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CC 30



QUEEN ANNE'S GATE LONDON SW1H 9AT

5 December 1985

NBPN

Dear David,

FLAPPT 19

Thank you for your letter of 29 November with which you enclosed a revised version of the concordat on inter-departmental arrangements on deregulation.

I hope we can make rapid progress in following up our objectives on deregulation. At the same time we need to guard against creating an unnecessary bureaucracy. I am therefore glad to see that the new version of the concordat makes it clear that a compliance cost assessment will be required only for regulations which affect business. This seems to me to be sensible. It will ensure that our resources are directed to those areas where they are likely to be of most benefit.

So far as existing regulations are concerned, I understand that it has been agreed with your officials that the Home Office will aim to review those regulations which are known to have caused difficulty for business; and that the EDU will shortly be providing us with details of them.

As you say, special arrangements have been agreed for those areas of Home Office work concerned with law and order and public safety (although they are not referred to specifically in the concordat). In accordance with the earlier agreement, the EDU will not concern itself with policy decisions in these areas. My understanding of what this will mean in practice is that we shall not aim to carry out an assessment of compliance costs or to bring in the unit at the stage when policy is being formulated. But once the policy has been agreed (assuming that it affects businesses) we would carry out a CCA in the usual way on the proposed Bill or regulations. It is fair to say that in some cases the prior policy decision will be bound to limit the room for choice as regards the content of the Bill on regulations.

My only other comment concerns the Annex to the concordat, which suggests how deregulation units might operate in individual Departments. My proposals for the Home Office, which have been discussed with officials in the EDU, are that we will provide a point of contact in the Home Office for this exercise, which will be responsible for disseminating information to Home Office divisions and will also prepare reports on Home Office activities as outlined in the concordat. We would leave it to the EDU to deal direct with Home Office divisions on the substance of

/particular proposals

The Rt Hon the Lord Young of Graffham

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particular proposals for regulations. I believe that these arrangements provide the most cost effective way of overseeing the disparate work of this Department. They will avoid duplication of effort between the deregulation unit here and the EDU.

I am copying this letter to the Prime Minister

Lawrence,

Douglas.



GOLT MACH

RAYNER

PT 20

