



April's £800 Million Bill to Business

FSB One Pager

Every year new regulation comes into effect for businesses on 6th April and 1st October. New regulations often add new administration and even staff costs for businesses. The FSB estimates that a reduction in regulation could create 160,000 new jobs and save over 73,000 existing ones. Yet at a time of rising unemployment the government continues to introduce new business costs.

The cost of employing staff and the impact of regulation can hamper a business's ability to operate. In 2008 there were 57 new pieces of regulation all with associated costs and burdens for firms. This cannot be repeated in 2009.

In BERR's Annual Survey 2007, 60 per cent of businesses listed regulation as an obstacle to success. For 14 per cent, it was the single biggest obstacle. In the 2008 survey of FSB members 27 per cent of businesses who wanted to expand rated "fear of increased regulation as a difficulty in expanding their business" as a very important factor. In the same survey 50.7 per cent of businesses who were planning to downsize or close rated regulatory burden as "very important" to their decision.

April 2008 Regulation:

Some of the regulation planned for April includes:

- Extending **flexible working** to parents of children up to the age of 16, which will cost small businesses **£61 million**;
- Increasing staff **holidays** by four days, which could leave the small business community paying **£724 million**;
- Changes to the **Home Information Packs** will cost an extra **£1.5 million**, adding a burden to the consumer at a time when we already have a struggling housing market; and
- **Extra Waste Control measures** which the Department of Environment, Food and Rural Affairs estimates will cost business between **£3.61 and £14 million**.

Total: £800,000,000 per annum.

All figures are taken from the relevant department's impact assessment.

There is still no comprehensive list of all the regulation that will come into place in April and not all government department are signed up to the common commencement dates.

The FSB represents over 215,000 small businesses, making it the UK's biggest business organisation

The Proposal

Review all regulation due to be put in place in April 2009.

Where there are high costs to business or additional administrative burdens delay until October 1st or April 2010.

Cutting back on additional costs this year could save businesses and save jobs.

Just 4 pieces of legislation could cost business £800,000,000.

Stopping regulation could help retain 73,000 existing jobs.

For further information

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