



Department  
for Business  
Innovation & Skills

REGULATORY POLICY COMMITTEE

FRAMEWORK DOCUMENT

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# Regulatory Policy Committee

## FRAMEWORK DOCUMENT

### Introduction

- 1.1 This framework document has been drawn up by the Department for Business, Energy & Industrial Strategy (BEIS) in consultation with the Regulatory Policy Committee (RPC). This document sets out the broad framework within which the RPC will operate and the relationship the RPC will have with BEIS as the sponsor department for the RPC.
- 1.2 This document does not confer any legal powers or responsibilities. It is signed and dated by BEIS and the RPC. Copies of the document and any subsequent amendments will be placed in the Libraries of both Houses of Parliament and made available to members of the public on the RPC website.

### Purpose of the Regulatory Policy Committee

- 2.1 The purpose of the Regulatory Policy Committee (RPC) is to provide independent, expert advice on the quality of analysis and evidence used by departments and regulators in their assessments of economic impact on business from regulatory interventions, including through their advice to Ministers on cross-cutting issues. The resulting transparency and accuracy of measurement are an essential part of the better regulation system, and provide stakeholders, and in particular business, with confidence that the costs and benefits from regulatory change have been independently verified.
- 2.2 The Better Regulation Executive (BRE), a joint BEIS-Cabinet Office unit, is responsible for advising Ministers on the development of that system. It is also the sponsor team for the RPC. The work of both organisations contributes directly to BEIS's overarching aim to make Britain the best place in the world to start and grow a business.
- 2.3 Under Section 25 of the Small Business, Enterprise and Employment Act 2015 (SBEE Act), the RPC has been appointed for the 2015-2020 Parliament as the independent body that will verify assessments of economic impact and lists of regulatory provisions in reports published by the Secretary of State on the business impact target (BIT). Its statutory functions are to verify:
  - the assessments of economic impact of each of the qualifying regulatory provisions which have come into force, or ceased to be in force, during the reporting period; and

- the list of all the non-qualifying regulatory provisions, and publish a statement recording any verifications.
- 2.4** The RPC delivers its verification function through the publication of opinions on each regulatory provision included in the Government's annual reports on the BIT, and in an annual statement confirming that all the measures published in the Government's report have been accurately recorded.
- 2.5** In addition to the statutory functions set out in paragraph 2.3, the Secretary of State may ask the RPC to undertake non-statutory functions in respect of the purposes in paragraph 2.1, which are confirmed in writing. In particular, he has asked RPC to verify departmental assessments of the economic impact of significant regulatory provisions outside the Business Impact Target ('Non-Qualifying Regulatory Provisions').
- 2.6** To help improve the capability of departments and regulators in undertaking regulatory appraisal and evaluation, the RPC may also undertake additional actions on its own initiative.

### **Independence**

- 2.7** The SBEE Act requires that the RPC, as the appointed verification body for the business impact target, must be independent of the Secretary of State.
- 2.8** The RPC will respect the prerogative of Ministers in:
- determining the Government's objectives for deregulation and the framework to deliver those objectives; and
  - setting policy objectives and deciding between policy options for individual measures.
- 2.9** The RPC must perform its functions objectively, transparently, impartially and on the basis of Government policy on better regulation. It may publish insight gained through this scrutiny function on the operation of the better regulation framework and how well it meets Ministers' stated policy intentions, but may not comment publicly on any other aspect of Government policy. This protects the independence of the RPC and ensures clear separation between the scrutiny of analysis and evidence (which is the role of the RPC) and policy-making (which is the responsibility of Ministers).
- 2.10** For the RPC to perform its functions efficiently and effectively, close working with the Government will be necessary in some areas, particularly in respect of co-ordination, clear lines of accountability, and information exchange while respecting the RPC's independence. Annex 1 'BRE & RPC: Ways of Working' sets out the respective roles of each body and how they will work together.

