One way or another, we have all been affected by red tape

I’m sure you’ve heard numerous horror stories of businesses so badly disrupted by legislation that they have either had to scale down their expansion plans, re-assess their options or in extreme cases, closed for good.
All industry sectors, from manufacturing to retailing and service industries and even charities have all been choked with rafts of red tape.

There are currently over 20,000 regulations in the UK. The Government have admitted that’s too many and have been listening to us and other groups who have continued to argue and push for changes. So, now we’ve got their ear, we’re keeping up the pressure and continuing to make our point.

We currently have over 24,000 UK businesses as clients and we are doing everything we can to reduce the burden put on them by unnecessary red tape.

We want to help you sweep away the barriers that prevent employers from developing their businesses, moving to new premises or taking on new staff. The amount of bureaucracy has got out of hand and is doing real damage to the UK economy – and that harms our society as a whole and businesses in general.
If you’ve got any example of unnecessary forms, directives, or rules that have got in your way, let us know.

If your local council has prevented you from getting on with your business, let us know. We’ve already made a great impact with our campaign. Help us to continue the good work. With less silly rules to worry about we’ll all benefit and prosper. Here are just some of the examples we’ve dealt with in recent months:

You may have seen this newspaper headline, although it’s one of those newspaper stories that is often quoted, the truth is that a pathetic piece of ‘local’ paperwork held-up an important building and therefore the opening of a new road bridge for over 3 months, costing the local authority £millions and wasting valuable time for all the people who needed to use it.

There are plenty of other nightmare stories of stupid red tape that have directly impacted upon businesses, employers, people lives and the whole community.

Between us we can put a stop to this nonsense - we’re not asking you to join our campaign or contribute, we just want you to know that this is just one of the issues we’re happy to tackle on behalf of our clients.

The fewer distractions you have to worry about, the more time you’ll be able to devote to the main task in hand, making profit and growing your business.
Each business typically has to comply with 60 different regulations overseen by a number of official bodies, a report has said.

Many breached the rules because they did not know which regulations applied to them, the National Audit Office (NAO) said.

It found that government departments did not communicate effectively on the red tape they imposed.

The body set up to cut red tape accepted more communication was needed.

A study by that body - the Better Regulation Executive (BRE) - last March estimated that the cost of the additional 265 new regulations which could be imposed over the following year would be £9.9bn - but calculated that the benefit to society of the new rules would be £11.6bn.

Clarity

The NAO report said that the total cost to businesses of all regulations was not available.

"Businesses, in particular small and medium enterprises, often lack clarity about how to comply fully with regulation," the report said.

"The totality of regulation faced by an individual business is complex and businesses that we interviewed typically have to consider as many as 60 regulations covering areas such as employment, planning, health and safety and sector specific regulation, and governed by multiple regulatory bodies.

"Many businesses interviewed could not identify all the regulations affecting them. As a result, some businesses fall into non-compliance, which can counteract the intention of the original legislation and lead to significant costs for the business."

Andrew Cave, of the Federation of Small Businesses, said that it was the "churn and change" associated with regulation that small businesses had problems dealing with.

The government has said it wanted to end "tick-box" regulation, and Sir Don Curry, of the BRE, said changes were already underway.

"Although the report focuses on work before May 2010, I am pleased that they have recognised that the Better Regulation Executive has developed important elements that will bring sustainable reductions in regulatory costs and deliver significant benefits," he said.

"I recognise, however, that there is more to do to communicate our plan for regulatory reform and we will be working with officials and ministers across government to deliver this in the coming months."
Civil Engineer Robert Thorniley-Walker warns small local businesses could be left off council shortlists.

LOCAL Purchasing Organisations (LPO) could have a disastrous effect on small professional companies such as engineering consultancies, quantity surveyors and architectural practices.

Local experts who have previously been supplementing the skills of local authorities have been unofficially warned by procurement offices that their services cannot be used once the council adopts the LPO shortlists.

These shortlists will effectively use “red tape” to exclude local specialists in small companies, even though the Government now has a stated policy of cutting red tape to promote small and medium sized businesses.

The NEPO (NorthEast Purchasing Organisation) has just closed its invitation to be on a select list of 10 consultants that will be promoted for use by Local Authorities in the region.

It is the intention that these consultants will be used for projects from just £50,000 upwards and may include specialists work such as historic buildings. The Organisation is aiming to set up such select lists to cover the whole country.

To have a chance of being on this select list, practices effectively need to be large multi-discipline companies and must have high levels of professional indemnity insurance.

So while applications are welcome from companies who do not even have staff in the region, small local specialists cannot even apply, even where they have good track records of providing cost-effective and proficient staff teams to tackle local authority projects.

