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Chairman

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# What is the RPC?

- The Regulatory Policy Committee is an independent advisory body appointed in late 2009 to comment on the quality of evidence and analysis behind government proposals to regulate
- There are five other Committee members:
  - Sarah Veale (Trade union experience)
  - David Parker (Professor of Economics)
  - Philip Cullum (Consumer representation)
  - Mark Boleat (Trade Association experience)
  - Ian Peters (Business experience)
- Supported by a secretariat of civil servants, including a mix of policy officials and economists

# RPC Previous Work - First Report

- From November 2009 until May 2010, we looked at published consultation stage impact assessments (IAs)
- The RPC published its first report “*Reviewing Regulation*” in August 2010.

*“There are many IAs produced which provide well presented, detailed analysis and evidence, which appear to be part of a robust decision making process and are seen as a positive contribution to good policy and project management. **However, there are a number of IAs that lack significant analytical rigour, are poorly presented, or appear to be produced as an afterthought, seemingly as a means of ‘ticking the right boxes’ to obtain the necessary approval for a proposed course of action.**”*

# RPC Previous Work - First Report

- The report made six recommendations based on emerging themes in the IAs scrutinised.
  - Don't presume regulation is the answer
  - Take time & effort to consider all options
  - Make sure you have substantive evidence
  - Produce reliable estimates of the costs and benefits
  - Assess non-monetary impacts thoroughly
  - Explain and present results clearly

# RPC Previous Work - Statistics

## Overall

- The RPC scrutinised 107 IAs and 22 opinions have been published on the RPC website
- 7 of the 22 opinions are on proposals with annual average costs of £20m+

# The new role of the RPC

- Reducing Regulation Committee (RRC) formed and new Government's Principles of Regulation announced
- RPC mandated to provide Opinions to the RRC
- RPC reviews impact assessments (IAs) before proposals are published, including pre-consultation, and at all stages the IA is due to go to the new RRC, which is chaired by Business Secretary Vince Cable.
- RPC emphasis on two areas;
  - Have the costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups been robustly identified and reflected in the choice of options?
  - Have the necessary burden reductions required by “One-in, One-out” (OIOO) been identified, and are they robust?

# The new role of the RPC - OIOO

- One-in, One-out rule introduced to control the flow of domestic regulation. Presently, EU measures excluded.
- No new primary or secondary UK legislation which imposes costs on business or civil society organisations (INs) can be brought in without identification of existing regulations of equivalent value that can be removed (OUTs)
- We will pay particular attention to IAs that fall within the scope of One-in, One-out to ensure any claimed values are robust.

# The new role of the RPC

- From January 2011, all Opinions include a rating based on a traffic light system;
  - **RED**: The IA is "Not Fit for Purpose". Major concerns over the quality of the evidence and analysis and overall quality of the IA.
  - **AMBER**: The IA is "Fit for Purpose". However, we will set out areas of concern with the IA which should be resolved before the IA is submitted to the RRC
  - **GREEN**: The IA is "Fit for Purpose". We may still highlight some minor issues with the IA.
- Any IA receiving a RED opinion must be amended and resubmitted to the RPC for a new opinion prior to submission to RRC

# European Measures

- The RPC will continue to consider IAs to transpose / implement EU directives and regulations.
- Scrutiny of European driven legislation is of importance - OIOO excludes EU measures.
- RPC will pay particular attention to any “goldplating”
- Additionally, we work closely with our sister organisations in the Netherlands (ACTAL), Sweden (Regelrådet) and Germany (NKR) to champion better regulation at the European level.

# Second RPC Report – ‘*Challenging Regulation*’

- In February 2011, the RPC published its second report highlighting the work of the RPC between September and December 2010 following our change in remit
- We issued 189 Opinions to Departments in this period
  - (Latest – 369 Opinions issued from 01/09/10 – 03/05/11)
- No RAG rating was given, though 44% of the opinions raised significant concerns (*cf. red*)
- Main weaknesses found in IAs were;
  - Making sure of substantive evidence, and;
  - Producing reliable estimates of costs and benefits.As per the findings from ‘*Reviewing Regulation*’

# Second RPC Report – ‘*Challenging Regulation*’

- Commenting on the report, Mark Prisk, Minister for Business and Enterprise said;
  - “It's clear that far too many impact assessments fail to meet the basic standards required by our new One-In, One-Out system. I am grateful to the RPC for their hard work and robustness in policing the system. The Government is determined to change the culture of regulation and I will be working with my Ministerial colleagues to stress to civil servants that we expect impact assessments to be robust and comprehensive. Only when regulation is used as a last resort can we create the right conditions for growth and strengthen the economy.”

# Issues

- Independence
- The challenge of transparency
- Timing and Resources
- The role of IAs

# Contact Details

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