**Table 1. How the RPC will operate**

The RPC will deliver its statutory and non-statutory functions by:

- a. operating an effective, consistent, proportionate and timely system for its scrutiny and verification activities, having regard to guidance on prioritisation from Ministers;
- b. providing a transparent and public account of its scrutiny work whilst also respecting the confidentiality that may be associated with individual departmental and regulators' proposals. It will deliver this through the timely publication of its opinions, reports, statements of verification made under the Business Impact Target and, as appropriate, letters to Ministers;
- c. setting clear quality standards, establishing precedents, and sharing good practice; and

In performing its functions, the RPC will also:

- d. have regard to the better regulation methodology and other government guidance including the Green Book and the Better Regulation Framework Manual, and the need for co-ordination of activities to ensure effective and efficient operation of the better regulation framework;
- e. engage with stakeholders – including business, business representative bodies, voluntary and community bodies, Regulators, Parliament, European counterparts and other interested parties – to:
  - share knowledge and experience of independent scrutiny and encourage better scrutiny;
  - improve the quality of analysis and evidence in impact assessments; and
  - build and maintain the RPC's understanding of issues affecting different business sectors.

In scrutinising the evidence base for legislative proposals or proposals that require RRC clearance, the RPC will consider:

- f. whether an adequate range of options, including non-regulatory approaches, have been assessed;
- g. whether the range of options considered supports minimising costs and maximising benefits;
- h. where a regulatory option is preferred, the quality, accuracy and robustness of the underlying evidence for the preferred option;
- i. the degree to which an assessment of the impact on small and micro businesses (SaMBA) has been undertaken and whether consideration has

been given to the exemption of these businesses or mitigation of the impacts on these businesses;

- j. the accuracy and robustness of the cost and benefit calculations, taking into account the full range of costs and benefits including those related to the enforcement regime; and
- k. the quality of impact assessments, including the evidence and analysis that supports Government policy decisions, and the extent to which the reasons for the Government's chosen option are set out clearly.

## **Governance and accountability**

### **RPC's legal origin and duties**

- 3.1** The RPC has been established by Ministers to provide independent expert advice on assessments of the economic impacts on business, voluntary or community bodies arising from regulatory change.
- 3.2** The RPC's statutory duties are conferred by virtue of its appointment as the independent verification body under Section 25 of the SBEE Act.
- 3.3** The RPC is an arm's length body of BEIS and is accountable to Parliament through the Department's Principal Accounting Officer and to the Secretary of State for BEIS for the analysis it produces and for the way it uses public funds.

### **Overall aims**

- 3.4** The Secretary of State for BEIS has agreed that the RPC's aims should be as set out at paragraphs 2.1-2.6.

### **RPC Committee and RPC Secretariat**

#### RPC Committee

- 3.5** The RPC currently comprises a Committee formed of the Chair of the RPC and seven other members (collectively 'the RPC').

#### RPC Secretariat

- 3.6** The RPC is supported by a Secretariat which is normally made up of civil servants. In line with the *Civil Service Management Code*, the Head of the Secretariat will have responsibility for the recruitment, retention and motivation of RPC Secretariat staff following recruitment policies and processes agreed with BEIS.
- 3.7** The levels of Secretariat support will be agreed between the RPC and BEIS through the sponsor team and the BEIS Principal Accounting Officer (the Permanent Secretary).

## **Roles and responsibilities**

**3.8** The roles and responsibilities of the main stakeholders are set out below.

### Secretary of State

**3.9** The Secretary of State for BEIS accounts for the RPC's performance, effectiveness and efficiency in Parliament. He or she is not responsible for the content of the reports the RPC produces in performing its duties.

**3.10** The Secretary of State's responsibilities include:

- approving the RPC's strategic objectives and the policy and performance framework within which the RPC will operate (as set out in this Framework Document);
- keeping Parliament informed about the RPC's performance; and
- reflecting the collective decisions of Ministers and the Reducing Regulation sub-Committee (RRC) with regard to the operation of the RPC to the RPC Chair.

**3.11** The Secretary of State will make appointments to the RPC, taking account of the views of the Prime Minister. The recruitment process will be run by BEIS, and the Secretary of State will consult the Chair of the RPC before making appointments. The members of the RPC will be appointed in accordance with Cabinet Office rules. The total period they may be in office may not exceed nine years (disregarding service before the RPC became an NDPB in 2012).

**3.12** Such appointments will comply with the *Code of Practice of the Office of the Commissioner on Public Appointments*. Appointments will be made through an open and transparent recruitment process and positions publically advertised.

