically through the Registrations On-Line Ordering (ROLO) service available through GOV.UK webpages. For certificate applications, customers can provide a GRO Index reference for the registration entry (a referenced application) if it is available. The GRO Index reference is an historical index of events (births & deaths), held online, which contains a sub-set of information from the full record such as name/surname/district of event etc. which can be used to help customers identify an entry and order a birth or death certificate. This can be found through accessing and searching GRO's online indexing application or through indices published online elsewhere or available in seven libraries across England & Wales. If not supplied (a non-referenced application), GRO will search for the registration entry and if found, produce a paper copy ('a certificate') to be sent or collected by the customer whichever is applicable.
5. PDF applications are on-line only and must provide a reference from the GRO Online Index (PDF records are limited to those entries covered by the GRO online Indices).

---

<sup>1</sup> The Deregulation Act 2015 <http://www.legislation.gov.uk/ukpga/2015/20/contents/enacted>

<sup>2</sup> The Births, Deaths, Marriages and Civil Partnership (Records) Regulations 2016  
<http://www.legislation.gov.uk/uksi/2016/980/contents/made>

<sup>3</sup> the Civil Partnership (Records) Regulations 2016  
<http://www.legislation.gov.uk/uksi/2016/981/contents/made>

6. Fee bearing powers have been introduced under the Immigration Act 2016 to enable the RG to charge for services relating to birth, deaths, marriages and civil partnerships. These powers have enabled GRO to charge a fee for the PDF service. In addition, they enable a discretionary refund, reduction or waiver of a fee for example, where customer hardship issues are identified, or on compassionate grounds.

## **A.2 Groups Affected**

### **Issue under consideration**

7. The GRO is looking to provide new products and services as part of its reform agenda. This includes producing information from its records to the public as a PDF version in addition to certificates, to provide greater choice and flexibility to customers.
8. The records regulations allow for the RG to provide information from copies of registration entries in PDF format for a fee set at cost recovery levels.

### **Scope**

9. The amendments to the Births and Deaths Registration Act 1953 and the Marriage Act 1949, the Civil Partnership Act 2004 and Marriage (Same Sex Couples) Act 2014 specify that the provisions relate to the certified copies of entries in registers sent to the RG under the above Acts and kept by GRO. Entries in the original registers of events held locally by registrars are therefore excluded. The RG cannot therefore provide any additional products or services relating to entries in any original registers held solely at GRO, such as the Adoption Register, Gender Recognition Register or Register of Presumed Death.
10. Civil Registration is devolved to Scotland and Northern Ireland where other legislation is in place. Any impact of the changes only applies to England and Wales. The Welsh Government was consulted on the proposal during the passage of both the Deregulation Act 2015 and the Immigration Act 2016 and was informed when the secondary legislation was introduced.

## **A.3 Consultation**

11. Prior to and during the process of the Deregulation Bill through Parliament, focussed, informal consultation for the PDF products took place with the genealogical community and some commercial organisations that access GRO services regularly, or provide a related service. Feedback was reflected in the proposal to introduce the piloted services. Customers who then took part in the pilots were asked to provide feedback by way of a questionnaire which has been used to inform this IA.
12. GRO looked to gauge take up for PDF services by undertaking pilots over a nine-week period from 9 November 2016 to 12 April 2017 using a phased approach - to test customer demand for the services and GRO robustness to meet that demand. The service was introduced in three distinct pilots with fees set at full cost recovery levels. This was considered the optimum combination for testing the range of new products/services on offer with a significant, but controlled number of customers - to ensure meaningful insight was obtained without the risk of undermining the existing GRO business model.
  - **Pilot 1** from 9 November 2016 until the 30 November 2016 allowed customers to order PDF copies of digitised civil registration records at a cost of £6. During this

period there were over 40,000 PDFs processed. Customer feedback received by way of an online questionnaire received over 2,000 responses was generally positive in terms of the application process and the product with the average score rating of 8/10 (with 10 being excellent) for both. Detailed feedback can be found at **Annex A**.

