



Department for
Business, Innovation,
Science and Trade

Reducing the Regulatory Burden for Small Business

Government response to the Small Business Regulatory Taskforce report

October 2026

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MINISTERIAL FOREWORD

Small and medium-sized businesses are the backbone of the UK economy. They create jobs, drive innovation and bring life to our towns, high streets and communities. That is why the government is accepting all but one of the Small Business Regulatory Taskforce's recommendations and is taking forward a substantial package of reforms to reduce regulatory burdens on small businesses and improve their experience of regulation.

As someone who spent more than four decades building and running a business before entering government, I understand both the opportunities and the challenges entrepreneurs face. My experience has taught me to view policy through the eyes of the person running a business. I know that when business owners are spending time navigating unnecessary bureaucracy, they are spending less time serving customers, investing and growing.

Too often, small businesses find themselves navigating fragmented processes, providing the same information multiple times, and spending valuable hours searching for guidance rather than focusing on customers. These burdens can fall particularly heavily on smaller firms, which rarely have dedicated compliance or administrative teams. government should help businesses succeed, not make it harder for them to do so.

I am grateful to the Small Business Regulatory Taskforce for its work. Drawing on evidence and engagement with businesses across the country, it has highlighted practical ways to make regulation work better for small businesses. Its recommendations reflect a simple but important principle: government should work around businesses, not businesses around government. Businesses should be able to provide information once, access support quickly, and have confidence that regulation is proportionate, practical and designed with their needs in mind.

This response sets out how we will take that ambition forward. Through a package of reforms to simplify interactions with government, reduce unnecessary administrative burdens and create a more joined-up regulatory system, we will help small businesses spend less time on paperwork and more time doing what they do best: innovating, creating jobs and driving growth across the United Kingdom.

Lord Leong CBE
Minister for Small Business and Enterprise

EXECUTIVE SUMMARY

Aims and objectives

The Small Business Regulatory Taskforce was a joint government–industry endeavour, running from June to September 2026, which was established to identify practical reforms that will improve the regulatory environment for SMEs and support the government’s commitment to reduce the administrative costs of regulation by 25%.

It focused on simplifying interactions between businesses and regulators, improving the accessibility and usability of regulatory guidance, and supporting productivity, innovation and growth across the SME economy. The Taskforce also investigated where fragmented services, repeated requests for information and inconsistent requirements create avoidable costs for small businesses.

The group was co-chaired by the Minister for Small Business and the Federation of Small Businesses (FSB), whilst it also brought together senior representatives from business groups, SMEs, professional bodies and government:

- Lord Leong CBE (co-chair), Minister for Small Business
- Tina McKenzie MBE (co-chair), National Chair of Federation of Small Businesses (FSB)
- Michelle Ovens CBE, Founder of Small Business Britain
- Polly Dhaliwal, Chief Operating Officer at Enterprise Nation
- Neil Davy, CEO of Family Business UK
- Jon Foster, Vice President at Goldman Sachs 10,000 Small Businesses UK
- Dr Roni Savage, CEO and Founder of Jomas Associates, Business and Trade Non-Executive Director
- Joshua Toovey, Head of Policy and Research at the Association of Independent Professionals and the Self-Employed (IPSE)
- Kate Shoesmith, Director of Policy and Insight at the British Chambers of Commerce
- Iain Wright, Chief Policy and Communications Officer Institute for Chartered Accountants for England and Wales (ICAEW)
- Ed Woodall, CEO of Association of Convenience Stores (ACS)
- James Carroll, Special Advisor to the Prime Minister
- Emma Jones CBE, Small Business Commissioner

Taskforce findings

The Taskforce’s report was published on 23 October. It makes fifteen recommendations across five broad areas aimed at making regulation simpler, proportionate and easier for small businesses to navigate. The Taskforce is clear that these should be achieved while maintaining core protections and regulatory outcomes.