**3.13** The Secretary of State may delegate some or all of his or her responsibilities to the Minister for Business, Energy and Industrial Strategy, whose responsibilities include deregulation and regulatory reform.

**3.14** The responsible Minister will meet the Committee Chair formally at least once a year to discuss the RPC's performance, its current and future activities and any policy developments relevant to those activities.

### Chair of the Regulatory Policy Committee (RPC)

**3.15** The Chair of the RPC is responsible to the Secretary of State and has an associated right of access to the Secretary of State.

**3.16** Communications between the RPC and the responsible Ministers should normally be through the Chair, who will ensure that the other Committee Members and the Secretariat are kept informed of such communications. He or she is responsible for ensuring that the RPC's activities respect the relationship with Government described at paragraphs 2.7-2.10 above, and that its affairs are conducted with probity.

**3.17** The Chair shares with other Committee Members the corporate responsibilities set out in paragraphs 3.21-3.22, and in particular for ensuring that the RPC fulfils the aims and objectives set by the Secretary of State.

**3.18** In addition, the Chair has the following leadership responsibilities:

- formulating the Committee's strategy;
- ensuring that the Committee, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the Department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the work and views of the Committee to external stakeholders as described at Table 1 (d) above, to support understanding of its independent scrutiny functions.

**3.19** The Chair also has an obligation to ensure that:

- the Committee is operating effectively;
- when vacancies arise, the responsible Minister is advised of the of the RPC's needs and, in particular, the balance of skills appropriate to discharging the RPC's functions, as set out in the *Government Code of Good Practice* and *Corporate Governance*;
- Committee Members are fully briefed on terms of appointment, duties, rights and responsibilities;
- the RPC plans to uses its resources on an affordable and sustainable path, within agreed limits;
- he or she assesses the performance of individual Committee Members on an annual basis and when being considered for reappointment; and
- there is a Code of Practice for Committee Members in place, consistent with the Cabinet Office model *Code of Conduct for Board Members of Public Bodies*.

### The Committee

**3.20** The RPC currently consists of eight experts on regulation from different backgrounds, including business and, for example, trade unions or academia. Two Committee Members are professional economists. Their knowledge and experience allows them to fulfil their advisory role in scrutinising the analysis and evidence supporting regulatory proposals made by government departments.

**3.21** The Committee has corporate responsibility for ensuring that it fulfils the aims and objectives set by the Secretary of State and for promoting the efficient



and effective use of staff and other resources by the RPC. The Committee should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

**3.22** The Committee is specifically responsible for:

- taking forward the strategic aims and objectives of the RPC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- ensuring that the Secretary of State and other Deregulation Ministers are kept informed of any developments which are likely to impact on the strategic direction of the RPC or on the attainability of its targets, and determining the steps needed to deal with such changes; and
- ensuring that any statutory or non-statutory requirements for the use of public funds are complied with, that the Committee operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds and that, in reaching decisions, the RPC takes into account guidance issued by BEIS.

#### Individual Committee Members' responsibilities

**3.23** Individual Committee Members should:

- comply at all times with the *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflict of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Committee's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in accordance with the RPC's purpose and functions.

**3.24** In order to maintain the RPC's impartiality, Committee Members:

- should comply with *the Nolan Principles of Public Life*; and
- declare any personal, political or business interests which may, or may be perceived to, influence their judgements in performing their functions. A record of declarations should be kept and regularly reviewed.

#### BEIS Accounting Officer

**3.25** The Permanent Secretary, as the Department's Principal Accounting Officer (PAO), is responsible for the overall organisation, management and staffing of

BEIS and for ensuring that there is a high standard of financial management in the Department as a whole. The Principal Accounting Officer is accountable to Parliament for the issue of funding to the RPC. The RPC is funded from the Department's Resource and Capital DEL. The allocation of funding will be held within the Department.