- **Pilot 2** from the 19 Jan 2017 until the 9 Feb 2017 allowed customers to order PDF copies of civil registration records through a faster three-hour service providing a PDF of the data held against all registration records whether digitised or not for a fee of £45. This pilot was primarily aimed at business where a speedier service would be advantageous, for example, probate companies who currently use the Priority certificate service to obtain register entry details quickly. GRO sold 1,129 PDFs during this pilot. Of the 13 responses to a questionnaire, it was suggested that this service would need to sit with a certificate order as a bundle to be a viable option.
  - **Pilot 3** from the 16 March 2017 until the 12 April 2017 provided a lower priced five-day service providing a PDF of the data held against non-digitised registration records for a fee of £8. Non-digitised are those records held in non-electronic formats (such as microfiche records). GRO sold 7,708 PDFs during this pilot. This questionnaire received 137 responses. Although feedback was positive with an average score of 9/10 for both the service and product, the price differential compared to a certificate was a factor in the low number of applications received.
  - **An extension of pilot 1** from 12 October 2017 to date. The extension was to test the most successful pilot over a longer period of time.
13. In addition, during this extended period, GRO provided opportunity for businesses within this small sector to provide additional feedback through an on-line informal consultation (questionnaire) which ran for eight weeks from 1 December 2017 to 31 January 2018. This ensured that businesses within the sector that had or had not, purchased PDFs during the pilots were given the opportunity to assess the impacts of the pilots on their business, if any. Feedback from business was that the PDF service had a positive impact in terms of both time and cost saving (although not quantified). Detailed feedback can be found at **Annex A**
14. As the LRS also provide certificates, GRO looked to assess the impact on their business during the pilots. Certificate income within a cohort of 44 local authorities, a cross-representative of local authorities across England and Wales was monitored during the pilots. Of the local authorities that responded (24), analysis did not identify any discernible impacts on their own certificate demand.
15. Due to the uptake of products within each pilot phase and feedback received, a decision has been taken to only introduce Pilot 1 as a permanent service at this stage. The PDF fee for this product has been revised and will be set at £7 which more accurately reflects the cost of providing the service. **The fee has received HM Treasury and ministerial approval.**

## B. Rationale

### Economic Rationale

16. The way customers access registration services, has changed significantly and the legal framework does not fully encompass current customer requirements. Overhauling the legislative framework of civil registration is a critical strategic aim. It allows GRO to contribute to the Home Office Single Department Plan 2015-2020<sup>4</sup> (agreed with HM Treasury) and important government priorities within the Government Spending Review<sup>5</sup>. The GRO has made a commitment to undertake a review of its services and so there is a reputational risk if this work is not taken forward.

## C. Objectives

17. The primary objective of the proposals is to provide greater customer choice on how to access records, with the added benefit of reducing operational costs and stimulating demand for services, thus reducing the requirement for GRO to be supported through Home Office funding and to move towards a fully self-funded organisation. Aligned to other parts of the Home Office, including HMPO, this would reduce financial pressures and allow funding to be focused on critical government priorities (such as borders, immigration and policing).

A further important aim is to drive customers' behaviour towards the most efficient and effective routes (products, services and processes)

## D. Options

18. As this is a final impact assessment the options to be considered are:
  - **Option 1:** No change – continue to issue certificates for births, deaths, marriages and civil partnerships in paper format (certificate). As this is the 'do nothing' option, the current service is set out as a notional baseline against which to compare Option 2. However, given that this option does not meet the Government's objectives it is not considered further in this IA.
  - **Option 2:** Introduce the new PDF service as described. This meets the Government's objectives and the impact of this is appraised in section E. **It is the Government's preferred option.**
19. Given that changes set out in the Deregulation Act 2015 and the Immigration Act 2016 (fees, see paragraph 6) must be prescribed in secondary legislation, there are no viable alternatives to introducing new regulations.