EXECUTIVE SUMMARY

The Taskforce's recommendations provide a route to a more joined-up regulatory system. They will help unlock digital services through which businesses can provide information once, reuse trusted credentials and complete more transactions online; clearer and more consistent processes across regulators, departments and local authorities; and better routes to guidance, advice and support. These changes are intended to make compliance quicker and more predictable while maintaining core protections and regulatory outcomes.

Together, the recommendations seek to improve the day-to-day experience of regulation for SMEs, helping businesses spend less time navigating bureaucracy and more time investing, innovating and growing.

What we are doing

The government welcomes the Taskforce's recommendations. The report makes a valuable contribution to the government's understanding of the unique regulatory challenges faced by SMEs and highlights a range of practical opportunities to improve the business experience of regulation.

We are taking forward an ambitious package of reforms to make regulation simpler, more proportionate and easier for small businesses to navigate. This response sets out action on specific burdens identified by SMEs. This includes exploring a "Tell government Once" service; pausing implementation of the Companies House profit and loss filing requirement while options are explored to streamline filing with HM Revenue and Customs (HMRC); reducing duplication in ONS surveys; standardising construction procurement and the reuse of supplier information; improving GOV.UK guidance; and creating a clearer route through business.gov.uk for firms to report burdensome regulation and reach the right support.

It also advances practical digital and process reform: developing reusable business credentials and more personalised online interactions; moving remaining business surveys online; improving how directors receive timely guidance; reviewing implementation of the Non-Domestic Rating Information Duty; and digitising and standardising licence applications. Early work with Bristol City Council on Temporary Event Notices indicates that redesigned digital processes can reduce burdens by up to 50%, with further expansion planned.

Taken together, these reforms will reduce repeated form-filling, inconsistent evidence requests, fragmented licensing, difficult-to-find guidance and uncertainty about where to report problems. The government will take action, undertake further work or align proposals with existing reforms and delivery priorities, while reporting progress against the 25% administrative burden reduction target. The goal is a regulatory system that is simpler, more digital and more proportionate- cutting unnecessary bureaucracy so SMEs can focus their time and resources on investment, innovation and business growth.

This response considers each recommendation in turn and sets out where the government will take action, undertake further work, or consider proposals alongside existing reforms and wider legislative and delivery priorities.

SECTION 1– Modernising regulatory submissions

Small businesses should be able to focus on running and growing their businesses rather than navigating unnecessary administrative processes. The Taskforce identified a range of opportunities to reduce duplication, improve the way information is shared across government, and simplify interactions between businesses and public bodies.

The government recognises that repeated requests for the same information can create avoidable burdens for SMEs and agrees that there is scope to modernise regulatory submissions through more joined-up digital services, better use of data and simpler administrative processes. We know that customers wouldn't accept disjointed processes or duplicative asks and agree that small businesses shouldn't accept this either. We will therefore drive forward significant service improvements that will reduce the burden of complying with regulation, make it clear what businesses need to do and when and reduce the time spent complying with regulatory requirements.

Recommendation 1: Creating a “Tell government Once” philosophy

The government accepts this recommendation. We are committed to reducing the administrative burden of regulation by 25% over the course of this parliament and therefore agree with the aims of this recommendation. A critical element to delivering on this commitment is harnessing the power of technology to reduce the number of times businesses provide the government with the same information.

The Department for Business, Innovation, Science and Trade and the government Digital Service (GDS) will work to improve how businesses interact with government online, creating a more joined-up experience across government services. We will work with SMEs and representative business groups to identify particular pain points and ensure this work is focused on the changes that can do most to reduce the burden on businesses. By improving how businesses find and access information, support and services, we will help reduce duplication, simplify business journeys and support our wider ambition to reduce administrative burdens on business.

We will explore viable options for a tell government once service, encouraging our key regulators and agencies to work better together to share intelligence. Subject to Spending Review decisions we will scope out what this could include and produce a roadmap to delivery following next year's Spending Review.

1a. Exploring the Profit and Loss requirement as part of the “Tell government Once” ambition

The government accepts this recommendation as it applies to revising the way in which Companies House receives Profit and Loss (P&L) accounts.

