

Administrative Burdens of Regulation – Department for Constitutional Affairs

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As part of its strategy for driving down the administrative burden of complying with regulations, government departments commissioned PwC to work with business and the voluntary sector to estimate the administrative costs of regulation.

This report, produced by the Better Regulation Executive, provides a high level summary of the burdens falling on business from complying with DCA's regulations and is adjusted to take account of activity that business would choose to do even if the regulation did not exist (business as usual or BAU). This report should be read alongside the DCA's Simplification Plan, which sets out a programme of reform to reduce these burdens.

DCA's administrative burdens relative to the cross-government Admin Burden total:

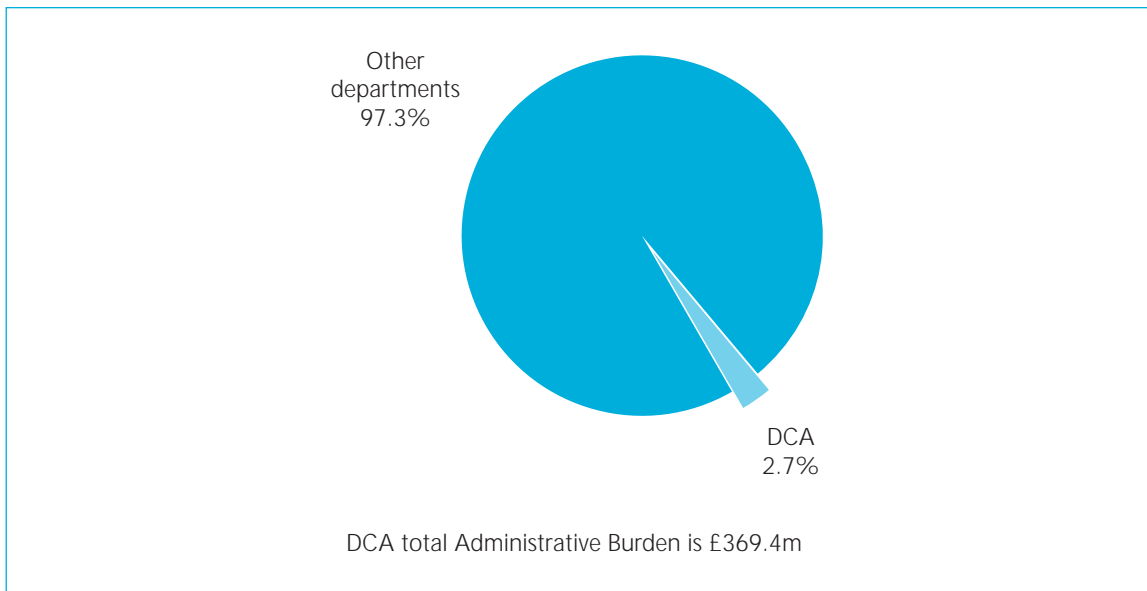


Table 1 – Top 10 Regulations (which represent approx. 85% of total burden)

This table shows, for each of DCA's 10 most burdensome regulations: the administrative burden and the proportion of the departmental total the regulation accounts for; how the cost breaks down by source; and whether costs are incurred in providing information to government or third parties either directly or through contracts with suppliers.

Department for Constitutional Affairs

			% Cost by Origin			% Cost – Non-Third Party		% Cost – Third Party	
Regulation Name	Admin Burden (£m's)	% of Dept. Total	A	B	C	Internal Cost	External Cost	Internal Cost	External Cost
Legal Services Commission General Civil Contract	£85.5	23.1%	0.0%	0.0%	100%	69.0%	13.7%	17.3%	0.0%
Legal Services Commission General Civil Contract (Not for Profit)	£50.1	13.6%	0.0%	0.0%	100%	36.1%	44.0%	16.1%	3.9%
Legal Services Commission General Criminal Contract	£34.1	9.2%	0.0%	0.0%	100%	45.1%	23.0%	30.1%	1.8%
Data Protection (Subject Access) (Fees and Miscellaneous Provisions) Regulation 2000	£30.6	8.3%	0.0%	0.0%	100%	0.0%	0.0%	41.5%	58.5%
Land Registration Rules 2003	£30.1	8.1%	0.0%	0.0%	100%	87.2%	11.2%	1.6%	0.0%
The Funding Code	£23.1	6.3%	0.0%	0.0%	100%	80.7%	1.1%	18.2%	0.0%