## E. Appraisal (Costs and Benefits)

### Option 2: Full roll-out of the GRO PDF service.

---

<sup>4</sup> Single Department Plan 2015-2020 <https://www.gov.uk/government/publications/home-office-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>

<sup>5</sup> Government Spending Review and Autumn Statement 2015 <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents/spending-review-and-autumn-statement-2015>

## GENERAL ASSUMPTIONS & DATA

20. This Fees IA covers a 5-year period (the period of a parliament) from 2018/19 to 2022/23, in line with guidance from the Regulatory Policy Committee (RPC) and the Better Regulation Executive (BRE). The IA aims to set out the best estimates of the policy impacts at this stage of policy development, using the available evidence. Any significant uncertainties are highlighted in section F (Risks) and the assumptions are tested in the sensitivity analysis section to show the range of potential impacts.
21. As the PDF service uses a verified e-mail address, it will only be available for those applying by online. It is estimated that 20 per cent of PDFs were ordered by business and 80 per cent by members of the public. This ratio is applied to the forecast volumes as there is no information to suggest this will change in the future. However, to allow for any change in this, the ratios used in the low, central and high scenarios are 85:15, 80:20 and 75:25. This is to test increased costs to business.
22. GRO issued about **287,000** PDFs during the 11 months the extension of Pilot 1 has run (giving a projected estimate of approximately **310,000**). The forecast volumes for the low, central and high scenarios are estimated to be 280,000, 310,000 and 340,000 respectively.
23. The original fee for a certificate was set at £9.25 and for the pilot was trialled at £6. The low and high fees considered are £5.44 and £6.78 but this only applied in year 1. For the remaining four years of the appraisal the PDF fee is set at £7 with a certificate fee of £11, with the low and high PDF fees set at £6.44 and £7.78. The difference in fee is taken as the certificate fee minus the PDF fee, (£9.25 in year 1 and for years 2-5, £11.00) minus the low, central and high fee, so for the latter set of calculations the additional benefit from the fee reduction is calculated as £4.56, £4.00 and £3.22 (compared to year 1 differences of: £3.81, £4.00 and £2.47 respectively) multiplied by the relevant volume of business and individual applications for a PDF document.

**Table 1, Fee levels considered, revenue and expenditure estimates, 2018.**

Fee considered, £	Fee Change, £	Volume of licences expected	Revenue £000s	Expenditure £000s	Net surplus or deficit, £000s
4.00	-2	309,235	£1,237	£2,190	-953.1
5.00	-1	309,235	£1,546	£2,190	-644.8
6.00	0	309,235	£1,855	£2,190	-335.6
<b>7.08</b>	<b>1</b>	<b>309,235</b>	<b>£2,189</b>	<b>£2,190</b>	<b>-0.6</b>
8.00	2	309,235	£2,474	£2,190	284.9
9.00	3	309,235	£2,783	£2,190	593.1
10.00	4	309,235	£3,092	£2,190	902.4

Source: GRO internal estimates, November 2018.

24. Table 1 presents the level of fee considered and following HM Treasury guidance on '*Managing Public Money*' the fee was set as close to the point where breakeven is achieved. This is where the costs of providing the service are covered by the revenue raised by the fee. If the fee is set at about £7 then a small deficit of approximately -£600 is forecast.

**Table 2, Proposed fee levels, revenue and expenditure estimates, 2018.**

Forecast Revenue = forecast	Forecast Revenue
-----------------------------	------------------

number of applications x fee £000s		Low	Central	High
		280,000	310,000	340,000
<b>Current fee</b>	£6.00	1,670	1,855	2,041
<b>Low fee</b>	£6.44	1,791	1,990	2,189
<b>Central fee</b>	<b>£7.08</b>	<b>1,970</b>	<b>2,189</b>	<b>2,408</b>
<b>High fee</b>	£7.87	2,189	2,433	2,676

Note: Forecasts were made with unrounded numbers so exact matches cannot be made here, as the results are rounded because they are estimates. The forecast expenditure of GRO is £2,190,000, so figure in red produce a deficit and those in black cover all costs.

Source: GRO internal estimates, November 2018.

25. Table 2 presents the forecast revenue for GRO, given the three fees posed in the Low, Central and High scenarios. The forecast expenditure of GRO is £2.19 million and any figure that does not cover that is shown in red. The current fee and the lowest fee would produce deficits across most scenarios. A deficit also occurs for the low scenario central fee. An almost breakeven position is reached with a high fee in the low scenario, the central fee for the central scenario and the low fee in the high scenario. Given the uncertainty about volumes, GRO assessed that the central fee in the central scenario was probably the best position to try to obtain that breakeven position. The figures in black show where it is estimated that a profit would be made.
26. Capital investment and one-off costs to set up the PDF regime were given by GRO (Finance). Familiarisation costs are estimated for the staff in GRO that deal with the PDF service (a range of 11 to 17, with a central estimate of 14). New staff volumes and costs were also provided by GRO. Volumes of solicitors (probate specialists from the private sector) are taken from Statistica.com, the Money Advice Service and the Annual Survey of Hours and Earnings (ASHE) 2018. These volumes are also uncertain. Wages are either taken from the ASHE 2018 or from GRO directly (including an overhead cost). Where overhead costs are not known the non-wage labour cost from Eurostat 2018 is taken (currently grossed up by 17.1 %). Standard reading tables from readingsoft.com are used to estimate the time taken to read guidance.

