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| UK Single Market Centre Annual Report 2013 |
| Report on UK Single Market Centre’s Activities |
| May 2014 |

# Contents

[UK Single Market Centre (UKSMC) 3](#_Toc389036230)

[UK SOLVIT Centre 4](#_Toc389036231)

[Point of Single Contact (PSC) and Online Licensing 5](#_Toc389036232)

[The Internal Market Information System (IMI) 7](#_Toc389036233)

[Notifications Directive 98/34 - goods and electronic services 9](#_Toc389036234)

[Internal Market Scoreboard 12](#_Toc389036235)

[Conclusion 15](#_Toc389036236)

# UK Single Market Centre (UKSMC)

## Background

1. The [UK Single Market Centre (UKSMC)](https://www.gov.uk/government/groups/uk-single-market-centre) was created on 1 December 2012. For the first time it brings together all the practical single market operational tools within a single team, including the [Internal Market Scoreboard](http://ec.europa.eu/internal_market/score/index_en.htm), [Internal Market Information System (IMI)](https://www.gov.uk/eu-internal-market-information-system), [SOLVIT](http://ec.europa.eu/solvit/index_en.htm), the [Point of Single Contact (PSC)](http://ec.europa.eu/internal_market/eu-go/index_en.htm) and the [Technical Standards and Regulations Directive 98/34/EC](https://www.gov.uk/government/publications/technical-standards-and-regulations-directive-9834ec-guidance-for-officials).

## Aim

1. The UKSMC’s primary purpose is to increase awareness and confidence amongst UK businesses and citizens about all the support, guidance and help that is available to them to work, live, trade and shop within Europe. We are also keen to ensure that the evidence we gather about the kinds of problems and issues that cause difficulties for them help inform future policy development.

## Action taken

1. In the last year, we have been working hard to raise our profile. We have held two Governance Operational Group meetings where we exchanged views and ideas on how to make businesses and citizens aware of what help and support is available to them. We also discussed Internal Market operational issues with key stakeholders, including the Commission and business representative organisations.
2. We have produced a general publicity [flyer](http://webarchive.nationalarchives.gov.uk/20130626202747/https:/www.gov.uk/government/uploads/system/uploads/attachment_data/file/206568/uk-single-market-centre-flyer.pdf) that can be used by others at their events and issued 2 [Newsletters](https://www.gov.uk/government/collections/uk-single-market-centre-newsletter). The newsletters are sent to more than 1,000 contacts in local government, Other Government Departments, Regulators, as well as business organisations and include information case studies and news on the latest developments.
3. In addition, we are improving our web content, including sign-posting to other organisations that provide help on specific issues, for example, [UKTI](https://www.gov.uk/government/collections/uk-trade-and-investment-services-for-exporters) the [UK European Consumer Centre](http://www.ukecc.net/) and the [Enterprise Europe Network](http://een.ec.europa.eu/about/about).

## Next Steps

1. In the coming year, we are looking to build stronger relationships with other key stakeholders working to improve access to the single Market and make better use of our evidence base. We are also aiming to issue further newsletters every 4 months or so.

# UK SOLVIT Centre

1. 2013 was another very busy year for SOLVIT UK, which included implementing a new Recommendation and dealing with a merger of the SOLVIT database into the Internal Market Information (IMI) system as well as managing an ever-increasing workload.

## Background

1. The SOLVIT network was set up ten years ago and the system has since grown to handle ten times the number of cases and deals with an increasingly diverse range of problems. In September 2013, the Commission adopted the text of a new Recommendation on the Principles Governing SOLVIT, which aims to strengthen the network so that it can cope with new challenges and demands.
2. The following extract is taken from the conclusions to the Competitive Council of 02/3 December:

*“Acknowledges the unique role SOLVIT plays in solving problems encountered by citizens and businesses in the Single Market and thus contributing to compliance with EU law.*

*Endorses the Commission’s Recommendation of 17 September 2013 on the principles governing SOLVIT, while stressing that SOLVIT is primarily a network between Member States, which functions through their cooperation, reinforced by the involvement of the Commission; urges the Commission to ensure a better coordination between the informal SOLVIT network and the EU-Pilot with a view to an efficient and structured follow-up of unresolved SOLVIT cases, use SOLVIT data to identify key Single Market areas for improvement both at EU and national level.*

