

## **RPC Meeting – Summary Minutes**

**Monday, 9 December 2013**

**Present:** Michael Gibbons (Chairman), Alex Ehmann, Jeremy Mayhew, David Parker, Martin Traynor, Sarah Veale, Ken Warwick, Sue Youngman; secretariat.

### **1. Michael Fallon MP Minister for Better Regulation**

The Committee welcomed Michael Fallon MP, Minister for Better Regulation, to the meeting. The Committee discussed with Michael Fallon options for the future of the RPC, both statutory and non-statutory. The Committee emphasised the needs of the business community in terms of a stable framework for regulation. The Committee also discussed current issues with Michael Fallon, including good news from the 7th Statement of New Regulation (SNR7), such as the result of an annual saving for business and the fewer number of unvalidated measures. Measures' bypassing proper scrutiny remains a concern and the Committee stressed to Michael Fallon that action needs to be taken where measures continue to bypass RPC scrutiny.

### **2. Minutes of the previous meeting**

The Committee approved the minutes of the previous meeting and reviewed the action points arising.

### **3. November update paper**

The Committee welcomed the secretariat's work to ensure the RPC continues to operate in line with Cabinet Office requirements for non-departmental public bodies. The Committee discussed the ongoing work in relation to the 7th Statement of New Regulation, Equivalent Annual Net Cost to Business (EANCB) validation statements and Challenger Businesses. The Chairman provided an update following his attendance at the Stoiber Group.

### **4. Annual report 2014**

The Committee discussed the structure for the 2014 Annual Report, which is expected to be finalised in March 2014.

### **5. Communication and Engagement Activities**

Sue Youngman provided an update on communication and engagement activities that had taken place during November, including a Guardian Live Chat in which Sebastian Catovsky, Head of the RPC Secretariat, participated. RPC responded to Archie Norman's article in The Telegraph, "We must beware the rolling tide of regulation", to make him aware that RPC is the government's independent scrutiny body on regulatory proposals. The launch of RPC's new website was noted.

## **6. Presentation by the Engineering Employers Federation (EEF)**

Tim Thomas (Head of Employment Policy) and Chris Richards (Head of Business Environment Policy) of EEF presented to the Committee those issues that were of concern to their members. In particular, the EEF raised concerns about the level of costs associated with the pension's auto-enrolment policy. EEF referenced a Centre for Economics and Business Research (CEBR) report, "Finding your way out of the auto enrolment maze", which estimates that the cost to employers of auto-enrolment will be much higher than the estimate used in the Department for Work and Pensions' Impact Assessment. The Committee suggested that CEBR's methodology may not have taken account of any labour market adjustment, i.e. slower wage growth as a response to more generous non-wage benefits, and that this might account for some of the difference in estimated costs. The Committee agreed that the level of accuracy in Impact Assessments could be improved and emphasised government's commitment to Post Implementation Reviews, which should help to build an evidence base for accuracy.

## **7. Methodological issues**

The Committee discussed a number of individual regulatory proposals which had raised interesting methodological questions. A sub-group of Committee and Secretariat members has been established to discuss methodological issues in depth on a monthly basis.