We recognise business concerns about the requirements for small and micro-entities to file P&L accounts with Companies House from April 2028. We understand this includes concerns about filing information separately at Companies House and HMRC, and duplicative filing requirements.

We consider that there is enormous value in Companies House having access to P&L accounts for all companies, as it supports wider efforts to tackle economic crime by improving corporate transparency. However, we are also firmly committed to the “tell government Once” principle established by the Taskforce. We have therefore decided to pause implementing the P&L filing requirement while we explore options to streamline Companies House and HMRC filing processes under the “tell government Once” ambition.

We will provide further details about this in due course.

Recommendation 2: Reforming annual confirmation statements

The government declines this recommendation. The fee payable with the filing of the confirmation statement represents the annual contribution companies, including small companies that are classed as dormant or non-trading, make towards the ongoing benefits of incorporated status. Those benefits include limited liability and the confidence that lenders, suppliers, customers and other businesses place in the companies register.

Companies House fees are set on a cost-recovery basis and fund the delivery of the Registrar’s function, ensuring that costs are met by service users rather than taxpayers. These functions include identity verification, action to tackle misuse of the register, intelligence and enforcement activity by Companies House and the Insolvency Service to combat economic crime.

Exempting small dormant and non-trading companies, whose information has not changed from filing a confirmation statement and paying the associated fee, would remove the clear annual checkpoint between those companies and Companies House. Requiring companies to review and confirm their information each year helps Companies House identify inaccuracies and potential misuse, while supporting the Registrar’s statutory objectives to promote the integrity and reliability of the register. Removing the confirmation statement requirement for small dormant companies could encourage more companies to declare themselves dormant to avoid the filing obligation and fee. This could create a loophole for those seeking to use UK companies to facilitate economic crime, undermining the transparency on which legitimate businesses rely. Maintaining the integrity of the register makes it harder for individuals to hide behind false or outdated information and supports efforts to tackle fraud, money laundering and other forms of economic crime, including on our high streets.

Legitimate businesses will also be adversely affected, as an inaccurate register will mean incomplete information being available when making business decisions, and lenders will find it increasingly challenging to extend the provision of credit and other commercial decisions.

Fees are reviewed annually to ensure that they are set at an appropriate level and continue to meet funding requirements.

Recommendation 3: Working with industry to reduce the burden of ONS surveys on SMEs

The government accepts this recommendation. Business surveys remain critical to producing timely and reliable economic statistics, including statistics on GDP, employment, wages, inflation and trade. These statistics support decisions across government, businesses and wider society, including growing demand for more granular local economic information. As the Taskforce's report highlights, small businesses face unique pressures and form a distinct part of the economy, so their inclusion in surveys is vital.

However, the Office for National Statistics (ONS) recognises the administrative burden that compulsory surveys can place on businesses, particularly small businesses. It will therefore work with representatives from the Taskforce and other representative groups to agree the scope for a roadmap as recommended with the aim of completing this work in March 2027. The roadmap will build on work already underway to minimise burden on respondents, including,

- Moving remaining business surveys online;
- Integration and modularisation of surveys to simplify reduce and remove duplication,
- Work on tailoring returns to different business personas;
- Continuing to expand the Large Case and Account Management Units, which reduce the burden on larger businesses and those with more complex structures;
- Analysis of additional sources of data that could replace or supplement surveys, including use of these in sampling frames.

The ONS will also continue to make greater use of existing administrative data to reduce duplication of data collections. The roadmap to reducing respondent burden will also include analysis of additional sources of administrative data for example PAYE RTI as a replacement or supplementary source for surveys, in addition to VAT returns.

Recommendation 4: Standardising construction procurement

4a: Promoting mutual recognition of existing standards and certifications

The government accepts this recommendation and is already taking concrete steps to support it, including:

- Section 22(a) of the Procurement Act dictates that conditions of participation must allow equivalent qualifications or memberships, including international ones. If an SME holds a recognised ISO standard matching the technical requirement, the authority must accept it as proof of capability;

- Technical requirements must be proportionate to the contract's nature, complexity and cost. Requesting excessive bespoke documentation from ISO-certified suppliers could be deemed disproportionate.

