

*These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015*

# SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 2: REGULATORY REFORM**

##### **Business impact target**

##### *Section 21: Duty on Secretary of State to publish business impact target etc.*

193. This section creates a duty on the Secretary of State to publish a business impact target for the Government. The target must relate to the economic impact on business activities of all measures (or provisions) that fall within the definition of “qualifying regulatory provision” (see section 22) and either come into force or cease to have effect between two general elections. “Business activities” includes activities undertaken by voluntary or community bodies (defined in section 27).
194. An interim target must also be published covering the same measures over the period between the most recent general election and three years after the start of the Parliament.
195. Both targets must be published within 12 months of the start of a new Parliament i.e. the first Queen’s speech after the general election.
196. At the same time that the target is set, the Secretary of State must publish the types of measures that are to be classed as qualifying regulatory provisions. These are the measures that will be scored against the target. The Secretary of State must also publish the methodology that will be used to calculate the economic impact of each qualifying regulatory provision. The target, interim target, methodology and definition of qualifying regulatory provisions must all be laid before Parliament.
197. Subsection (5) sets out the factors that the Secretary of State must have regard to when setting the targets and the definition of qualifying regulatory provisions. These include: the effect of regulation of economic growth and competitiveness; minimising any disproportionate impact of regulation on small businesses; and delivering efficiency in regulating business activities while keeping the costs of regulation to a minimum.
198. Subsection (8) provides that duty to publish a target and the other associated sections only apply where these provisions come into force before the start of a new Parliament, or within the first twelve months of the new Parliament.
199. Subsection (10) provides that in the event of an early election held within 12 months of the start of the new Parliament, the duties under this section and sections 22 to 27 are disapplied.