**3.26** In particular the Principal Accounting Officer of BEIS shall ensure that:

- the RPC's strategic aims and objectives are appropriate given BEIS' wider strategic aims and RPC's independence;
- the financial and other management controls applied by BEIS to the RPC are appropriate and sufficient to safeguard public funds and that the RPC's compliance with those controls is effectively monitored;
- the internal controls applied by the RPC conform to the requirements of regularity, propriety and good financial management;
- the RPC is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*;
- arrangements are in place in order to monitor the RPC's activities and address significant problems, making such interventions as are judged necessary;
- the RPC is informed of relevant government policy in a timely manner; and
- in the case of serious concerns about the activities of the RPC, to bring these to the full Committee, requiring explanations and assurances that appropriate action has been taken.

#### Sponsor team in the Department

**3.27** The Better Regulation Executive (BRE) in BEIS is the primary contact for the RPC. The team is the main source of departmental advice to the responsible Minister on the discharge of his or her responsibilities in respect of the RPC and the primary point of contact for RPC in dealing with the Department. They also support the BEIS Accounting Officer in his or her responsibilities toward the RPC.

**3.28** The sponsoring team shall advise the Secretary of State and other Deregulation Ministers on an appropriate framework of objectives and targets for the RPC in the light of the Department's wider strategic aims and reform objectives.

**3.29** In support of the Department's Principal Accounting Officer the sponsoring team shall:

*On performance and risk management:*

- monitor the RPC's activities on a continuing basis through a proportionate and timely flow of information from the RPC on performance, budgeting, control and risk management, including early sight of the RPC's corporate and business plans;
- address in a timely manner any significant problems arising in the RPC, whether financial or otherwise, making such interventions in the affairs of the RPC as the Department judges necessary; and
- periodically carry out risk assessment of the RPC's activities to inform the Department's oversight of the RPC, strengthen these arrangements if necessary and amend this Framework Document accordingly. The risk assessment shall take into account the nature of the RPC's activities, the public monies at stake, the body's corporate governance arrangements, its financial performance, the openness of communications between the RPC and the Department, and other relevant matters.

*On communication with the RPC:*

- inform the RPC of relevant Government policy in a timely manner, advise on the interpretation of that policy, and issue specific guidance to the RPC as necessary; and
- bring significant concerns about the activities of the RPC to the attention of the full Committee, and require explanations and assurances as appropriate from the Committee that suitable action has been taken.

Head of the RPC Secretariat

**3.30** In support of the Committee and the Department the Head of the Secretariat shall:

*Responsibilities to the Department for Business, Energy and Industrial Strategy*

- establish, in agreement with the Department, the RPC's corporate and business plans in the light of the department's wider strategic aims and current reform plans, and ensure these are published;
- inform the Department of progress in helping to achieve the Department's objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance and finance are provided to the Department through the Better Regulation Executive; that the Department is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Department in a timely fashion; and

- bring to the attention of the Sponsor Team and the Department's Principal Accounting Officer any instruction or contemplated course of action by ministers that is inconsistent with the RPC's role or that does not measure up to the standards set out in Box 3.1 of *Managing Public Money*, so that it can be resolved appropriately.

#### *Responsibilities to the Committee*

- advise the Committee on the discharge of their responsibilities as set out in this document and in the relevant instructions and guidance that may be issued from time to time;
- advise the Committee on the RPC's performance compared with its aims and objectives;
- ensure that financial considerations are taken fully into account by the Committee at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed; and
- take action as set out in paragraphs 3.8.6 of *Managing Public Money* if the Committee, or its Chair, is contemplating a course of action involving a transaction which the Head of the RPC Secretariat considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

#### **Annual report**

- 3.31** The RPC is an arm's length body of BEIS and is accountable to Parliament through the Department's Principal Accounting Officer and to the Secretary of State for Business, Energy & Industrial Strategy for the analysis it produces and for the way it uses public funds.
- 3.32** The RPC must publish an annual report of its activities. The annual report must outline the RPC's main activities and performance during the previous year and set out, in summary form, forward plans.
- 3.33** The report shall be placed in the Libraries of the House of Commons and House of Lords, and made available on the RPC's website. The Chair shall make him or herself available to discuss the report with the relevant Parliamentary Committees.
- 3.34** A draft of the report should be submitted to the Department at least two weeks before the proposed publication date.