To remove bidding hurdles for SMEs, the Act prevents authorities from requiring:

- Audited annual accounts, unless legally mandated under the Companies Act 2006 Equivalent financial evidence must be accepted;
- Active contract-specific insurance before contract award. Suppliers need only prove they can obtain it upon award;
- Conditions of participation or suitability assessments for smaller contracts to restrict bidder numbers. This keeps low-value procurements light-touch, with exceptions only for works contracts above £135,018 (central government) or £207,720 (other authorities).

4b: Encouraging consistent use of the Common Assessment Standard

The government accepts this recommendation and is already taking concrete steps to support it, including,

- Recommending that public contracts for works should use the questions set out in the Common Assessment Standard;
- Supporting the Build UK Common Assessment Standard (CAS) across public sector procurement to reduce bureaucracy and level the playing field for SMEs where relevant and proportionate;
- Enabling standard pre-qualification questionnaires under statutory guidance: Contracting authorities can already use industry questionnaires like CAS to verify supplier capability for works contracts;
- Aligning standards with the Procurement Act: while the Act does not mandate a single standard, tools like CAS can be fully utilised provided they remain proportionate and advance Section 12 (procurement objectives) specifically maximising public benefit and removing barriers for SMEs.

4c: Developing a proportionate, light-touch approach for SMEs

The government accepts this recommendation and is already taking concrete steps to support it, including:

- Directing reliance on accredited schemes: Contracting authorities are encouraged to draw on existing, accredited assessment standards rather than requiring suppliers to repeatedly re-submit baseline compliance data;
- Enforcing a 'tell government once' digital model: Under the Procurement Act framework, core supplier credentials, including corporate details; financial standing; and key certification, are stored centrally on the Central Digital Platform. Public bodies can verify these credentials directly, eliminating duplicative requests;
- Restricting extra paperwork: Contracting authorities may only request additional or bespoke evidence when unique project risks, site conditions, or specific legal requirements genuinely necessitate tailored checks.

SECTION 2 – Regulatory Guidance

Businesses want to comply with the rules that apply to them, but many SMEs report that understanding what is required can be unnecessarily complex. The Taskforce highlighted the importance of clear, accessible and practical guidance in helping businesses navigate regulatory requirements with confidence. The government agrees that good guidance is a vital part of effective regulation and recognises the need to make it easier for businesses to find, understand and act on the information they need. Improving guidance and support can reduce compliance costs, increase certainty and help businesses focus more of their time and resources on innovation, investment and growth.

Recommendation 5: Supporting SMEs in complying with Natasha's Law

We recognise the importance of ensuring that compliance with prepacked for direct sale (PPDS) requirements, also known as Natasha's Law, is as straightforward as possible for businesses of all sizes, but especially SMEs. We therefore will convene a joint working group made up of officials from across government, members of the Taskforce and other industry representatives, to understand existing challenges faced by small businesses. The group will consider what further support could be provided, including improvements to existing guidance and tools that would help small food and drink businesses to comply with Natasha's Law.

The group will then publish a roadmap setting out delivery timelines for delivering any tools or guidance.

Recommendation 6: Creating a better business journey through GOV.UK

The government accepts this recommendation. We recognise the challenges businesses face in navigating GOV.UK. We believe improving how businesses discover, navigate and use information on GOV.UK is a critical part of reducing the administrative burden of regulation on SMEs.

This is why Department for Business, Innovation, Science and Trade (BIST), working in partnership with GDS and government departments, is leading a cross-government initiative to reduce the costs of doing business and create a more productive and agile environment. Helping businesses find the support and services available more quickly will save time, reduce effort and improve access to government support.