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			% Cost by Origin			% Cost – Non-Third Party		% Cost – Third Party	
Regulation Name	Admin Burden (£m's)	% of Dept. Total	A	B	C	Internal Cost	External Cost	Internal Cost	External Cost
Legal Aid in Criminal and Care Proceedings (Costs) Regulations 1989	£18.7	5.1%	0.0%	0.0%	100%	100%	0.0%	0.0%	0.0%
Solicitors Act 1974	£16.8	4.5%	0.0%	0.0%	100%	55.9%	0.2%	43.8%	0.1%
Criminal Defence Service (Funding) Order 2001	£14.8	4.0%	0.0%	0.0%	100%	100%	0.0%	0.0%	0.0%
Civil Legal Aid (General) Regulations 1989	£12.1	3.3%	0.0%	0.0%	100%	64.6%	0.0%	35.4%	0.0%
Other Regulations	£53.6	14.5%	0.0%	2.7%	97.3%	61.0%	9.2%	22.9%	6.9%
Total	£369.4	100%	0.0%	2.9%	97.1%				

Table 2 – Top 20 Information Obligations (which represent approx. 40% of total burden)

Government regulations often consist of a number of separate obligations on business and the voluntary sector. To make progress in reducing the administrative burden it is important to know the costs of each of the individual obligations. This table shows the estimated administrative burden for DCA's 20 most burdensome obligations.

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Information Obligation Description	Regulation Name	Admin Burden (£ms)
Responding to a request to access personal data relevant to an individual's financial standing within seven working days.	Data Protection (Subject Access) (Fees and Miscellaneous Provisions) Regulation 2000	£29.3
Obtaining evidence of client's financial eligibility and retaining it on the client file.	Legal Services Commission General Civil Contract	£25.5
Applying for a certificate or refer the client to another supplier who can apply on the client's behalf if the case is likely to satisfy the Funding Code criteria for Legal Representation.	Legal Services Commission General Civil Contract (Not for Profit)	£8.5
Applying to the appropriate authority to review its decision or provide the authority with a detailed claim in the form directed by the appropriate authority, if allowed the lower standard fee instead of the principal fee claimed.	Legal Aid in Criminal and Care Proceedings (Costs) Regulations 1989	£7.9
Applying for a grant of probate or for letters of administration.	Solicitors Act 1974	£7.5
Ensuring that if a matter ends, the reason for it ending must be noted in the file.	Legal Services Commission General Civil Contract	£6.6
Reporting to the Regional Director of the Legal Services Commission where the proceedings covered by the certificate have concluded or where otherwise all work authorised has been completed.	The Funding Code	£6.5
Giving reasons for the refusal of Controlled Legal Representation (CLR) on review notification form (CW4), and sending it to the client for completion and then submitting to the London Regional Office.	Legal Services Commission General Civil Contract	£6.3
Providing information to the Legal Services Commission as and when required e.g. <ul style="list-style-type: none"> • A time recording system for all Matters and Cases; • An up to date record of the value of your work in progress (including disbursements shown separately) on each Matter and Case; • An up to date record of the total costs of each Matter and Case. 	Legal Services Commission General Criminal Contract	£5.7

