



RPC Corporate Plan for 2014-17

including key milestones for the coming year 2014-15

Introduction

Aims for 2014-15

- The coming year will test the Prime Minister's commitment "to be the first government in modern history to leave office having reduced the overall burden of regulation, rather than increasing it".
- The RPC will play its part, enabling Government departments and the Better Regulation Executive to demonstrate whether they have achieved this goal. In 2014-15, the RPC will:
 - **Validate the costs and savings to business and civil society organisations for all regulatory proposals submitted**, enabling the Government to produce a final validated and complete account of the impacts of regulatory changes for the end of the Parliament.
 - **Scrutinise the evidence base for all regulatory proposals submitted**, helping the Government by providing independent assurance that it has properly considered alternatives to new regulation and that it is minimising the effects of regulation on small business in particular.
 - **Publish its findings regularly to improve the quality of consultation on regulatory changes and ensure the transparency of regulatory reform.**

Aims for 2015-17

- The subsequent two years of this plan cover the start of the next Parliament.

The Small Business, Enterprise and Employment Bill was introduced to Parliament on 25 June 2014. It includes proposals that will, if enacted, place a future Government under an obligation to publish a target for the economic impacts of new regulation on business and voluntary and community bodies, and to report regularly on performance against that target. Under the proposals, information on impacts must be independently validated.

- **In the coming year, the RPC will contribute to the review of the framework that underpins “One-in, One-out” and “One-in, Two-out” to provide advice to the Government on options for improving the framework.** In particular, the RPC will look at ways that the Government might simplify the methodology, while ensuring that the estimated costs to business are as accurate as possible and provide incentives for departments to reduce regulatory burdens.
- **Once the new statutory framework is in place, the RPC stands ready to work with the Government** to continue to offer its expertise in providing independent validation of the costs and savings of regulatory changes.

The role of the RPC

The RPC is the independent body that:

- **Ensures the integrity of the regulatory system, through independent scrutiny of Government analysis and by bringing:**
 - **robustness to the process of introducing new regulation or removing existing regulation**, through ensuring there is a sound evidence base for regulatory change;
 - **credibility to the system**, providing assurance to stakeholders and the public on the Government's claims regarding changes in burdens on business and civil society; and
 - **greater transparency**, ensuring that there is a clear audit trail for the introduction of new regulation or the removal of existing regulations.
- **Improves quality of policy-making** through independent scrutiny of the analysis and evidence underpinning regulatory proposals.
- **Ensures an independent voice in debates on the regulatory system** by providing independent, expert challenge on the evidence supporting regulatory change.

Key RPC objectives for 2014-15

Objective 1

The RPC will assess the evidence base for all the Government's regulatory proposals submitted that affect business or civil society. This includes validating the remaining figures for the Government's "One-in, One-out" (OIOO) and "One-in, Two out" (OITO) accounts for this Parliament, provided these are submitted to the RPC by departments in good time.

Objective 2

The purpose of the RPC is to contribute to a culture 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. In 2014-15, the RPC will contribute to culture change in government regulation by:

- i. making it easier for business groups and civil society organisations to engage with the evidence base for new regulatory proposals, and
- ii. helping build capability across Whitehall in the use of evidence and analysis in regulatory policy-making.

Objective 3

RPC may undertake supporting actions on its own initiative to help improve the capability of Government in undertaking regulatory appraisal and evaluation. In 2014-15, the RPC will undertake supporting analysis to provide advice to the Government on how new statutory provisions for better regulation in the Small Business, Enterprise and the Employment Bill might operate in practice and how better regulation may develop in the future, through:

- i. contribution to the review of the better regulation methodology and framework; and
- ii. analysis of other features of the government regulatory programme beyond cost to business, for example, on the use of alternatives to regulation and the small and micro business assessment.

Objective 1: Effective scrutiny of all Government's regulatory proposals submitted that affect business or civil society, including validating the remaining figures for the Government's "One-in, One-out" and "One-in, Two-out" accounts for this Parliament

Rationale and desired outcome

- The final year of the Parliament will be a crucial test for the Prime Minister's ambition "to be the first government in modern history to leave office having reduced the overall burden of regulation, rather than increasing it". It will be key for the Government to test this claim by ensuring that all regulatory proposals are submitted to the RPC for validation before the final Statement of New Regulation.

Priorities and milestones for 2014-15

A. Enable validation of a complete regulatory account

- The RPC will help to ensure that there is a validated and complete regulatory account for this Parliament by providing an opinion on all submissions provided to us within the deadline for the ninth Statement of New Regulation (SNR).
- In doing so, the RPC will validate the costs and savings to business and civil society organisations for all regulatory proposals within scope of the "One-in, Two-out" rule.

B. Improve quality of regulatory proposals

- High quality analysis and evidence is essential to well-designed and effective policy-making. The RPC will provide expert, independent, and impartial advice on the quality of analysis and evidence supporting new regulatory and deregulatory proposals.

- Specifically, the RPC will continue to review all impact assessments (IA) submitted accompanying regulatory proposals. In doing so, the RPC will provide constructive comments on the quality of evidence and “fit for purpose” ratings. These are presented to Ministers prior to them making their decisions on new regulatory proposals, both at consultation and final stage. The RPC will also continue to review and validate measures submitted via the fast-track system for proposals that reduce the burden of regulation or impose less than £1 million of cost on business in any given year.
- The RPC will provide opinions on Post-Implementation Reviews (PIR) and promote use of robust and timely evidence in developing evaluations of regulatory measures. The RPC will promote and encourage early plans for monitoring the impact of the policies, which for example could be set out in the original impact assessment.