*Calls upon the Commission and Member States to ensure the necessary support and expertise for the national SOLVIT Centres to deal effectively with the cases received; invites the Commission to present a roadmap to Member States concerning the next steps for the reinforcement of SOLVIT through the better coordination of EU law enforcement tools and a better engagement of its services in supporting the work of SOLVIT.”*

## Statistics

1. The UK SOLVIT Centre has always been one of the busiest and most effective Centres in the network and our statistics have reflected the historic popularity of the UK as a destination for EU workers. As such, we have always received significantly more complaints against the UK than other Member States. This is beginning to change as, following the creation of the UK Single Market Centre in December 2012, we have begun to increase awareness of our service through better governance arrangements, improved sign-posting on our [www.GOV.UK](http://www.GOV.UK) webpage and publicity materials, including our regular newsletters.

## Activity

1. We are now dealing with many more cases against other EU countries as a result of increased engagement with HMRC and the Department for Work & Pensions on cases where EU legislation obliges Member States to communicate with each other in order to establish a citizen’s social security entitlement. This requirement had resulted in a situation where UK officials were sending repeated requests to authorities in other Member States as they were not getting a response. The advantage of using SOLVIT to pursue these outstanding cases is that, as a network, we are now requiring officials in the SOLVIT Centres of other Member States to accept responsibility for taking these cases forward. It also allows UK officials to focus on other priority work. This approach is already beginning to deliver positive results for UK citizens – often after many months, if not years, of delay.

## Future developments

#### In 2014, we look forward to developing our activities further in order to help deliver the Government’s objective of supporting UK businesses and citizens and enabling them to exercise their EU free movement rights. In particular, to consider ways in which we can improve our links to business and especially SMEs.

Point of Single Contact (PSC) and Online Licensing

## Background

#### The GOV.UK Online Licensing system is the UK’s Point of Single Contact (PSC) that was originally set up as part of implementing the EU Services Directive in 2009. This enables local and other competent authorities, including sector Regulators, Other Government Departments, and professional bodies, to meet their legal obligations under the “Provision of Services Regulations 2009”, which came into effect on 28th December 2009 and implements the Services Directive into UK law.

1. The Services Directive requires all local and other competent authorities to provide a method for “Service Providers” (end users or customers) to make online applications for all authorisations, including licenses, permits, notifications and registrations that are in scope of the Directive.
2. All EU Member States, plus Norway, Lichtenstein and Iceland, are required to set up a PSC through which Service Providers can obtain information on the authorisations they need in order to run a business in that country, as well as be able to access and submit any application forms necessary online. In the UK, the PSC is provided in the form of a guide on GOV.UK at: <https://www.gov.uk/ukwelcomes>.

## Statistics

#### Applications submitted through GOV.UK Online Licensing have increased significantly since October 2012. At the end of 2013, the number had increased by approximately 400% compared to the same period in 2012 when the new GOV.UK online licensing system replaced the previous Electronic Licensing Management system (ELMS). This upward trend is continuing and reflects the reports we have received from many authorities that have also observed a noticeable increase in demand from their own customers for an online application facility. It is clear that there is a growing need from businesses for online services, which is increasing.



#### Figure 1: Table showing number of applications submitted online

## Technical developments

1. A prototype of a method of data extraction from the online forms was made available at the end of 2013 so that authorities and system providers could start to assess how they could use this in order to provide direct input into authorities’ own back-office systems. We expect that this will be rolled-out to all local and other competent authorities by the end of 2014.
2. Our next major development will be the introduction of web-forms for high volume licences, notifications, registrations etc, and we anticipate that the first of these will be available in Spring 2014. We are also looking at further improvements such as that to the sign-on system that will allow authorities to have self-service control user accounts for their staff and thus make the system much more responsive.

