

POLICY
THUMBNAIL

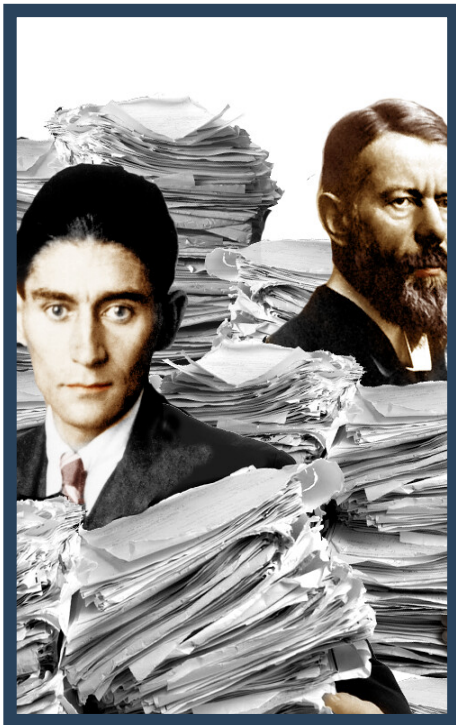
Ending Britain's License Raj

Replacing upfront bureaucratic permissions, approvals,
licenses & consents with post-completion standards &
outcomes instead



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The Small State Initiative



THE PROBLEM

The original 'license raj' hobbled India's economic growth by making businesses get upfront permission from scores of government agencies before they could start many types of work. After 1991 it was swept away by economic reforms which accelerated India's growth significantly.

Modern Britain has a similar problem:

- a) Upfront permissions, consents & approvals add huge costs & delays to building new housing, energy generation & transmission, transport infrastructure & more.
- b) The costs & delays don't end once upfront permissions are eventually granted & work begins. Government agencies, regulators & quangos impose further consent conditions, interim reviews, Key Performance Indicators (KPIs) & other compliance reporting which add further costs & delays throughout the rest of each project as well.
- c) Throughout each of these stages, the threat of judicial review encourages officials to seek safety in following processes rather than delivering fast-paced, on-budget outcomes & results.

THE SOLUTION

We will sweep away Britain's version of the 'License Raj' with a series of reforms:

1. Upfront permissions, consents & approvals will be replaced by democratically-approved, predefined standards & technical specifications which projects must achieve. Compliance will be independently measured after each project is complete instead of beforehand, & work which delivers the required standards within the law will be guaranteed sign-off regardless of how the standards have been achieved, while any that don't achieve them will be closed until they do.
This post-completion, standards-based approach will also remove the need for upfront consent conditions, interim reviews, Key Performance Indicators (KPIs) & other compliance reporting.
There are detailed examples of how these changes would work in [Build Up Not Out](#) (housebuilding); [Building For Growth](#) (infrastructure & business premises); [a New Public Productivity Act](#) (public services); & [Repairing the Rolls Royce](#) (civil service reform).
2. Judicial reviews will be reformed, so courts will still decide if public bodies have broken laws or exceeded their official powers ('illegality') but only elected representatives will hold officials & public bodies accountable for whether & how they deliver results.
3. Mandating a fairer & more consistent approach to the costs that regulators, quangos & Government agencies impose for saving or improving the lives of humans & wildlife, to prevent us spending more on animals than humans (eg bats in HS2). This will mean updating the Government's evaluation framework (the 'Magenta Book') & publishing the costs so they can be clearly & consistently compared & applied. There is more detail on this in '[A Matter of Life & Death](#)'.
4. Embed a permanent anti-red-tape ratchet in Government by including limits on red tape costs in the Chancellor's fiscal rules for the first time ever. There is more detail on how to achieve this in [Slashing Red Tape](#) and [A New Taxpayer Protection Act](#).