## COSTS

### Set-up costs

#### Investment costs

27. Capital investment of £67,000 was made in year 0 (2016/17 financial year) for the new IT system to process PDF applications. An additional one-off cost of £12,000 was also made in year 0. A total set-up cost of £79,000 was made by GRO in year 0.

#### Private sector familiarisation costs

28. Familiarisation costs apply to organisations as they need to know what their future fees are going to be. Familiarisation costs are estimated for year 1 only. It has been assumed that 100 per cent of private sector or third sector firms that make an application for a GRO PDF will read the guidance, which is approximately 350 words and includes the details of the fee changes. It is also assumed that the 11 to 17 staff that GRO use in the PDF document processing will have read the guidance. However, as there is no information on individual usage, it is assumed that every individual application is unique and therefore this group does not face familiarisation costs because the guidance is very similar to the guidance for



applying for a certificate, which is the alternative for individuals. Therefore, there are no additional costs to individuals in this respect.

**Table 3: Familiarisation costs: staff volumes and gross wage for GRO administrative staff, private (£), 2018.**

Category	SOC <sup>(3)</sup>	Gross wage <sup>(3)</sup>	Low	Central	High
GRO admin staff <sup>(1)</sup>	411	£14.46	11	14	17
Probate solicitors <sup>(2)</sup>	2413	£26.93	7,100	8,300	9,600

Source: (1) General Registrar Office (GRO) (HM Passport Office), Fees Business Case 2018/19, (2018) and internal management information.

(2) Annual Survey of Hours and Earnings, Table 14.5a, 2018, October, ONS, London.

(3) Eurostat, Estimates of non-wage labour costs, 2018.

**Table 4: Reading speed assumptions used for familiarisation costs, 2018.**

Scenario	Number Words	Speed (wpm)	Time (mins)	Comp	Re-read time (mins)	Allowance (mins)	Total time (mins)
High	400	100	4.0	0.5	2.00	1.00	7.00
Central	350	200	1.8	0.6	0.70	0.50	3.00
Low	300	400	0.8	0.8	0.00	0.00	1.00

Notes: wpm = words per minute. Comp = comprehension. Units are minutes unless otherwise specified.

Source: readingsoft.com, see: <http://www.readingsoft.com/index.html>

29. The reading times were estimated using standard tables from readingsoft.com (see Table 4). Because of lower comprehension a slow reader may need to re-read the guidance (column 5). An allowance has been made for a person who may be dyslexic or where English is not their first language. The volumes and wages used are given in Table 1.

The familiarisation costs are estimated as:

*The number of private sector businesses x wage x time taken.*

30. The familiarisation costs for private sector organisations are estimated to be in a range of £3,000 to £30,000 (£0.0 million to £0.0 million), with a central estimate of £11,000 (£0.0 million). There are very small costs which occur in year 1 only.

#### **Public sector familiarisation costs**

31. The familiarisation costs for GRO staff (11, 14 and 17 staff) are negligible. The total familiarisation costs for the public sector are estimated to be £0.0 million.

### **Total familiarisation costs**

32. Total familiarisation costs are estimated to be in a range of £0.0 million to £0.0 million, with a central estimate of £0.0 million.

### **Total set-up costs**

33. Total set-up costs are estimated to be £0.1 million in year 1 only, for all three scenarios. Most of this cost is the capital investment at the beginning of the project as familiarisation costs are small.

### **Ongoing costs**

#### **Private sector costs**

34. There are no ongoing costs to business or to individuals due to the roll-out of the GRO civil registration PDF service.

