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**The Hundred Group**  
of Finance Directors

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Dear Sirs

#### **DTI Draft Simplification Plan**

I am writing on behalf of the Hundred Group of Finance Directors in response to your invitation to comment on the department's draft simplification plan and to highlight other areas where effort can be focused to reduce the burden of regulation and policies. The Hundred Group represents the finance directors of the UK's largest companies.

We are clearly extremely supportive of all actions taken by the department to reduce the burden of current regulations and policies and our members look forward to being actively engaged in the research and consultations being undertaken by the department across a variety of areas.

- **Draft simplification plan**

We note that the current simplification plan is forecast to create deregulation savings estimated to be worth £1bn over the period 2005 to 2010, however, we would question whether this target is ambitious enough given the overall costs being incurred by UK business. We note that the current plan contains many initiatives which have already been implemented or are in the course of being laid before parliament. For those areas that are being developed, in particular in relation to the patent office, employment law and consumer law, we presume our members will be involved in the research projects being undertaken and in the numerous consultations referred to in the plan.

On the issue of the removal of the requirement to provide an Operating and Financial Review and to replace it with a Business Review, we will be submitting a separate response in accordance with process set out by the department.

- **Simplification strategy**

In considering the current simplification plan and future initiatives we would encourage the government to recognise that the actions taken will invariably free up private sector

resources which can be redirected to more value creating activities. We recognise that the UK economy continues to under perform the US in terms of both productivity and investment in research and development, and believe that the actions of simplifying the UK business environment must contribute to the long run success of UK based business.

We would therefore welcome any actions which the government and the department can introduce which will achieve one or all of the following:

- Will help identify regulations and policies that damage the UK's competitive advantage both as a place to locate and do business from
- Ensure that all new regulations and policies are subject to a rigorous cost / benefit analysis
- That there is greater coordination of strategy across government so as to reduce complexity and associate bureaucracy at source
- That all regulations and policies are seen as forming part of an overarching "principles based business and regulatory environment"

At a more granular level we would encourage the department and other parts of government to focus on actions which encompass the following:

- Reducing multiple information demands through a more coordinated approach (we recognise that for this to release real value it needs to be done in conjunction with other government departments)
- Increased use of electronic information transfer and web based technology
- A move towards a single point of contact for each business with government (something more akin to the account officer model used in the private sector)

- **Gold plating**

We also take this opportunity to comment on the desire of government to reduce the "gold plating" of EU legislation. While we fully support the rationale for the government's desire to avoid unnecessary gold plating, we highlight the fact that each situation needs to be considered on a case by case basis and in the context of what is best for the competitive position of the UK economy. In this context we would highlight the fact that as the Transparency Directive edges towards UK law, there will be questions over whether the UK regime wishes to retain "super-equivalent" requirements over and above those in the directive. To retain the existing UK regime, which many consider instrumental to the success of London as a global capital market, will require some elements of "gold plating".

In conclusion we believe this simplification initiative is of critical importance to the future success of the UK economy and would encourage the department to set ambitious goals commensurate with the approaches to simplification being considered in the private sector. Given the importance of the Hundred Group to the success of the UK economy we hope that the department will recognise the value of opening up a constructive dialogue with the Group to ensure that future plans deliver the savings necessary for the UK to be an attractive location and destination for business.

Yours sincerely

Philip Broadley  
Chairman of The Hundred Group