## Management and financial responsibilities

### Accounts and audit

- 3.35** The RPC is a small advisory NDPB. It is supported by a Secretariat staffed by the sponsor department (BEIS), and receives its funding by budgetary delegation from within BEIS's financial framework, rather than a separate grant or grant-in-aid (see also paragraph 3.25).
- 3.36** The RPC follows all BEIS accounting and procurement systems. Spending (largely on staff) is monitored as part of BRE's financial processes.
- 3.37** The RPC produces an annual report of its activities (paragraphs 3.31-3.24) but does not produce separate financial accounts. The RPC's accounts shall be consolidated within the accounts for the Department for Business, Energy & Industrial Strategy (BEIS).
- 3.38** The RPC will be audited in accordance with BEIS standard procedures. The Comptroller & Auditor General (C&AG) will audit the RPC's annual accounts as part of its consideration of the annual accounts of BEIS and will lay these before Parliament, together with his or her report.

### Budgeting

- 4.1** Unless agreed by the Department and, as necessary, HM Treasury, the RPC shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to the BRE in BEIS in the first instance. A list of guidance and instructions with which the RPC should comply is in Annex 2.
- 4.2** Each year, in the light of decisions by the department on the updated draft corporate plan, the department will send to the RPC a:
- formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department; and
  - statement of any planned change in policies affecting the RPC.
- 4.3** Once the RPC's budget has been approved by BEIS, and subject to any ministerial instruction or this document, the Head the RPC Secretariat shall have delegated authority to incur expenditure approved in the budget without further reference to BEIS, on the following conditions:
- the RPC shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals in line with the letter of delegated authority;
  - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;

- the RPC shall provide BEIS with such information about its operations, performance, individual projects or other expenditure as BEIS may reasonably require; and
- the RPC shall follow recruitment and procurement policies agreed with BEIS.

### **Risk management**

- 4.4** The RPC shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury's guidance *Management of Risk: Principles and Concepts*. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud.

### **Corporate and business plans**

#### Corporate plan

- 4.5** By May, the RPC shall submit annually to the Department a draft of the RPC's updated corporate plan covering at least three years ahead, having regard to any particular issues or analysis the department would find helpful to be covered.
- 4.6** The plan shall reflect both the RPC's statutory and non-statutory duties and, within those duties, take into account the priorities set from time to time by the Secretary of State (including decisions taken on policy and resources in the light of wider public expenditure decisions):

#### Business plan

- 4.7** The first year of the corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department.
- 4.8** The following key matters should be set out in the plans:
- the RPC's key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;
  - key non-financial performance targets;
  - a review of the RPC's performance in the preceding financial year and an estimate of performance in the current year;
  - alternative scenarios, if appropriate, and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and

- other matters as agreed between BEIS and the RPC.

#### Publication of plans

- 4.9** Subject to any commercial considerations, the corporate and business plans should be published by the RPC on its website.

#### **Reporting performance to the Department**

- 4.10** The RPC shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The RPC shall inform BEIS of any changes that make the achievement of its objectives more or less difficult. The RPC's performance, including the achievement of key objectives shall be reported to the Department on a regular basis. The RPC's performance shall be formally reviewed by the Department at least twice a year in sponsorship meetings.
- 4.11** The RPC's performance against key targets shall be reported in the RPC's annual report as described at paragraphs 3.31-3.34.

#### **Providing monitoring information to the Department**

- 4.12** The RPC shall provide the sponsor team in BRE with information on a quarterly basis that will enable the Department satisfactorily to monitor:
- the RPC's output performance;
  - progress against outcome measures and performance targets;
  - the RPC's financial management.
- 4.13** The RPC shall also make available such data as may be reasonably requested by BRE in fulfilling its duties as the sponsor team.

#### **RPC / BRE working level liaison arrangements**

- 4.14** Officials in the BRE and officials in the RPC Secretariat will regularly communicate in order to review the RPC's performance against plans, achievement against the RPC's targets and the RPC's expenditure against its budget allocations. BRE will also share and explain wider policy developments that might have an impact on the RPC.

