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## **Press release: New independent scrutiny committee delivers first verdicts on government's regulatory proposals**

### **Watchdog finds the case is not made in a third of new regulation.**

The Regulatory Policy Committee, set up by the Government to scrutinise new regulatory proposals and increase accountability in policymaking, today reports on its first few months of operation.

The RPC started work at the end of 2009, providing independent, real-time scrutiny of all new proposed Government regulation for the first time. This month it publishes its first set of opinions on a number of regulatory measures.

RPC Chairman Michael Gibbons said, "The damage and associated costs of badly thought through regulation are enormous – to businesses and individuals, as well as ultimately to Government. Poor understanding and assessment of the impact of a proposed regulation can result in costs that out-weigh the benefits and a host of unintended consequences- and fail to deliver the policy objective. Consistent, independent assessment of the cost of regulation is more important than ever in the current economic climate and I'm optimistic that our scrutiny will drive departments across government to raise their game and become increasingly rigorous in analysing the best means of achieving good policy outcomes."

Commenting on the RPC's first opinions, Mr Gibbons said, "The RPC looks at the quality of analysis and evidence supporting new regulatory proposals, providing a practical quality control system for policy makers. As our early work shows, in nearly a third of the cases we've examined, departments are failing to assess the full impact of proposed regulation: for example, failing to quantify many of the costs and benefits, and not showing that the policy option selected will achieve its objective. This isn't just a matter of failing to tick the right boxes – the practical implications, including costs, are considerable."

Until now, there has been no mechanism for independent, real-time, scrutiny of all new government regulation. The opinions published this month are the first fruits of the RPC's trawl of the 117 new government consultations issued since January, of which 66 have had regulatory implications. Of these, 49 have had impact assessments, 47 of which fall within RPC's scope.

These have all been reviewed by the RPC, and where the RPC identified concerns, then subjected to further scrutiny including discussions with the relevant government department(s) and other interested organisations. This scrutiny has resulted in the ten critical opinions published to date – which combined with at least six more in the pipeline, means overall that RPC has found fault with over 30% of impact assessments examined. Impact

assessments are the government's mechanism for ensuring that the costs and benefits of proposed regulation are accurately assessed.

The RPC is interested in the views of external organisations and has developed arrangements with trade associations and other NGOs, including CBI, TUC, EEF and Forum of Private Business to assist the RPC in achieving its objectives.

### **Notes to editors:**

1. The RPC considers all regulatory proposals apart from taxation measures.
2. The RPC's first opinions were [published on its website this month](#). These are the first output from the committee's assessment of new regulatory proposals.
3. The RPC comprises a secretariat of economists and analysts and An independent advisory committee chaired by Michael Gibbons OBE and made up of:
  - Dr David Parker – Professor Emeritus of Economics, Cranfield University;
  - Dr Ian Peters – Chief Executive of the Institute of Internal Auditors;
  - Philip Cullum – Deputy CEO, Consumer Focus;
  - Mark Boleat – Consultant on regulation and public policy;
  - Sarah Veale – Head of the Equality and Employment Rights Department at the TUC
4. The RPC provides trade associations and relevant NGOs with a Monthly update on all regulatory proposals, and liaises with them in analysing which impact assessments raise issues and merit further investigation. A number of organisations have called for a body to independently scrutinise and challenge government on its proposals and the RPC has already achieved substantial support for its work.

Brendan Barber, TUC General Secretary: "In tough times, it's more important than ever for business, employees and consumers that we both welcome the benefits of good regulation and reduce the costs of the bad. The RPC's first months' work show how it can help improve public policy by carefully scrutinising and highlighting any flawed analysis in how the costs or benefits of new rules stack up."

Matthew Goodman, Forum of Private Business: "Despite nearly two decades of better regulation initiatives, there is still a real need for independent scrutiny of the impact of regulation before it hits small businesses. The RPC's 'real time' analysis of costs and benefits is a real step forward in checking that a watertight case has been made for new regulation. That's what makes it so important that businesses work with them in assessing which draft regulations need further analysis. The Forum of Private Business welcomes these first signs of a practical and transparent check on bad regulation from the RPC."

Roger Salomone, Regulation Adviser, EEF “Independent scrutiny is a vital ingredient in keeping the policy-making process honest. The Regulatory Policy Committee can make a major contribution by challenging the assumptions and analyses behind new proposals.”

David Frost, Director General, British Chambers of Commerce: “It is vital that Government Departments take proper account of the burdens they place on business when designing regulation. The creation of the Regulatory Policy Committee adds independent scrutiny to the legislative process, and will highlight bad practice amongst policymakers. In the current economic climate, business needs every chance possible to create growth and jobs, and weeding out poor regulatory interventions will contribute to achieving this.”

5. The RPC's [terms of reference](#)

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