Working with departments we will,

- Promote common approaches to content management;
- Improve the quality, accessibility and currency of guidance; and
- Make it easier for businesses to find the information, support and services they need.

This will ensure government information remains reliable whether accessed directly through GOV.UK or through emerging digital and AI powered tools, while creating a more consistent and navigable experience for businesses interacting with government.

Recommendation 7: Installing SME priorities into a new strengthened growth duty and departmental growth goals.

The government accepts this recommendation. Small businesses account for the overwhelming majority of the firms with which most regulators interact, and the direction government gives regulators on growth should reflect that.

The government plans to strengthen the existing Growth Duty as part of the Regulating for Growth Bill that will be introduced into Parliament in due course. This strengthened Growth Duty will be accompanied by a power for Secretaries of State to issue statutory steers to each specified regulator, defining growth in the context of the sector and regulator, and setting out the government's growth policies and objectives and any trade-offs the Secretary of State considers relevant. Supporting SME growth sits squarely within that scope. Ahead of legislative readiness, the non-statutory Growth Goals programme, published in July this year, provides the mechanism for giving regulators that direction, and the 2027-28 round due in 2027 is expected to be the next iteration.

The government agrees that SME priorities should feature in goals and steers where relevant. That will be met either through goals targeted specifically at SMEs, or through goals that benefit all businesses but deliver an outsized benefit to smaller ones, such as simplified regulatory regimes and support for innovative sectors.

In delivering this recommendation, we will:

- Require sponsor departments, when commissioned to develop 2027-28 Growth Goals with their regulators, to consider SME growth priorities for each regulator in scope; and
- Issue cross-government guidance to sponsor departments on reflecting SME growth priorities in statutory growth steers where relevant to a regulator's remit, following Royal Assent.

SECTION 3 – Regulatory Passporting

The Taskforce identified opportunities to reduce friction in businesses' interactions with government by reducing the need to repeatedly provide the same information and creating more seamless routes for businesses to access support or raise concerns. The government recognises the potential benefits of a more joined-up and user-centred approach to business engagement, underpinned by modern digital infrastructure and better use of data. Making it easier for businesses to move between services, demonstrate compliance and identify the right source of support can reduce administrative burdens and create a more coherent experience of government for SMEs.

Recommendation 8: Establishing a single business identifier

The government accepts this recommendation. We recognise the potential benefits that reusable business credentials and digital business identity solutions could bring in reducing administrative burdens and improving how businesses interact with services. We welcome the Taskforce's continued interest in this area.

The government agrees that close collaboration between industry and government will be important as this landscape develops and welcomes efforts to bring together stakeholders to share insight, build understanding and inform future thinking in this area.

Through its cross-government programme to improve how businesses interact with government online, the government is developing new capabilities to help make interactions with government more streamlined, secure and personalised for businesses. We also recognise the growing interest from industry in business-to-business digital identity models and agree that close collaboration between government and industry will be important as this landscape develops. We will continue to engage with stakeholders, and the group set up as a result of this recommendation, to help ensure that the capabilities being developed for business interactions with government are compatible and interoperable with wider developments where appropriate.

Recommendation 9: Establishing a dedicated home for small businesses seeking to report burdensome regulations

The government accepts this recommendation. Helping businesses to identify and report regulatory barriers, and access the right support, is important for business growth and for maintaining confidence in the UK's regulatory environment, as well as facilitating regulatory compliance.

This is particularly important for SMEs, who do not have large compliance teams to navigate regulatory requirements. The government recognises that the challenge is often a lack of clarity about which service is most appropriate and when businesses should approach it. We will therefore focus on making it easier for businesses to report burdensome, disproportionate, outdated or challenging regulation through a single-entry point on business.gov.uk, part of the Business Growth Service, that brings together support for SMEs.

This will also enable businesses who report via this mechanism to be signposted to appropriate services and support for their individual requirements.

Initially, we will deliver this as a single page that signposts to existing reporting services and wider BGS support services; we will seek user feedback and testing to inform how to iterate and improve the experience, and how to integrate additional services as they are developed. This includes directing relevant businesses to the RIO's Front Door service, where businesses facing outdated or non-existent regulatory pathways for developing or commercialising innovative technology can access bespoke support.