## Stakeholder activity

1. In addition, we carried out a range of engagement activities with our key stakeholders and other interested parties throughout 2013, which included:

* Advising the government of Macedonia on how the UK implemented the Services Directive and our experience of setting up the PSC
* Representing the UK at meetings of the EUGO-Network of Member State PSCs in Tallinn and Brussels and sharing best practice
* Participating in several Institute of Licensing events in England as well as giving presentations to a number of other local authority licensing groups across the UK to promote the benefits of online licensing

1. In October 2013 we started working with our colleagues in Holland to monitor the success of a promotion they are running on the Dutch PSC, which highlights the benefits of starting a business or expanding a business into the UK. If this proves to be successful, we will be looking to expand these promotions and have reciprocal initiatives with those other EU countries that are most relevant to UK business interests.

The Internal Market Information System (IMI)

## Background

1. The [Internal Market Information System (IMI)](https://www.gov.uk/eu-internal-market-information-system) is a Europe wide internet based system that allows “Competent Authorities” (including all UK local authorities) within the EU to be easily identified and for requests for information, plus responses, to be done online. This arises from a legal obligation Under Article 29 of the Services Directive, where Member States are required, if asked by another Member State, to provide mutual assistance. IMI is a secure system and is not accessible to the general public. However, authorities are required to notify members of the public about their data protection rights if enquiries are carried out or data is exchanged about them through the system.

## Developments

1. Following on-going developments of IMI from 2005-2009, the updated system went live in 2008 to enable information to be exchanged in respect of addressing problems in getting Professional Qualifications recognised across borders. In 2009, the use of IMI was extended to cover Services and in 2011 the system was used to support the pilot on the Posting of Workers with Cash in Transit requirements added in 2012. IMI continued to see an increase in the number of enquiries being posted and more authorities being signed up to use it throughout 2013.
2. IMI has since been expanded yet further to include SOLVIT, Services Directive notifications, E–Commerce notifications and the Patients’ Rights Directive. We have also notified those authorities registered on IMI about their obligations to use the system for Services Directive notifications and their new data protection obligations concerning an IMI data subject’s (individual) information.
3. Expanding the use of IMI is a major change for the new authorities registered on the system as it enables:

* faster decisions through mutually agreed deadlines (usually 2 weeks)
* an audit trail of decision making
* a much better understanding of the problems and issues amongst authorities across the EU

## Statistics

1. To date, IMI has:

* 7,000+ registered authorities

* 12,000+ registered users

* 400+ UK authorities registered on the system

1. The total number of information requests sent through IMI has now exceeded 16,000. In 2013 alone, nearly 6,000 requests were sent via IMI with 1 in 4 requests being answered within one day. Information exchanges on IMI reached 1679 at the end of 2013, up from 1167 for 2012.
2. In addition, there were over 60 Services Directive notifications sent via the system between August 2013 and February 2014.

## Future Developments

1. The European Commission is looking to expand the use of IMI further and consolidate the system to make it a complete toolkit for exchanging information from competentauthority to competentauthority/authorities and for storing information i.e. for Euro-cash transportation.
2. This coming year will see train driving licences being added to IMI and, following the recent changes to the Mutual Recognition of Professional Qualifications Directive and the Regulation on administrative cooperation through the IMI system, the number of authorities registered on IMI is set to increase significantly over the next 2 years.

# Notifications Directive 98/34 - goods and electronic services

## Background

1. Notifications Directive 98/34 helps to prevent new technical barriers being created by requiring Member States to notify both the Commission and other EU countries of any proposed new technical regulations. The Directive puts in place a mechanism that enables Member States to review and comment on a proposal before it becomes law.

