
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Legislative and Regulatory Reform (Regulatory Functions) Order 2007 (S.I.2007/3544) which specifies the regulatory functions to which the duties in sections 21 and 22 of the Legislative and Regulatory Reform Act 2006 (c.51) apply.

This Order extends the duty to have regard to the Regulator's Compliance Code to regulators which regulate private businesses and third sector operators carrying out "public sector" functions for or on behalf of the public sector. In addition, it extends the duty to local authorities in Scotland, Wales and Northern Ireland in respect of specified functions which are reserved, not devolved or not transferred. This Order also updates and modifies Parts 1 to 4 of the Schedule to the Legislative and Regulatory Reform (Regulatory Functions) Order 2007.

Section 21 of the Legislative and Regulatory Reform Act 2006 (the "Act") imposes a duty on any person exercising a specified regulatory function to have regard to the five principles of good regulation. The principles provide that regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent and should be targeted only at cases in which action is needed.

Section 22 of the Act enables a Minister of the Crown to issue a Code of Practice relating to the exercise of regulatory functions (the "Regulators' Compliance Code"). This section imposes a duty on any person exercising a specified regulatory function to have regard to the Regulators' Compliance Code when determining general policies or principles by reference to which that person exercises those functions.

Under section 22(3) of the Act, where a person exercises a regulatory function of setting standards or giving general guidance about the exercise of other regulatory functions, the duty to have regard to the Regulators' Compliance Code applies directly to the exercise of that function of setting standards or giving general guidance.

A copy of the Regulators' Compliance Code and a full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector are available from the Better Regulation Executive, Department for Business, Innovation and Skills, 1 Victoria Street, London, SW1H 0ET. The full impact assessment is also annexed to the Explanatory Memorandum which is available alongside the instrument on the OPSI website.