

## Regulatory Policy Committee - meeting minutes

Monday 17 November 2014  
1 Victoria Street, London

**Present:** Michael Gibbons (Chair), Alexander Ehmann, Jeremy Mayhew, Ian Peters, Martin Traynor, David Parker, Sarah Veale, Ken Warwick; Secretariat.

**Apologies:** Scott McAusland (communications advisor)

**Also attending:** Stephen Hodgson (Better Regulation Executive), David Smy (Better Regulation Executive, item 3), David Campbell (Analysis team, Department for Business, Innovation & Skills, item 4), Tongtong Qian (Department of Health)

### 1. Minutes of the previous meeting, updates and matters arising

The Committee welcomed Peter Gambrell, Ewelina Slotwinska-Roslanowska , Sebastian Madej to the RPC secretariat and Tongtong Qian (observing).

There were no new declarations of potential conflicts of interests.

Members approved the minutes of the previous meeting. Action points will also be circulated to members in future months.

The Chair noted the strong performance by the RPC on turnaround times in October, which was especially pleasing given the high volumes of submissions.

The Committee observed a significant increase in the proportion of impact assessments being assessed as 'Fit for Purpose', but noted that these were the results from a single month and not necessarily a trend.

Members considered the issue of the underestimation of familiarisation costs in a discussion prompted by feedback from the Chairs meeting with Mike Cherry of the Federation of Small Businesses and in light of recent cases.

### 2. Methodology

Magda Barawas presented a short summary of the discussions that took place during the Methodology sub-group meeting on morning of 17 November. The topics included:

- the Working Time Directive RTA submitted by BIS;
- early implementation of EU measures – early implementation of EU regulation for periods under 12 months should be counted as 'gold-plating' and be scored as in scope of OITO, if the measure is permanent. Early implementation lasting fewer than 12 months is not the same as the measures being temporary; and

- foreign owned businesses – impacts of regulation should be scored based on where the activity and operation is conducted regardless of the location or nationality of ownership of the business.

The Committee discussed the principles of guiding the consideration of proposals containing both regulatory and deregulatory elements, as suggested in the methodology paper. They concluded that the principles appeared reasonable but that they should be tested against practical experience of past cases to ensure they are suitable.

Members agreed on the proposal to explore options to improve the clarity of opinions when discussing primary legislation containing enabling powers and the impacts of subsequent secondary legislation.

### **3. Ninth Statement of New Regulation (SNR 9) Better Regulation Executive (BRE) update**

Stephen Hodgson and David Smy introduced themselves to the Committee. Stephen explained the purpose of SNR 9 was to finalise the Government's regulatory account and provide a forward look for measures coming in in the next six months. They were seeking the Committee's views before providing advice to ministers on how the SNR should be presented.

### **4. Alternative Metrics/Framework Analysis –update**

David Campbell presented to the Committee a paper on alternative metrics. This included options for changes and an assessment of the oddities of the current system.

The Committee felt that the overview was excellent. Members expressed specific thoughts on options for simple metrics for the capturing of the impacts of regulation, including:

- there was not going to be a 'perfect' system;
- clarity on the objective – whilst the current system may not be perfect, would a complete overhaul bring the desired benefits;
- could the current metrics be amended to resolve the key issues, for example direct and indirect (adopt a 'common sense' approach based on agreed principles), and provide a more effective solution than a radical overhaul?
- alternatives for consideration should include, as a minimum, net present value, EANCB standardised over a fixed number of years, undiscounted costs and benefits, and costs and benefits plotted across the years they occur in; and
- there should not be a change to the methodology for calculating costs

to business, unless it can be clearly established that the change would be an improvement.

## **5. Annual Report**

Lisa Hughes presented the paper. The Committee discussed the topics for inclusion in the report.

The members debated the options for the time and venue for the launch with a preference expressed for an evening launch at Parliament.

## **6. AOB**

None raised.