

## **REGULATORY POLICY COMMITTEE - TERMS OF REFERENCE**

1. The purpose of the Regulatory Policy Committee (RPC) is to contribute to a cultural change in the Government's approach to regulation, and support better and smarter regulation, through improving the use of evidence and analysis in regulatory policy-making.
2. In delivering this objective, the RPC will:
  - a. provide expert, independent, and impartial advice on the quality of analysis and evidence supporting new regulatory and deregulatory proposals including:
    - Whether an adequate range of options, including alternative approaches, have been assessed;
    - Whether the range of options considered supports minimising costs and maximising benefits;
    - Where a regulatory option is preferred, the robustness of the justification for regulatory intervention compared to alternative non-regulatory options;
    - Whether the design and the choice of the preferred option is likely to minimise the net cost to business and civil society organisations;
    - The quality, accuracy and robustness of the underlying evidence for the preferred option;
    - 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;
    - The degree to which issues of public risk are taken into account.
  - b. comment on the quality of analysis supporting the evaluation and/or review of existing regulation;
  - c. scrutinise and comment on the analysis supporting calculations relating to Equivalent Annual Net Cost to Business, where a regulation is within the scope of the One-in, One-out rule;
  - d. provide their opinion on the above aspects to the Minister responsible for policy proposals and the Minister for Better Regulation, clearly stating whether the Committee considers that the analysis provided in support of regulatory proposals is fit for purpose; and

- e. undertake supporting actions on its own initiative, or at the request of the Reducing Regulation Committee, to help improve the capability of Government in undertaking regulatory appraisal and evaluation.
3. In performing its functions, the RPC will:
    - a. have regard to the Green Book and the guidance issued to departments by the Better Regulation Executive regarding the Government's regulatory reform agenda, including the One-in, One-out methodology;
    - b. undertake its activities in an independent, objective, impartial, proportionate, and timely manner, having regard to advice on prioritisation from the Chair of the Reducing Regulation Committee;
    - c. operate in a transparent manner, whilst also respecting the confidentiality that may be associated with individual departmental proposals.
  4. The RPC will respect the prerogative of Ministers in setting policy objectives and deciding between policy options. However, as an independent scrutiny body the RPC will comment on the quality of the evidence and analysis that supports those decisions, and the extent to which the reasons for the Government's chosen option are clearly set out in the impact assessment.