#### **Public sector costs**

##### **GRO additional staff**

35. GRO has recruited an extra 14 FTE staff (estimated as a range of 11 to 17) to service the roll-out of the civil registration PDF service. This estimate is over and above staff migrating from certificate production to PDF production. This is because a PDF requires the isolation of the register entry and manipulation of the image prior to it being made available to the customer on their account. GRO provided the nominal wage of this staff group, £12.35 and allocated a 115 per cent overhead to that giving a gross wage of £26.55. The estimated cost of the extra staff was calculated as:

*volume of staff x the gross annual wage (over 5 years)*

36. The cost of additional staff was estimated to be in a range of £2.6 to £4.1 million (PV) over five years, with a central estimate of £3.3 million (PV) over the same time period.

##### **GRO loss of revenue**

37. GRO has reduced the fee for the provision of a PDF document compared to the provision of a certificate (see para 19 for a full description of the change to fees). The net effect is a reduction in the fee in year 1 of: Low, £3.81, Central, £3.25 and High, £2.47, and in years 2 to 5, a reduction in the fee of: Low, £4.56, Central, £4.00 and High £3.22. The fee reduction is multiplied by the relevant volume of business and individual applications for a PDF document. This leads to a loss of revenue for GRO, estimated to be in a range of £5.7 to £4.9 million (PV) over five years, with a central estimate of £5.6 million (PV) over the same period.

##### **Total public ongoing costs**

38. The total ongoing costs to the public sector over five years, in present value terms are estimated to be in a range of £8.4 to £8.9 million, with a central estimate of

£8.9 million<sup>6</sup> over the same period. As there are no business costs then total ongoing costs are equal to total public ongoing costs. The ongoing costs are the considerable majority of the total cost of this change.

### **Total costs**

39. The total costs of this change over five years, in present value terms are estimated to be in a range of £8.4 to £9.0 million, with a central estimate of £9.0 million over the same period.

## **BENEFITS**

### **Benefits to business**

40. The reduction in the fee from £11.00 to the planned £7 (£9.25 and £6.00 in the pilot) is a benefit to business, which is estimated as the reduction in fee for the low, central and high scenarios (see paras 19 and 33 for the calculation details) multiplied by the volume of applications (approximately 20% of application are made by business, 15% in the low scenario and 25% in the high scenario) made by business in these scenarios. The total benefit to business is estimated to be in the range of £0.9 to £1.2 million (PV) over 5 years, with a central estimate of £1.1 million over the same period.

### **Benefits to individuals**

41. The benefits to individuals, who make about 80 per cent of the PDF applications, is calculated in the same manner as the benefits to business (see para 36, flexed in the low scenario to 85% and 75% in the high scenario). The total benefit to individuals is estimated to be in the range of £4.9 to £3.7 million (PV) over 5 years, with a central estimate of £4.5 million over the same period.

### **Total Benefits**

42. Total benefits are estimated to be in the range of £5.7 to £4.9 million (PV) over 5 years, with a central estimate of £5.6 million over the same period. It should be noted that the revenue lost by GRO is equal to the benefit gained by society from the reduction in the fee. As this is a transfer of resources, this will not impact on the Net Present Value (NPV) of this change.

---

<sup>6</sup> Although the range states £6.6 to £6.7 million (PV) over five years the central estimate is actually £6.9 million because the Low scenario is low cost and the High scenario is high cost and there is not a linear relationship between volumes and other factors driving costs and benefits.

**Table 5: Summary of impacts, (£ million, 5-year present value), 2018.**

	<b>Low</b>	<b>Central</b>	<b>High</b>
<b>COSTS</b>			
Investment	0.1	0.1	0.1
Familiarisation	0.0	0.0	0.0
<b>Total set-up</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Ongoing</b>			
GRO Extra staff	2.6	3.3	4.1
GRO lost revenue	5.7	5.6	4.9
<b>Total ongoing cost</b>	<b>8.4</b>	<b>8.9</b>	<b>8.9</b>
<b>TOTAL COST</b>	<b>8.4</b>	<b>9.0</b>	<b>9.0</b>
<b>BENEFITS</b>			
Business fee reduction	0.9	1.1	1.2
Individuals fee reduction	4.9	4.5	3.7
<b>TOTAL BENEFIT</b>	<b>5.7</b>	<b>5.6</b>	<b>4.9</b>
<b>Net Present Value (NPV)</b>	<b>-£2.7</b>	<b>-£3.4</b>	<b>-£4.2</b>
<b>Business NPV</b>	<b>0.9</b>	<b>1.1</b>	<b>1.2</b>
<b>EANDCB</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

Note: Figure may not sum due to rounding. EANDCB = Equivalent Annual Net Direct Cost to Business.