#### **Review of Non Departmental Public Body status (and winding-up arrangements)**

- 4.15** The RPC will be reviewed periodically in line with BEIS and Cabinet Office guidance.
- 4.16** This Framework Document will be reviewed as necessary. Signatories of this document may request a review of its contents at any time, and it will be reviewed at a minimum once in every three years or following changes to

and/or a review of the RPC's functions. For the avoidance of doubt, this document remains in force following a General Election.

- 4.17** The RPC has been established as an advisory NDPB. In the event that the RPC is wound up, BEIS shall put in place arrangements to ensure the orderly dissolution of the RPC.

### List of Annexes to the RPC Framework Document

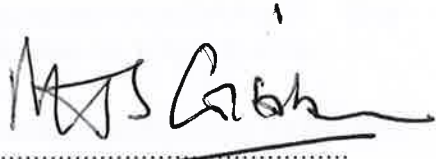
Annex 1 – BRE & RPC: Ways of Working

Annex 2 – List of government-wide corporate guidance instructions (attached)

Signed   
.....

Date 31/1/2017  
.....

(On behalf of the Department)

Signed   
.....

Date 31/1/2017  
.....

(On behalf of the RPC)



## BRE & RPC: Ways of Working

1. The better regulation framework is the regulatory control process government uses to influence the behaviour of both Whitehall departments and regulators to reduce the overall burden to business, voluntary and community bodies ('business') from regulatory activities. As part of this overarching framework, the Small Business, Enterprise and Employment Act 2015 (SBEE Act), commits the Government to setting and reporting on performance against a Business Impact Target.
2. The Regulatory Policy Committee (RPC) plays an essential role in enabling Government to deliver its deregulation agenda, by providing independent scrutiny of assessments of the economic impacts on business from regulatory provisions. In particular, the RPC has been appointed under the provisions of the SBEE Act as the independent verification body for the Business Impact Target during the 2015-2020 parliament. As such, for the RPC and the rest of government to perform their respective functions effectively, close working will be essential.
3. This Annex establishes a transparent framework of cooperation between the RPC and the Department for Business, Energy & Industrial Strategy (BEIS), specifically the Better Regulation Executive (BRE). It sets out the role of each body and how they will work together based on three guiding principles:
  - **Accountability and transparency:** the roles and responsibilities of each body must be clear and transparent, and respect the independence of the RPC;
  - **Effective coordination:** shared processes must be carefully ordered in response to the complex interdependencies of the two bodies; and
  - **Regular information exchange:** information must be shared regularly to enable each body to discharge its responsibilities effectively.
4. The responsibilities of the RPC are subject to the SBEE Act<sup>1</sup>.

### Accountability and transparency

5. The BRE in BEIS is responsible for developing better regulation policy to deliver the Government's deregulation agenda, including managing guidance and communications around the framework and the Business Impact Target.

<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2015/26/part/2/crossheading/business-impact-target>

6. Through its opinions, the RPC provides essential independent scrutiny of assessments of economic impact on business from regulatory changes on which the Government can base announcements about its progress in delivering the Business Impact Target. The BRE will assist the RPC to fulfil its responsibilities by:
  - agreeing that, subject to restrictions on pre-announcing Government policy, the RPC may publish records of their own work every six months, including the verification they have undertaken on both qualifying and non-qualifying regulatory provisions;
  - keeping the RPC apprised, as far as possible, of the decision-making / implementation process for the new framework, including working with them on any changes that may be introduced subsequently, advice on how the legislation works, etc.;
  - working with departments and regulators to ensure that they support compliance with the framework rules and, in particular, the requirements that relate to RPC scrutiny;
  - protecting the RPC's independence in general and in particular by ensuring that departments do not put undue pressure on the RPC to reach a given conclusion; and
  - working with the RPC, departments and regulators to ensure that the operational guidance that supports the better regulation framework remains 'fit for purpose' and does not lead to perverse outcomes from the perspective of government policy.
7. In turn the RPC will:
  - advise BRE of concerns they have with the system / process, outlining examples of difficult cases or 'grey areas' in the guidance; and
  - be able to advise Ministers directly of these concerns and any suggestions they may have on how these might be rectified.
8. To foster a transparent and open, 'no surprises' culture, both parties shall share as appropriate draft advice, letters and draft reports noting explicitly whether either party is being given the drafts for information, or is being invited to comment. Any difference of views between the two bodies shall be respected, and will be explicitly reflected in advice given to Ministers.