Performance metrics and success criteria

- The RPC will assess all regulatory proposals submitted by the agreed deadlines for the eighth and ninth Statements of New Regulation (July and December 2014 respectively).
- The RPC will ensure that it reviews regulatory proposals within agreed turnaround times whenever possible (10 days for fast-track confirmation and 30 days for impact assessments and validations).
- Improved engagement and collaboration with Whitehall departments, which will be reviewed regularly via a quarterly “customer satisfaction” survey.

Objective 2: The RPC will contribute to a cultural change in the Government's approach to better regulation by (i) making it easier for business groups and civil society organisations to engage with the evidence base for new regulatory proposals, and (ii) helping build capability across Whitehall in the use of evidence and analysis in regulatory policy-making

Rationale and desired outcome

- The RPC recognises that there is scope for greater engagement with external organisations to increase transparency in evidence-based policy development. Greater transparency of RPC processes and access to RPC opinions can improve stakeholders' understanding of the role of evidence-based policy making and enable sharing of best practice and "lessons learnt". The RPC would like to see external organisations and Parliamentarians using its opinions more widely in their own work, and would like to see greater awareness of its work in the media.
- Since the introduction of independent scrutiny of the evidence base for regulatory proposals, we have seen an overall improvement in the quality of impact assessments. However, in 2013 we saw a dip in quality with some 75% of first-time impact assessment submissions rated as fit for purpose, a reduction from 81% in 2012. This suggests that there is more work to do to improve the quality of impact assessments and scope for greater engagement with government departments to promote a culture change across Whitehall towards more evidence-based policy development.

Priorities and milestones for 2014-15

- i. To make it easier for business groups and civil society organisations to engage with the evidence base, the RPC will:**
 - Regularly publish opinions during consultation and work with the BRE to publish validated figures on costs to business. To promote a culture of best practice and enhance transparency, the RPC will also report on cases where the better regulation process was not followed in a satisfactory manner by departments.
 - Continue and expand the functionality of the RPC's website, so that it becomes a useful source and "go-to" place for quality information on the evidence base on all legislative proposals affecting business or civil society organisations.

Engagement with national stakeholders

- The RPC will develop a programme of activities to deepen and broaden its contact with business and civil society organisations. This will be done jointly with the BRE where appropriate. The RPC will look to develop stronger links with Parliamentarians.

Engagement with international organisations

- A significant proportion of the regulatory burden imposed on business originates from Brussels. The RPC will engage with the European institutions to influence the smart regulation agenda supporting a more transparent and robust impact assessment as part of the EU policy making process.
- The RPC will enhance its relationships with existing scrutiny bodies across Europe and discuss the value of independent scrutiny with interested authorities and business groups in other Member States (and internationally).
- The RPC believes smart regulation agenda could be improved by the independent scrutiny of all regulatory measures at the EU level and that the transparency of the decision-making process could be promoted by the more consistent and comprehensive use of impact assessment and analysis.

ii. **To help build capability across Whitehall in the use of evidence and analysis in regulatory policy-making, the RPC will:**

- Continue to foster open and constructive **working relationships with Better Regulation Units** in Whitehall departments;
- Work with BRE to offer **training, placements opportunities and department seminars** to improve capabilities;
- Collate **a series of case histories** and best practice to enable information to be shared on how the RPC deals with complex methodology issues; and
- Contribute to the development of the **Post-Implementation Review (PIR)** guidance and processes so that departments are aware how to provide high quality evidence-based evaluations, which are undertaken in a timely manner and which are based on dialogue with the relevant stakeholders and minimise any “optimism bias”.

Performance metrics and success criteria

- The RPC will seek regular feedback from Whitehall departments on their capability in the use of evidence and analysis in regulatory policy-making and their engagement with the RPC. This feedback will be collected via a quarterly “customer satisfaction survey”.
- By the end of 2014, the RPC will also seek one-off feedback from key stakeholders outside Government on the accessibility, usability and impact of RPC opinions with the intention to collect feedback more regularly.
- Greater use of RPC opinions by external stakeholders in their own public policy work and reference to RPC in public policy debates on new regulations and in the media. RPC will intend to monitor it via regular feedback from key external stakeholders.

Objective 3: The RPC will undertake supporting analysis to provide advice to Government on how new statutory provisions for better regulation in the Small Business, Enterprise and the Employment Bill might operate in practice

Rationale and desired outcome

- The Government is currently taking forward legislation that will place a requirement on the Secretary of State to publish a deregulation target for the Government's five-year Parliamentary term, and report annually on progress. This target will be supported by a set of rules set by the government of the day.
- As operational users of the methodology that currently supports the Government's better regulation framework, the RPC is uniquely placed to provide specific feedback on how the methodology and the framework could be improved in the future and how provisions in the Small Business, Enterprise and Employment Bill might operate in practice.

Priorities and milestones for 2014-15

- To achieve this, in the coming year, the RPC will:
 - i. **Provide advice to the Government on options for improving the better regulation framework.** In particular the RPC will advise on the ways in which the Government might simplify the methodology while ensuring that the estimated costs to business and civil society organisations reflect the real world impacts, and that the framework provides incentives for departments to reduce regulatory burdens on business and civil society organisations; and
 - ii. **Analyse other features of the government's regulatory programme beyond cost to business** so that we are well positioned to provide effective information to government and external stakeholders. For example, possible strands of work could include:
 - Impact on small and micro businesses;
 - Use of the alternatives to regulation;
 - Whether chosen policy options minimised the burden of cost on business and wider society; and
 - Costs of regulations outside the scope of "One-in, Two-out", including EU measures, fees and charges, and certain measures with specific policy goals, for example reducing financial systemic risk.

Performance metrics and success criteria

- By March 2015, the RPC will provide specific advice to the Government on the performance, transparency and functionality of the current framework.
- Where appropriate, the RPC will report on the key analytical findings in its next annual report.