### **NPV, BNPV and EANDCB**

43. The Net Present Value (NPV) is defined as: the total benefit minus the total cost, both of which are discounted over the appraisal period. The NPV is estimated to be -£3.4 million over a 5-year period.
44. The Business Net Present Value (BNPV) is defined as: the total direct benefit to business minus the total direct cost to business, both of which are discounted over the appraisal period. The BNPV is estimated to be £1.1 million over a 5-year period.
45. The Equivalent Annual Net Direct Cost to Business (EANDCB): this provides a single average annualised estimate of the net direct cost to business in each year of the policy. The EANDCB is the metric used in scoring impacts for the Business Impact Target (BIT). The EANDCB is estimated to be £0.2 million every year, over a 5-year period.

### **Small and Medium Sized Business Assessment (SaMBA)**

46. GRO is seeking a waiver from the Micro Business Exemption. The requirement to provide products and services needs to be proportionate and adequate to the needs of a firm. Most of the businesses impacted will be SME's or micro-businesses, but the impact of the standard service is expected to be positive as it is at a lower cost than the standard certificate fee currently charged. The PDF service is in addition to other services provided by GRO and is not mandated with customers able to choose the service they require. There are no official statistics<sup>7</sup> that are available to indicate the population of small businesses that may be impacted by this policy change.

<sup>7</sup> Inspection of the Business Population Estimates, 2016, published by the Department of Business, Energy and Industrial Strategy (2017) show data on Higher Education (Group 854) and on Veterinary Activities (Group 750) but they do not indicate institutions that undertake work that is regulated by ASRU.

47. The question of providing an exemption to micro, small and medium size businesses does not apply simply because there is a proposed fee decrease, resulting in a benefit to business. The micro, small and medium sized businesses already deal with this regulatory framework and with the processes involved. The change is to simply decrease the fee to allow GRO to cover costs for the PDF service. There is no proposal to increase regulatory activity or to increase the administrative burden on micro-, small and medium sized businesses.

## F. Risks

### Option 2: Full roll-out of the GRO PDF service.

48. If there is no consistency of applications made over and above requests for certificate copies of registration entries on full roll-out of the PDF service, it would be difficult to predict income/staffing levels with any certainty. This would have an impact on costs and may not fit with the estimates for increased staff numbers. However, to mitigate for this, a range of staff recruitment has been allowed for. The range of additional staff costs lies in a range of £2.6 to £4.1 million (PV) over five years with a central estimate of £3.3 million (PV) over the same period. These figures would not pose a significant threat to the budgetary position of GRO (HMPO).
49. There is a potential impact on LRS who also provide paper certificates within local authorities. Any shift of business towards PDFs may have a negative impact on their income. This assumption has been tested during the pilot and no discernible impact was identified. Nearly all the certificates issued by the LRS are issued at the point of registering an event. These entries would not be available in PDF form. Therefore, this risk is seen as having a minimal economic impact. A New Burdens Assessment has not been undertaken as there is no direct or indirect impact on Local Government due to this measure.

## G. Enforcement

50. This policy will be enforced in line with the Hampton principles (HM Treasury, 2005).

## H. Summary and Recommendations

51. Table 5 presents a summary of the impacts arising from Option 2 over the 5-year appraisal period. It is recommended that **Option 2 should be implemented as it meets the Government's objectives.**

## I. Implementation

52. The PDF service pilot was first implemented on 12 October 2017.

## **J. Monitoring and Evaluation**

53. An Equality Impact Assessment has been completed. Wider impacts have been considered and no other significant impacts have been identified.
54. The effectiveness of the new regime would be monitored by HMPO/GRO staff. The data and any other factors will be used in the monitoring and evaluation. After one year, a light touch evaluation is planned.