### **Effective coordination**

9. It is important that stakeholders are given consistent messages on the Business Impact Target and other Government deregulation initiatives, so as not to inadvertently undermine them. Where appropriate, BRE and the RPC should coordinate their advice to Ministers and communications with stakeholders, without compromising each other's respective roles or the RPC's independence.

10. The BRE will notify the RPC of the date of publication of the Government reports on the Business Impact Target, so that they may coordinate their statement verifying the list of qualifying and non-qualifying regulatory provisions it contains. The BRE will ensure as far as possible that it gives reasonable advance notice of any changes to this.
11. In turn the RPC will advise the BRE of publication plans for any reports or regulatory updates that they plan to publish and offer the BRE advance draft copy.
12. Representation at relevant domestic and international fora will be agreed between the RPC and BRE in advance, reflecting their respective responsibilities.

### **Regular information exchange**

13. Under the SBEE Act, departments and regulators have a statutory duty to provide timely assessments of economic impact to the RPC for all regulatory provisions that qualify for the Business Impact Target. To enable the RPC to manage its casework and carry out its verification function, the BRE will provide the RPC with:
  - full access to the rules and operational guidance supporting the better regulation framework in advance of their publication; and
  - with reports from BRE's programme 'Tracker' on the status of measures planned for inclusion in reports on the Business Impact Target.
14. In turn, the RPC will enable the BRE to fulfil its policy-making and policy-delivery responsibilities by sharing its opinions, and information and insights on the implementation of the framework.
15. The RPC and BRE will, as far as possible, ensure that shared information is objective and of necessary quality for each body to meet its responsibilities satisfactorily:
  - BRE should attend RPC Committee meetings as required to clarify Government policy on better regulation and how it will be implemented, and RPC may meet separately as they see fit;
  - BRE may be invited to attend RPC Committee meetings to support information exchange;
  - the RPC Secretariat may attend meetings between BRE and departments and/or regulators regarding implementation of the framework;
  - sponsorship meetings between the BRE and RPC will be held with the purpose of monitoring performance and dealing with any issues that arise, as well as considering forward planning; and

- information provided by the RPC will be objective and of necessary quality, and this will be reflected through performance management processes. Responsibility for this will reside with the Chair of the RPC and the Chief Executive of the BRE.
16. Signatories will work together to avoid duplication where possible and to ensure efficiency as far as appropriate to their separate responsibilities.
  17. It will be the responsibility of the RPC to respond to external queries on the data, analysis and opinions published in the RPC's documentation, consulting with other departments as necessary.
  18. The RPC and BEIS will treat shared information in accordance with the requirements of the Freedom of Information Act 2000. Subject to this, and unless otherwise specified, signatories will not without prior consultation disclose shared information that is restricted, commercially sensitive or may otherwise harm the formulation and development of Government policies. Signatories reserve the right to place further conditions on the handling, disposal and retention of shared information.

## Compliance with government-wide corporate guidance and instructions

The RPC shall comply with the following general guidance documents and instructions:

- This Framework Document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- Code of Practice for Ministerial Appointments to Public Bodies  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>;
- Managing Public Money (MPM)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/454191/Managing\\_Public\\_Money\\_AA\\_v2\\_-jan15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf);
- Public Sector Internal Audit Standards  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/207064/public\\_sector\\_internal\\_audit\\_standards\\_december2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207064/public_sector_internal_audit_standards_december2012.pdf);
- Management of Risk: Principles and Concepts  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf);
- HM Treasury Guidance on Tackling Fraud  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf);
- Government Financial Reporting Manual (FReM)  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Fees and Charges Guide, Chapter 6 of Managing Public Money;
- Departmental Banking: A Manual for Government Departments, annex 5.6 of Managing Public Money;
- relevant Dear Accounting Officer letters  
<https://www.gov.uk/government/collections/dao-letters>;
- Regularity, Propriety and Value for Money  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm);

- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>;
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf);
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by the central Departments;
- specific instructions and guidance issued by the sponsor Department;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority that have been accepted by the Government and relevant to the ALB.