This gateway is a joint collaboration across government teams involved in analysing evidence and informing regulatory reform programmes, ensuring that business insight collected here will contribute to the development of policy. This approach will help businesses raise regulatory challenges earlier, access the right support more quickly and navigate government services more efficiently. It will also support wider efforts to simplify businesses' interactions with government and reduce unnecessary administrative burdens, particularly for SMEs.

In delivering this recommendation, the government will:

- Launch a dedicated page on business.gov.uk to bring together and test routes for reporting regulatory barriers as well as signposting to support, with initial provision of a live offer from the RIO 'front door', in parallel with continued user testing, piloting and exploration of further integration, and operating a "no wrong door" policy to ensure that information reaches the right team.
 - The portal is currently expected to incorporate signposting to Regulatory Innovation Office's Front Door service from launch;
 - We currently anticipate incorporating a broader tool which enables us to capture regulatory barriers from businesses across all sectors, whether in emerging or established fields, and plan to explore these further by the end of the year;
 - We will use this page to highlight the wider Business Growth Service routes through which businesses can access support and identify the most appropriate government service for their circumstances;
 - Subject to the Regulation & Growth Bill receiving Royal Assent, we anticipate also using this gateway to invite businesses to flag where they experience regulatory barriers to innovation or growth which could be addressed via the planned Regulatory Sandbox Programme.
- Explore with businesses and relevant government teams how the experience of reporting burdensome regulations and navigating to support could best be developed over time, including how evidence gathered can support and inform regulatory reform and innovation policy and activity across government. Any further expansion beyond existing services will be built collaboratively with users and is subject to delivery feasibility and wider government prioritisation decisions.

SECTION 4 – Supporting SMEs in building capability, resource and technology

Many SMEs face regulatory challenges not because they are unwilling to comply, but because they lack the time, capacity or specialist expertise available to larger organisations. The Taskforce therefore considered how government and regulators can better support businesses to understand their obligations, access advice and make use of technological solutions. The government agrees that helping businesses build capability and confidence can improve compliance, reduce unnecessary costs and enable SMEs to make better use of opportunities for innovation and growth. Effective support should be proportionate, practical and tailored to the needs of small businesses at different stages of their development.

Recommendation 10: Delivering regulatory advice through growth hubs

The government accepts this recommendation. Supporting businesses to understand regulatory requirements help facilitate compliance and is crucial to the creation of a holistic system that supports growth. Further, supporting businesses to understand regulatory barriers to growth helps businesses to understand which support offers may be most relevant to their needs.

We recognise that many organisations support businesses to understand the regulatory environment. At a local level, government provides core funding for the network of Growth Hubs across England, which are led and delivered by local authorities and shaped around local business and economic needs. Growth Hubs provide advice and support for a wide range of business needs, including regulatory requirements. As local delivery partners of the government's Business Growth Service, Growth Hubs provide an essential link between national and local business advice and support. The government will continue to deliver the work underway.

The government is committed to supporting the Growth Hubs network to expand and strengthen the local regulatory advice available for businesses, also supporting wider Mayoral Strategic Authority local growth and innovation priorities. The complete delivery of this recommendation would be subject to future government spending decisions and local decision making where local business support is devolved.

In delivering this recommendation, government will:

- Establish a working group representative of government, local government, and local networks by the end of the year to support the development and testing of options;
- Gather evidence on existing regulatory advisory support offers, uptake and impact to identify opportunities for expansion or scaling;
- Explore opportunities to expand regulatory advice – to include supporting businesses to understand where regulation may be hindering the development of innovative products or services to help shape future regulatory sandboxes through the planned Regulatory Sandbox Programme (subject to the Regulating for Growth Bill receiving Royal Assent) and through further areas of focus for the Regulatory Innovation Office.