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Information Obligation Description	Regulation Name	Admin Burden (£ms)
Submitting a written report on the case to the conducting Solicitor by the Representative, once the attendance at the Police Station has concluded and at the latest by the next working day.	Legal Services Commission General Criminal Contract	£5.6
Submitting a claim for work done by an advocate under a representation order.	Criminal Defence Service (Funding) Order 2001	£5.3
Providing information to an individual on request relating to their credit rating in a form prescribed by the Secretary of State.	Data Protection Act 1998	£5.2
Applying to register a discharge of a registered charge.	Land Registration Rules 2003	£5.2
Ensuring that appropriate systems are in place so that only payment for work reasonably done is claimed, including IT systems which can quickly provide an up to date record of the value of work in progress on each matter and case.	Legal Services Commission General Civil Contract	£5.1
Providing relevant information to help the court to determine the value of a pension arrangement.	Divorce etc (Pensions) Regulations 2000	£5.1
Providing written reasons to a clients when an application for Legal Help has been refused, unless it was refused at the first interview.	Legal Services Commission General Civil Contract (Not for Profit)	£4.9
Applying to provide Advocacy Assistance in housing matters, by completing 'Controlled Work 1 form – Legal Help and Help at Court'.	Legal Services Commission General Civil Contract (Not for Profit)	£4.6
Ensuring that all certification is correctly signed and dated by the client so that costs under the General Civil Contract will not be disallowed by the Legal Services Commission.	Legal Services Commission General Civil Contract	£4.5
Submitting once in every period of twelve months (ending with the 31 Oct) to the Law Society an accountants' report.	Courts and Legal Services Act 1990	£4.5
Applying for an official copy of any document referred to in the individual register using Form OC2 (Application for official copies of documents only), or by electronic means by providing appropriate details.	Land Registration Rules 2003	£4.3
Other Information Obligations	Other Regulations	£211.4
Total		£369.4

Table 3 – Breakdown of Information Obligation Types

This table shows how the administrative burden and the proportion of the departmental total breaks down by type of information obligation.

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Information Obligation Type	Costs	
	Admin Burden (£m's)	% of Department Total
Providing statutory information for third parties	£83.3	22.5%
Applications for permission for or exemption from...	£65.4	17.7%
Keeping records	£53.4	14.4%
Returns and reports	£36.6	9.9%
Notification of activities	£33.1	9.0%
Applications for authorisation	£26.5	7.2%
Applications for subsidies or grants for...	£24.7	6.7%
Cooperating with audits/inspections of...	£18.9	5.1%
Entry in a register	£17.8	4.8%
Carrying out inspections of...	£5.2	1.4%
Framing complaints and appeals	£4.1	1.1%
Statutory labelling for the third parties	£0.3	0.1%
Requesting information	£0.0	0.0%
Total	£369.4	100.0%

Glossary

Administrative costs	The costs of administrative activities that businesses are required to conduct in order to comply with the information obligations that are imposed through central government regulation. These include, for example, form filling, keeping records or responding to information requests.
Administrative burden	The costs of administrative activities over and above what a business would choose to do in the absence of the regulation.
'Business as usual'	A measure of the activity that organisations would choose to do in the absence of the regulation. All figures in this publication allow for 'business as usual' costs.
Standard Cost Model	A pragmatic methodology that provides systematic measurement of the administrative costs of regulation ⁴ .
Cost by Origin	A measure of how the administrative burden of the regulation is split between different categories according to the origin of the requirements of the regulation.
'Category A'	Requirements that are international in origin with no domestic discretion in how they are implemented.
'Category B'	Requirements that are international in origin with some domestic discretion in how they are implemented.
'Category C'	Requirements that are domestic in origin.
Information Obligation	A specific requirement that must be fulfilled in order to comply with a regulation. Regulations often consist of a number of separate information obligations.
Non-Third Party Costs	Costs relating to obligations to provide information to a public authority.
Third Party Costs	Costs relating to obligations to provide information to any person or organisation that is not a public sector body, for example employees, consumers or other stakeholders.
Internal Cost	Costs incurred within an organisation's existing resources (such as staff time) in order to comply with a regulation.
External Cost	Costs that an organisation incurs as a result of using external services (such as fees for professional advice or for specialist IT equipment) in order to comply with a regulation.

⁴ For further details see: <http://www.cabinetoffice.gov.uk/REGULATION/reform/simplifying/scm.asp>