## Action taken

1. In 2013, the UK submitted 42 new notifications under the Directive and received 4 Comments and one Detailed Opinion from other Member States. All of the Comments and Detailed Opinions we received were replied to, with a satisfactory conclusion.
2. [DEFRA](https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs) submitted the most with 8 notifications, followed by the Highways Agency with 6, [DECC](https://www.gov.uk/government/organisations/department-of-energy-climate-change) and the [Northern Ireland Office](https://www.gov.uk/government/organisations/northern-ireland-office) with 4 and [Ofcom](http://www.ofcom.org.uk/) and [DCMS](https://www.gov.uk/government/organisations/department-for-culture-media-sport) with 3 notifications. Other UK notifiers were the [Department for Transport](https://www.gov.uk/government/organisations/department-for-transport), [Scottish Office](https://www.gov.uk/government/organisations/scotland-office), [Welsh Office](https://www.gov.uk/government/organisations/wales-office), [Medicines and Healthcare Products Regulatory Agency (MHRA)](http://www.mhra.gov.uk/) and the [Marine Management Organisation (MMO)](http://www.marinemanagement.org.uk/).
3. UK notifications included proposals on:

* Smart metering
* Building Regulations
* Highways structures (steel & concrete)
* Gambling Bill
* Carrier bag charges
* Food Hygiene/packaging
* Waste Criteria (biodiesel from fat and oil)
* Recycled gypsum

1. The UK received one Detailed Opinion that was on a DEFRA notification ‘End of Waste Criteria for recycled gypsum (2013/0207) UK’. DEFRA provided the reply to this and the Commission responded by informing DEFRA that they were content with their response.
2. The 4 comments received by the UK from other Member States were on:

* Food Hygiene in Wales
* Weights and Measure (up-wrapped bread & intoxicating liquors) Northern Ireland
* Gambling (Licensing & Advertising) Bill
* Corrosion protection of steelworks used in construction of steel highways structures

1. The UK also submitted 8 Comments and 4 Detailed Opinions on other Member States’ notifications. Detailed Opinions submitted by the UK concerned:

* Non alcoholic beverages
* Food in schools
* Shopping bags, packaging and waste
* Packaging containing Bisphenol A intended to enter contact with foodstuffs and children under 3.

1. Comments submitted by the UK concerned:

* Ethanol in alcoholic preparations
* Energy drinks
* Advertisements of energy drinks
* Contaminants in food
* Substances manufactured at nanoscale
* Law on energy drinks
* Construction products - emissions to the indoor environment
* All construction products with an environmental message

## Number of notifications submitted by each Member State (including EFTA):

1. In 2013 there were 718 Member State notifications:

* Germany, France, Austria, Spain and the UK were the highest notifiers
* Turkey and Croatia notified for the first time
* There were more than 160,000 searches on the TRIS database: <http://ec.europa.eu/enterprise/tris/index_en.htm>

### Member State Notifications 2013

| **Member State** | **2013** | **Member State** | **2013** |
| --- | --- | --- | --- |
| Austria | 63 | Lithuania | 17 |
| Belgium | 27 | Luxemburg | 16 |
| Croatia | 1 | Malta | 2 |
| Cyprus | 2 | Norway\* | 13 |
| Czech Republic | 30 | Poland | 27 |
| Denmark | 34 | Portugal | 5 |
| Estonia | 12 | Romania | 12 |
| Finland | 29 | Slovakia | 33 |
| France | 49 | Slovenia | 9 |
| Germany | 61 | Spain | 47 |
| Greece | 12 | Sweden | 33 |
| Hungary | 38 | Switzerland\* | 7 |
| Iceland\* | 3 | The Netherlands | 41 |
| Ireland | 8 | Turkey | 6 |
| Italy | 34 | **UK** | **42** |
| Latvia | 5 |  |  |
| Liechtenstein\* | 0 | **Total** | **718** |

\*EFTA states

This chart is a relection of the table above and shows the proportion of notifications submitted by each member state.

**Figure 2**: Member State Notifications January – December 2013

Internal Market Scoreboard

## Background

1. The Commission publishes the Internal Market Scoreboard twice a year - the Scoreboard measures EU Member States’ performance on introducing and implementing single market legislation. The first Scoreboard of the year covers Internal Market Directives that are not fully incorporated into UK law (or transposed) with a transposition deadline of up to and including 30th April. The second scoreboard covers those Directives that are not fully transposed and have a transposition deadline of up to and including 31st October.
2. Compliance is assessed by reference to several measures including how quickly and how well each Member State transposes Internal Market Directives into national law. Any assessment takes into account both the timeliness of transposition and the number of formal infringement proceedings taken against each Member State for incorrect implementation and/or misapplication of Directives.
3. The Commission sets a 1% target for transposition of EU Directives into national law for each Scoreboard, which means that no Member State should have more than 1% of EU Directives outstanding for each Scoreboard.