Recommendation 11: Supporting directors' understanding of their core responsibilities

The government accepts this recommendation. Supporting directors to understand and comply with their legal responsibilities is important both for business success and for maintaining trust and confidence in the UK business environment. Evidence gathered by the Department for Business, Innovation, Science and Trade and through engagement led by the Small Business Commissioner with businesses, professional bodies, advisers and other stakeholders suggests that many directors, particularly first-time directors and those leading smaller businesses, would benefit from clearer and more timely information about their responsibilities.

The government recognises that many organisations already play an important role in supporting directors to understand their responsibilities and the challenge is often not the absence of information, but ensuring that directors receive the right information, from trusted sources, at the point it is most relevant. The government will continue work already underway between the Department for Business, Innovation, Science and Trade, Companies House, the Insolvency Service and HMRC to strengthen the evidence base, and identify practical ways of improving awareness of directors' responsibilities.

The focus will be on helping directors access the right information at the right time, through the channels they already use, and without creating any new burdens on businesses. The approach taken will evolve, as digital and data capabilities improve. In delivering this recommendation, government will:

- Establish a cross-government and stakeholder working group during 2026 to support the development and testing of options;
- Gather evidence on existing guidance, training, accreditation and support provision to identify gaps, opportunities and examples of effective practice;
- Explore opportunities to improve how directors are signposted to guidance and support through key business lifecycle events, including incorporation, tax registration and periods of business difficulty;
- Work with stakeholders to consider whether a common framework describing the core responsibilities of company directors would improve consistency and accessibility of information;
- Examine how trusted intermediaries, including accountants, professional advisers, lenders, software providers and business representative organisations, can help improve the reach and effectiveness of communications; and
- Identify opportunities to make greater use of digital services and ongoing transformation programmes to provide more tailored information and support to directors over time.

The government will ensure that this work is aligned with wider efforts to simplify businesses' interactions with government, reduce unnecessary administrative burdens and support entrepreneurship and growth. This work will support delivery of the Insolvency Service's strategic objective to empower people, directors and businesses to understand their options earlier, so they can make informed decisions and achieve better outcomes when financial difficulty arises. Any future interventions will be evidence-led, proportionate and designed to improve understanding of existing responsibilities rather than create new regulatory requirements.

Recommendation 12: Cutting the administrative burden on SMEs through implementation of the Information Duty under the Non-Domestic Rating Act (2023)

The government accepts this recommendation. HMRC's Valuation office will ensure that any implementation of the Information Duty under the Non-Domestic Rating Act 2023 aligns with its charter commitments to make things easy for customers by providing services that are designed around what they need to do, and are accessible, easy and quick to use, minimising their costs.

As a result of feedback from businesses, the timing of the implementation of the Information Duty is now under review.

Recommendation 13: Strengthening transparency of progress towards the 25% Admin Burden Reduction target

The government accepts this recommendation. We are committed to transparency and accountability in delivery of the Regulation Action Plan. We have already introduced regular public reporting against the target, including through the Regulation Action Plan Progress Report and accompanying technical annex, published on 8 July¹. This includes details about each department's delivered and upcoming measures. We have committed to set out further details on future measures and their scale including in future updates on progress against the 25% target.

We recognise the importance of ensuring that small and medium-sized enterprises (SMEs) can understand and benefit from efforts to reduce regulatory and administrative burdens. We therefore welcome the recommendation to strengthen transparency around delivery of the 25% Administrative Burden Reduction Target and agree that providing businesses with greater visibility of progress can help build confidence that administrative burden reduction efforts are delivering tangible outcomes.

We will ensure progress is communicated in a way that demonstrates the impact of reforms on businesses of different sizes (including SMEs) and provides SMEs greater clarity in how measures are expected to benefit them where possible. We will ensure reporting provides a clear picture of progress towards reducing administrative burdens on businesses.

The government will build on existing reporting arrangements by assessing how future updates can provide greater transparency on the benefits of burden reduction measures to SMEs, including through the publication of SME-relevant impacts where evidence is available and proportionate to collect.

