

# **One-in, One-out: Statement of New Regulation – DWP**

**September 2011**

## **The Government's Strategy for Reducing Regulation**

The Government are committed to reducing the cost and volume of regulation on the economy – in particular the regulatory burden to business and civil society organisations.

The Government's strategy is to:

- remove or simplify existing regulation that unnecessarily impedes growth;
- introduce regulation only as a last resort;
- improve the quality of any remaining new regulation; and
- move to less onerous and less bureaucratic enforcement regimes where inspections are targeted and risk-based.

### **One-in, One-out**

The Government have introduced (from Autumn 2010) a One-in, One-out system. This requires each department to:

- assess the net cost to business ('IN') of complying with any proposed regulation;
- find a deregulatory measure (an 'OUT'), which relieves business of the same net cost as any 'IN'; and
- ensure that the net cost to business is validated by the independent Regulatory Policy Committee (RPC).

This statement summarises the Department for Work and Pensions' position to 31 December 2011

## **Overview of DWP's Statement of New Regulation**

This document summarises DWP domestic regulation which impacts on business and civil society organisations, and which is proposed for implementation up to 31 December 2011. In addition to regulations (which reduced financial costs for business) implemented in January, the Department proposes to introduce one further set of such regulations in 2011 – see details in table 2.

The regulations implemented in January which changed indexation requirements for private pensions are estimated to save business £3,342 million per year. The regulations proposed for implementation in December which provides greater flexibility for employers with occupational pension schemes in respect of the statutory employer debt to those schemes are estimated to save business £27 million per year.

Table 1 thus shows a forecast cumulative reduction of £3,369 million per annum in regulatory costs to business.

The Department anticipates implementation of regulation next year which will add regulatory costs to business and therefore offset some of this current credit position but will aim to ensure that the cumulative One-in, One-out balance remains in credit.

**Table 1**

**One-in, One-out Position – Summary**

	<b>Cumulative position to 30 June 2011</b>	<b>Measures (Proposed) 1 July to 31 Dec 2011</b>	<b>Forecast cumulative position at 31 December 2011</b>
<b>1. Volume</b>			
Ins	0	0	0
Outs	1	1	2
Zero net cost	0	0	0
Total	1	1	2
<b>2. Regulatory cost to business (per year)</b>			
Ins	£0.00	£0.00	£0.00
Outs	-£3,342M	-£27M	-£3,369M
Net	-£3,342M	-£27M	-£3,369M

**Financial Information**

The financial information in the tables is drawn from the latest available impact assessments and is shown in constant 2009 prices (meaning that information is presented in ‘money of the day’ terms).

The values reflect the equivalent annual net cost to business (EANCB), representing the annualised net cost to business, incorporating direct recurring costs, direct transition costs, direct recurring benefits, and direct transitional benefits, which are spread over the lifetime of the policy. This is the value used to score for One-in, One-out accounting purposes.

**Table 2**

Impact Assessment Number	Title of the Measure	Purpose of the Measure	Date the measure is due to come in force	Equivalent Annual Net Cost to Business (£m,2009)	Impact Assessment Link
DWP0011	Occupational Pensions Schemes (Employer Debt and Miscellaneous Amendment) Regulations 2011	Provides greater flexibility for employers with occupational pension schemes in respect of the statutory employer debt to those schemes	December 2011	-27	<a href="http://www.dwp.gov.uk/publications/impact-assessments/">http://www.dwp.gov.uk/publications/impact-assessments/</a>