

Stephen Gibson  
RPC 10 year anniversary reception  
Interim chair  
23/01/2020

Good afternoon

On behalf of the Regulatory Policy Committee, I would like to thank you all for coming to this special event, with particular thanks to Lord Lindsay for hosting us in this beautiful venue at the House of Lords today.

I would also like to take this opportunity to thank all the current and former members of the Committee and Secretariat for their hard work over the last decade. Special thanks go to the RPC's first chair Michael Gibbons for leading us over our first eight years and to my predecessor Anthony Browne (now Anthony Browne MP) who has steered us over the last two years. I would also like to recognise the contribution of the Heads of the Secretariat during this period: Tony Pedrotti, Sebastian Catovsky, Hiroko Plant and our current Head, Stuart Sarson.

It is definitely worthy of celebration, that the RPC has been in existence for a period of 10 years providing expert independent scrutiny despite the changes we have experienced in both framework and personnel. Over the last decade, our role in government has grown from an *ad hoc* advisory body to producing opinions on the evidence and analysis supporting new regulations with the opportunity to have a much more direct and positive influence on the quality of proposals. The independent perspective that we offer demonstrates that the government is serious about our role in supporting the better regulation framework.

As an economist, I have always believed that evidence-based policy is important and I am glad that I am not alone – none other than Scott Adams creator of the legendary Dilbert comic strip said that: *“Informed decision-making comes from a long tradition of guessing, and then blaming others for the results”*. But impact assessment is more than just an improvement on guessing, it provides a framework to think through the policy objectives and compare the costs, benefits and risks of alternative approaches and find the best and most effective way to achieve any given policy objective - ultimately to help government make better policy decisions.

Government and regulatory decisions can impose significant costs on businesses and other bodies and it is right that these are taken into account when designing the policy. The scrutiny of evidence and analysis supporting proposed regulations can offer confidence to those impacted by new

regulations that these costs are recognised. We are therefore very grateful to our external stakeholders for the continued support we receive from you. Since our inception, we have tried hard to engage closely with business groups and representatives of civil society organisations to understand the impact of regulations from your perspective and I am glad that there are so many of you here today. As ever, we welcome your input and views. You have been, and continue to be, crucial contributors by assisting us in ensuring that robust evidence is provided to support the policy making process.

As well as our engagement with external stakeholders, our relationship with government departments, is of course key. Over the last 18 months I have met with Chief Economists and Heads of Analysis across all the major departments to support engagement between the RPC and departmental analysts. Building and maintaining relationships with the different departments despite the changes in ministers and officials is critical to our success as a regulatory scrutiny body and I hope that we can continue to build on these relationships while of course maintaining our independence.

At the RPC, we have issued around 4,000 formal and informal opinions on impact assessments, post-implementation reviews and cost-to-business calculations across a huge range of areas. When I joined the RPC I was amazed by the breadth of policy areas we cover – from mobile phones to pensions and from the Brexit Withdrawal Bill to biodiversity.

We also recognise the importance of post implementation reviews – PIRs. This is when a department or regulator looks at a policy after it has been implemented for 4 or 5 years to see whether the objectives of the regulation were achieved. This is an important but often overlooked aspect of public policy. We continue to work with departments to build monitoring and evaluation into the policy from the start to enable them to produce and publish higher quality PIRs in future, but there is much more than could be done in this regard.

However we do much more than just rating impact assessments and PIRs:

- We provide tailored training for government analysts and policy officials to help them understand how to do better impact analysis,
- We publish guidance notes for departments and regulators on how to approach difficult methodological questions, and
- We publish case histories highlighting best practice in developing IAs.

We also help government to improve the Better Regulation Framework - last year we contributed to the government's White Paper on Regulation for the Fourth Industrial Revolution which promoted a new approach to regulation, supporting innovation while protecting citizens and the environment. We also worked with the Department for International Trade to develop an approach to assessing future free trade agreements, in preparation for a post-Brexit Britain.

I would also like to recognise the success of our international engagement programme. I recently went to Helsinki for a meeting of RegWatchEurope – the group of similar independent regulatory scrutiny organisations from across Europe and I was proud at the high regard in which they hold the RPC. We are perceived as a world-leading example of regulatory development and scrutiny and they certainly see us as a centre of excellence to be emulated and learned from.

Since we were set up we have seen developments in our role, such being able to red rate if the impact of regulations on Small and Micro Businesses was not sufficiently assessed and considered – a change which business groups successfully lobbied ministers to introduce.

The recent CMA report on Regulation and Competition recommends extending the current framework to allow us to red-rate if the IA does not properly consider the impact on competition or innovation, and I welcome this proposal as a way to encourage consideration of the dynamic impacts of regulation on the market.

To the suggestions for changes to the better regulation framework, I would also add scrutiny of impact assessments at consultation-stage. This would require departments to submit an IA at the same time as they consult on policy measures rather than this being done on a voluntary basis as it is at present. It would mean that we have an opportunity to comment on and improve the supporting analysis as the policy is being developed. Much more effective than waiting until the decision has already been made.

But publishing opinions on the quality of regulators' or departments' analysis is only valuable if people read and take notice of them. To that end, I would like to raise the profile of the RPC as an organisation and the profile of the opinions

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we publish. Where departments provide analysis that is high quality and supported by a robust evidence base we want to applaud them loudly and recognise the achievement, and if there are cases where the quality of analysis is not fit for purpose then we will also call this out. While this may be a bit uncomfortable for departments and regulators, as a regulatory scrutiny body we would not be doing our job properly or acting independently, if we did not draw similar attention to the deficiencies as to the successes of government policy assessment.

So to conclude, and coming full circle, I would request that you join me, in recognising the hard work and dedication of not only the current committee and secretariat, but also our previous members and officials. Without them we would not be here today!

Thank you.