SECTION 5 – Regulatory enforcement

Effective regulation and enforcement play an essential role in protecting consumers, workers, communities and the environment, while maintaining confidence in markets and creating a level playing field for businesses. The Taskforce highlighted the importance of ensuring that regulatory requirements are designed and implemented with an understanding of how SMEs operate in practice. The government agrees that the potential impacts on smaller businesses should be considered carefully when developing and enforcing regulation, while maintaining important protections and regulatory outcomes. A regulatory system that is proportionate, transparent and responsive to the realities of small business can support both compliance and economic growth.

Recommendation 14: Building regulation with smaller businesses in mind, with impacts on SMEs assessed prior to making new laws or regulations.

The government believes that supporting SMEs and Micro businesses is key to delivering sustained growth for the UK, noting SMEs and Micro businesses make up over 99% of the UK's businesses. To support this, the government currently makes it clear in the Better Regulation Framework that departments should assess the impact of regulation on SMEs.

For regulatory provisions in scope of the Better Regulation Framework, application of the Small and Micro Business Assessment (SaMBA) is required. The test not only builds in a presumption of exclusion for small and micro-business with up to 49 employees, where doing so would not significantly undermine the policy objectives, but it also requires an assessment of the impacts on these businesses and requires that any impacts are minimised or mitigated. If departments do not propose mitigations for small businesses, they must provide evidence as to why it is not needed in their published impact assessment analysis. This assessment is also subject to independent scrutiny under the Better Regulation Framework. There is also an equivalent Medium Sized Business assessment, which is very similar, but applied to businesses which have 50-499 employees.

So that government can continually assess impacts on business and SMEs, our guidance currently requires that impact assessments must also contain a plan for monitoring and evaluation. This should set out how the department will monitor the regulation and what data will be gathered to determine how well it is working. For certain measures, where applicable, there will be a requirement to produce a post-implementation review, not more than 5 years after the original measure comes into force.

Recommendation 15: Digitising and standardising license applications

The government accepts this recommendation. The government is aware that the current GOV.UK licencing services, delivered through the Licensify platform, only allows partial online submission of licences, and does not cover all licence applications or local authority areas. This results in a fragmented licencing system that results in complexity for businesses, especially for those that operate across local authority boundaries, as they must resubmit the same information for different licences to different local authorities, resulting in additional business costs.

Moving to a modern digital licencing system represents a significant opportunity to reduce the administrative burdens on businesses and local authorities, contributing to the 25% administrative reduction target, and allowing local authorities to provide a better service to their local businesses.

BIST is already exploring how it can deliver improvements to digital licences. We are currently working with Bristol City Council on a Temporary Event Notices digital pilot to explore how digital processes can reduce administrative burdens. Initial results from the pilot show that burdens have been reduced by up to 50%. The next phase of this work will involve expanding this to include more local authorities and include an additional licence. BIST and the Home Office will work together to consider which licences, including alcohol licences or late night refreshment licences, should be prioritised for the next phase.

Over the longer term, BIST expects that more licences will be included and a greater number of local authorities will participate, and will continue to engage with local authorities to understand the issues they are facing and barriers to participation.

In relation to taxi and private hire vehicle licensing, the government recognises that differing licensing requirements, application processes, and administrative arrangements across all 263 licensing authorities can create additional complexity and cost. Following the government's recent consultation, proposals would, if taken forward, place licensing responsibilities with Local Transport Authorities, which has the potential to streamline processes. Alongside this, the government intends to introduce national standards for taxi and private hire vehicles. A more consistent national licensing framework should help reduce variation between areas and support efficient licensing decisions. As part of its wider programme of reform, the government is also developing a national taxi licensing platform to support information sharing and reduce administrative burdens. The government will consider opportunities to take forward further measures to simplify the licensing system through future taxi and private hire vehicle legislation.

As part of future work, government will explore the feasibility of a national register of licence holders and whether licences can be issued and presented digitally.



UK Government

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