



# Reduction of Administrative Burdens

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# ADMIN. BURDENS FOR SMEs

**SMEs understand the purpose of regulation**

**Admin. Burden falls most heavily on SMEs**

**Especially Micro Firms**

**Costs of change / Cost of compliance**

**Impact on productivity**

**Domestic or international competition**

**Measured using the Standard Cost Model**

**Across the EU – what does this mean?**

**Done in haste – why?**

**15 Major Deregulatory Initiatives since 1987!**

**25% net targets not based on the desired or achievable level of reductions (NAO 2007);**

**The most burdensome or most irritating?**

**Why only administrative burdens?**

**Businesses may not notice the impact?**

**Regulatory Budgets?**

**Impact on Productivity?**

Source: [http://www.nao.org.uk/publications/nao\\_reports/06-7/0607615es.htm](http://www.nao.org.uk/publications/nao_reports/06-7/0607615es.htm)

# THE ROLE OF SMPs

**Intimate Knowledge of Client's Business**

**Important Advisers on Regulation**

**For Complex Regulations / Small Firms –**

**Accountants Are Cost Effective**

**SMPs Need Referral Networks**

**Client Satisfaction Levels Very High**

**Regulators should work with SMP's**

Source:

[http://www.accaglobal.com/publicinterest/activities/research/reports/smallbusiness\\_research/rr-096](http://www.accaglobal.com/publicinterest/activities/research/reports/smallbusiness_research/rr-096)

# THE ROLE OF GOVERNMENT

**5 key drivers of external advice costs:**

**Volume and complexity of regulation**

**Low awareness of existing government guidance**

**Changes to regulation**

**Quality of government guidance**

**Uncertainty, risk and lack of confidence**

**Changes to regulation a major concern to SMEs**

Source: Regulation and Business Advice, DBERR, 2007;  
[http://www.cabinetoffice.gov.uk/regulation/documents/next\\_steps/business/business.pdf](http://www.cabinetoffice.gov.uk/regulation/documents/next_steps/business/business.pdf)

## Some Recent Papers on Admin. Burdens

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Ambler T and Chittenden F, Deregulation or Déjà vu? UK Deregulation Initiatives 1987/2006, British Chambers of Commerce, London, 2006, pp 31.

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Ambler T, Chittenden F and Hwang C, Is EU Regulation good for us? A study of EU Regulations in 2003/4, The British Chambers of Commerce, London, 2005, pp 44.

Ambler T, Chittenden F and Hwang C., Regulation: another form of taxation? UK Regulatory Impact Assessments in 2003/4, the British Chambers of Commerce, London, 2005, pp 28

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