The “Building Schools For The Future” programme was cancelled by the incoming Government on the grounds that it was not providing value for money. It is unclear what lessons have been learnt from procurement from the private sector.

It is time that local authorities should be allowed to use their knowledge to select professional companies that have the required skills available at the most cost effective price, with adequate insurance to cover the specific projects.

I have asked the NEPO whether they have considered purchasing local skills, but I still await a response. It is typical “red tape” that encourages use of the biggest and best insured companies most of whom are American-owned.

Such companies might have expertise in different parts of the world, but it is rarely cost effective or beneficial to an area to import skills that are available locally. Lower overheads in smaller practices allow for cheaper rates, and small companies tend to have more experienced senior staff who can work on technical issues rather than management, as generally happens in large organisations.

There are therefore short-term savings to be made at the design stage, and these can become major savings once the project reaches site.

There are other reasons for using local staff. Where we have worked on bridges, tower blocks, and buildings etc, that knowledge of those structures is still available in the area for future reference. If there is a fire, it is no use trying to track down an engineer whose next job is on another continent.'
Perhaps the Better Regulations Executive should look at the madness of regulations and tick box mentality that is the FSA and what looks like being extended into the new format. It is solely responsible for the half-baked incomplete and incompetent regulations which have served no purpose or saved any of the mess we have all been subject to over the last 5 years.

I need to stress this is not the fault of the staff there who are only acting under instruction but the senior management who have shown a complete disregard for logic or an understanding of business and more's the case an absolute incapacity to address the regulations in existence. Rather than clear out what is unnecessary they just keep adding in more it is a nightmare that they have created an industry of compliance which also finds it hard to agree on a universal interpretation of the rules.

We need a clear out of the mentality that forces consumer’s costs up because each company regulated is paying for all the attributed expensive compliance services.

A simple set of rules that was all encompassing and which were above all else understood with no exclusions for mitigating circumstances. This would help the public and those regulated and would above all else stop the madness and the costs of the regulation that have shown no added value whatsoever but managed massively to add dementedly high costs to everyone.


Almost invariably in these ‘cost/benefit’ studies, the benefits prove much less tangible and more illusory than the costs (which we shall be permanently stuck with). This being so, surely NO new regulations should be introduced unless perceived benefits outweigh the costs by at least an order of magnitude. We don’t need a ‘Bigger Society’ nearly as badly as we need ‘smaller government’.


The best thing the Coalition government could have done is have a bonfire of every regulation over the last 13 years. Sadly all they have done is rearranged the deck chairs with lots of new ideas.

Take one example, New housing

The planning rules and regulations are so complex that you need a paper mountain just to put in an application with nonsense on sustainability etc.

No one can afford all the paper work anymore for pre-application let alone all the admin post consent.

The only winners have been the paper process brigade; here is an easy tip, RIP UP ALL REGULATIONS RELATING TO ECO + GREEN ISSUES

This is a waste of time as government has no regard for the over population of the UK which needed action, but they are far too timid to deal with the real issues.

- John, London, 17/02/2011 09:48

www.peninsula-uk.com
Red tape is still effecting SME’s despite budget promises.

Changes to UK employment law that came into force as of April 1 will generate even more red tape, affecting small businesses despite Government promises to reduce regulation.

In January 2011, research showed that small businesses were spending up to one day per week preparing financial documents such as accounts and VAT returns. Our study of small and medium sized enterprises (SMEs), found that 38% of those with fewer than 10 employees spend one day in 10 preparing documents required by law. A separate study conducted by Ipsos MORI at the start of 2011 showed that 19% of managers believe that red tape is the most important issue affecting them.

Yet another survey of 1,300 businesses by the BBC showed that over half of businesses expect the right to extra paternity leave to negatively affect their business. A fifth of firms are concerned about the default retirement age being scrapped. David Frost, director general of the British Chambers of Commerce, has said that the legislative changes this week “show there is an urgent need to review and scale back policies already on the statute books” and that any exemptions in employment law should apply to a wider scope of businesses than just micro-enterprises, as “Every change, no matter how small, costs employers time and money”.

Brendan Barber, the Trade Union Congress general secretary, urged small business owners not to worry, saying "Good employers should have nothing to fear from these employment changes, which have been consulted on extensively over the last few years."
What can you do next?

Talk to one of our business advice team and tell us how Red-Tape has effected – or is currently affecting you and your business.

We’ll make sure your voice is heard – even if you prefer to remain anonymous. Together we can improve the way our Government interacts with British businesses, and if that means less Red-Tape and more opportunity to make decisions and act upon them without unnecessary restrictions, then we’ll all benefit.

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