## **K. Feedback**

55. The Home Office will maintain channels of communication with users. Feedback from businesses and users will be recorded and taken into account in the evaluation.

## **L. References**

Department of Business, Energy and Industrial Strategy (2018) Business Population Estimates, 2018, Detailed Tables, London.

<https://www.gov.uk/government/statistics/business-population-estimates-2018>

Department of Business, Innovation and Skills (2016) *Better Regulation Framework Manual and Toolkits, Practical Guidance for UK Government Officials*, BETA version, Better Regulation Executive, July, London.

HM Treasury (2005) Reducing administrative burdens: effective inspection and enforcement, (known as 'The Hampton Report'), March, HMSO, London.

<http://webarchive.nationalarchives.gov.uk/20121205081213/http://www.bis.gov.uk/files/file22988.pdf>

HM Treasury (2018) *The Green Book, Appraisal and Evaluation in Central Government*, London.

## Annex A Consultation outcome for Pilot 1

**Pilot 1. (November – December 2016)** A lower priced 5-day service providing a PDF of the data held against digitised registration records (**£6**). Digitised records are those registration entries held electronically by GRO. During the 3 weeks of Pilot 1, GRO received applications for and processed **40,458** PDFs. There were **2,075** responses to a questionnaire sent to everyone who accessed the service during this pilot. Analysis of the feedback suggests that out of a range of 1 (being poor) and 10 (being excellent), GRO received an average rating of **8.81** for the overall service. Where the score was lower, this mostly related to the limited use of a PDF i.e. that it could not be used for verification purposes. From a range of 1(not easy at all) to 10 (very easy) GRO received a rating of **9.39** for ease of ordering a PDF. From a range of 1 (very dissatisfied) to 10 (very satisfied) GRO received a rating of **7.64** for satisfaction of the product. There was a small number expressing dissatisfaction with the end product where some applicants expected to receive a PDF in certificate format whereas the product was a basic PDF copy of the entry in the register. However, when asked if the PDF was suitable for the purpose required **1,846 (89%)** of respondents agreed that it was. Most found both the application and payment process (Average rate of **9.32**) and the payment and application process (Average rate of **9.46**) easy to use. **1,773 (85%)** of respondents to a particular question had previously ordered certificate copies of registration entries. Of those who ordered a PDF during the life of the pilot, **1,461** made more than one PDF purchase and from a range of 1 (unlikely) to 10 (very likely) GRO received a rating of **9.35** for those likely to use the service again.

### Extension to Pilot 1

On 12 October 2017 GRO re-launched Pilot 1 but the pilot only included **historic** digitised records. For this IA, historic records are defined as those older than 100 years for births, 75 years for marriages and 50 years for deaths. The intention was to assess prolonged demand for the PDF product and longer term impacts on GRO certificate services. It was decided to re-test pilot 1 due to the number of applications received. In addition, GRO used the opportunity to test a Proof of Concept (POC), to introduce enhanced security features. This did not affect the ordering processes or the time taken to place an order but enabled users to view their PDF s in their on-line account as opposed to it being delivered via an e-mail directly to them. The extended pilot has now run for 12 months and during this time, there was opportunity to provide further feedback by way of an online questionnaire which ran from 12 October 2017 until 31 January 2018.

There were **5,942** responses to the survey with **59** self-identified as a business. Customers who responded were extremely positive. Where scores were lower, the majority of comments were around the 'view' of the PDF and access to it which will be considered prior full roll-out. Others asked for further digitised records to be made available. Most respondents agreed that they would order a further PDF however suggested that they would order both a PDF and a certificate of the same record.

### Business survey

GRO received **10** responses to this questionnaire: **2 (20%)** respondents identified themselves as micro-business; **2 (20%)** a sole trader; **5 (50%)** self-employed and **1 (10%)** a small to medium enterprise (SME). When asked if any of the pilots had an impact on business there was **4** responses: **1** suggested no impact and **3** suggested a positive impact but only during pilots 1 and 3. When asked to quantify this respondents explained that the savings were due to (i) the speed of ordering and receiving the PDF and (ii) the fee (which is lower than the cost of a paper certificate). None were able to provide details of the monies saved and so we are unable to quantify this accurately other than for each PDF ordered in place of a certificate there is a cost saving of **£3.25**.