## UK Performance

1. Since November 2012, the UK has halved its transposition deficit from 1.0 % to 0.5 %. In addition, the UK does not have any Directives that are more than two years beyond their transposition deadline (and this has been the case since December 2009), which means that the UK has complied with the "zero tolerance" target.
2. Overall, the UK has generally performed well in the Scoreboard as the graph below, for the last 5 years (10 Scoreboards), shows:

This graph shows the UK transposition deficit for Internal Market Scoreboards from May 2009 to November 2013. The UK met and or exceeded the EU transposition target of 1 percent for 6 out of ten scoreboards, the lowest deficit being zero point five percent in the May 2013 scoreboard. 

**Figure 3**: UK result of Internal Market Scoreboards May 2009 –November 2013

1. For the May 2013 Scoreboard, the UK exceeded the 1% target set by the Commission and achieved a best ever performance of a **0.5%** deficit score with just 7 Directives outstanding. In the most recent Scoreboard, for November 2013, the UK has again met and exceeded the 1% target, with a transposition deficit of 0.7% and 5 Directives outstanding.
2. In terms of the conformity of measures communicated to the Commission, the UK’s compliance deficit of 0.5 % is equal to the proposal from the Single Market Act for a 0.5 % target.

This table shows how the UK compliance deficit compares to the EU average, from May 2011 to May 2013. In May 2011 the UK compliance deficit was above the EU average but from November 2011, the UK compliance deficit has been equal to or lower than the EU average.  

**Figure 4:** UK result compared to the EU average in Internal Market Scoreboards May 2011 – November 2013

## Forward Look

1. The next Scoreboard is due in May 2014 and covers Directives outstanding up to and including 30th April 2014: the UK currently has 36 such Directives. At the date of this report, the UK has a transposition deficit score of 0.4%with just 5 Directives outstanding and has already met and exceeded the 1% target – and the UK is on track to achieving its lowest transposition deficit score to date.

## Further information

1. In 2013, the Commission decided to merge a number of different reports into an online only Single Market Scoreboard covering 13 different tools. Except for the statistics on transposition and infringement proceedings, which will continue to be updated twice a year, the online Scoreboard will be updated annually.
2. The full results of the May 2013 and November 2013 Scoreboards can be found on the Commission website at:

* <http://ec.europa.eu/internal_market/scoreboard/_archives/2013/07/performance_by_governance_tool/transposition/index_en.htm> (for May 2013 Scoreboard)
* [www.ec.europa.eu/internal\_market/scoreboard/performance\_by\_governance\_tool/transposition/index\_en.htm](http://www.ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/transposition/index_en.htm) (for November 2013 Scoreboard).

1. Reports for previous Scoreboards can also be found on the Commission website at:

* [www.ec.europa.eu/internal\_market/score/index\_en.htm](http://www.ec.europa.eu/internal_market/score/index_en.htm)

# Conclusion

1. This first year’s performance of the UK Single Market Centre marks a significant step forward in providing a more comprehensive and coordinated resource for both businesses and citizens wanting to work, live, shop and trade in the EU.  In the next year, we will be looking to further improve our website, as well as attending key events and conferences, in order to raise our profile and increase awareness of our services, especially with SMEs, and the range of guidance and support that is already available to them.  In particular, we will be working to improve and embed the current policy feedback mechanisms to ensure that all the evidence we collect, including case studies and other examples of the “real life” problems people come up against when trying to access the Single Market and exercise their legal rights, is taken into account when considering new policy initiatives.  We are also keen to ensure that this evidence is more widely available and accessible to those both inside and outside of Government.
2. We are also working with a number of Single Market Centres in other EU countries to identify and share best practice as well as developing the business case that will help support and encourage other Member States to set up their own Single Market Centres.

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills

1 Victoria Street

London SW1H 0ET

Tel: 020 7215 5000

If you require this publication in an alternative format, email [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk), or call 020 7215 5000.

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