THE BENEFITS

Switching from upfront pre-approvals to post-completion standards & specifications will:

- slash the costs & delays for projects to start, progress & complete, helping the UK's economy grow faster
- improve regulatory certainty by making official decisions more consistent, transparent & predictable than today.
- save taxpayers' money by delivering the same environmental, safety & other standards as before, but faster, more digitally and more cheaply instead.
- have the same benefits for jobs, investment and economic growth as tax cuts, because every pound of red tape costs has the same effects on the UK's economic growth, productivity and export competitiveness as a pound taken in tax.
- cut the cost of living on everything from housing to energy so every household's budget goes further, & UK firms become more competitive abroad.

Narrowing Judicial Review will still ensure Governments can't exceed their powers or disobey laws, while returning responsibility for holding their performance to account to democratically elected representatives instead.

Comparing & controlling the costs of saving or improving human lives or natural environments will improve consistency, transparency, regulatory certainty & the speed of economic growth.

Including red tape costs in the Government's fiscal rules will create a strong, permanent anti-red tape ratchet, to prevent the License Raj from regenerating in future.

THE SOUNDBITES

"Switching from upfront to post-completion approvals will keep all the environmental and safety standards we have today, but deliver them faster, more digitally and more cheaply instead."

"Cutting a pound off bureaucracy costs & delays is just as good for our economy's growth, jobs and exports as cutting a pound off taxes."

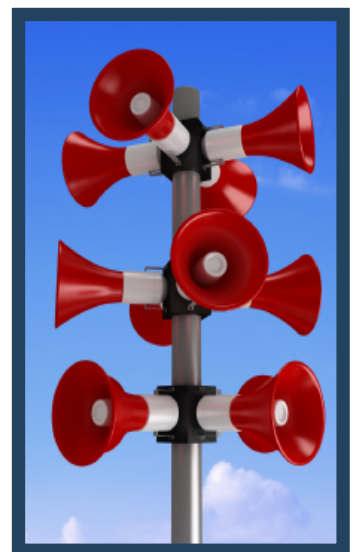
"Not spending time & money persuading well-intentioned but risk-averse officials to approve something in advance, particularly when they know less than the people whose money and jobs are on the line, will slash project costs & delays so UK firms are more competitive & our economy grows faster."

"Britain's infrastructure is some of the slowest & most expensive in the world. Our competitors will keep laughing at us until we fix it."

"We will introduce a strong, permanent anti-red-tape ratchet"

"Officials shouldn't be so scared of judicial review that they daren't let people risk their own money trying something creative or new."

"Why do regulators spend more on saving the life of a bat or a salmon than a person? Or less on a person using a busy road than someone working in a nuclear plant or getting treated in a hospital? It makes no sense"



THE REBUTTALS



1. Won't this trigger a 'race to the bottom'?

This new approach won't dilute a single standard: it will just deliver them as cheaply, efficiently and unbureaucratically as possible.

2. How dare you axe protections for the environment or nuclear safety!

We aren't – they are really important. But if there's a cheaper and faster way of delivering the same results, why wouldn't we want to use it instead?

3. Upfront approvals stop dangerous or unwanted white elephants from being started. Once they're built it's too late.

Anyone spending millions of pounds on a project will make sure it fulfils the specification, because it can't open if it fails & it's their money on the line. This approach will slash project costs & delays, so Britain's infrastructure isn't a slow, expensive, international laughing stock anymore.

4. Won't cutting judicial reviews just leave citizens defenceless against the state?

Hardly! UK Governments & public bodies will still have to obey UK laws just as they always have, but campaigners won't be able to use the courts for endless legal process challenges & delays anymore. We will introduce regular, independent, public evaluations of how well or badly public bodies & services are delivering results, which democratically elected representatives can use to hold their performance to account.

5. Why are Tories so obsessed with cutting corners on costs? Things cost what they cost & our infrastructure should be top quality.

You're right that we need good infrastructure, but lots of other developed nations get the same or better quality much faster & more cheaply than we do. The idea that 'things cost what they cost' & there's nothing we can do to improve them is the reason UK infrastructure is some of the slowest & most expensive in the world.

