

Regulatory Policy Committee - meeting minutes

Monday 16 February 2015

1 Victoria Street, London

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

Also attending: Graham Turnock (Better Regulation Executive), Liz Cooper (BRE), Frances MacLeod (DCMS, observer), Tom Ironside and Graham Wynn (British Retail Consortium, item 3)

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

The Chair welcomed new attendees – including two secondees to the RPC (Shelley King and Selena McGuinness), and Frances MacLeod (attending as an observer).

Subject to points of clarification members approved the minutes of the previous meeting.

The Chair provided an update on the appointments process. An announcement on new members was expected to take place in advance of the next committee meeting.

The Chair updated the Committee on a recent meeting with the European Parliament's Vice President Timmermans. The Chair and secretariat met with the vice president as part of RegWatch Europe to discuss better regulation. Achieving such an early meeting on the subject of better regulation was a significant achievement, with the Vice President showing interest in a number of key issues such as net targets for regulatory burdens. There was also interest in developing a better understanding of the lessons to be learned from the RPC's experience of applying a complex better regulation methodology.

Members discussed the IA survey and noted that there were some interesting findings that should be used to prompt more detailed feedback to departments. While a single quarter's data only provided a snapshot it would be important to explore any emerging trends, for example in relation to any understanding of how the RPC develops views and ensures consistency. In particular the committee were interested to see how the proportions agreeing or disagreeing with RPC comments changed over time.

No new entries on the register of interests were declared.

2. Methodology

The secretariat presented a summary of the meeting that took place during the morning of 16 February.

There was a significant debate regarding the principles relating to the treatment of EU directives that require action by domestic regulators whose actions are currently outside the scope of RPC scrutiny. Members felt that there is a lack of clarity regarding the requirements for the assessment of the net costs or benefits of EU proposals that require regulators to achieve objectives, but where government does not specify further, or place additional requirements on how they're achieved.

There was also significant discussion on the treatment of international agreements. The Better Regulation Framework Manual sets out that these should be considered in the same way as EU measures. The Committee had two main concerns regarding how this works in practice:

- The assessment of EU measures is against a baseline of no new regulation. It is however unclear whether the correct baseline for international agreements should be against the assumption that others do adopt (which may overstate the benefits) or against the baseline of no one adopting the proposal (which would seem unrealistic)
- The principled reason for excluding EU proposals from scope is that the government lacks discretion regarding their implementation, yet most international treaties and agreements are entered into voluntarily. This would appear to be undermine the argument for international agreements to be considered out of scope.

3. British Retail Consortium

The Chair welcomed Tom Ironside and Graham Wynn to the meeting. The BRC presentation introduced their work and some general recommendations, including support for the work of the RPC, BRE and BRDO. In discussing ideal outcomes for the next parliament, the BRC felt that there should be:

- greater focus on sectoral analysis, including assessments of the costs and benefits of regulation by sector as the current overall figures may hide an unevenness in the benefits;
- a central government location of the better regulation machinery, as BRE could have more impact if located within the Cabinet Office;
- a more powerful RPC, with the ability to block regulation; and
- more assessment of the costs of private enforcement as it becomes increasingly outsourced.

4. Annual Report

Members felt that the substantive issues discussed previously had been addressed in the drafting. The foreword was recognised as being an early draft that needed further work on the tone and content. Members requested a couple of clarifications to the proposed timeline, and some minor drafting changes.

How the difference between validated equivalent annual net costs and benefits (EANCBS) and other assessments of the costs of benefits for “out of scope” measures’ impacts are discussed and presented in the report was signed off.

5. Framework Review and RPC processes review

The secretariat provided feedback on the initial phase of the BRE framework review. Members highlighted that the work to date had been very focussed on Whitehall, and the next stages and any RPC input should look to ensure that wider views from external stakeholders are also given adequate consideration. Members felt more could be done to assess whether any proposed changes were likely to shift the focus of the framework, and whether it would result in trade-offs between the benefits for businesses and Whitehall. Members also wanted to ensure that the committee could input into the review projects, and that there should be a presumption that changes should be based on clear evidence of improved benefits and with a default of simplifying where possible.

Members expressed concern regarding the proposal for establishing an appeal body, highlighting that if any process was not also independent of government that it is likely to be viewed externally as an attempt to constrict independent scrutiny.

The RPC processes review was introduced by the secretariat. The project will evaluate and assess the work of the RPC to ensure that the internal processes are designed in a way that adds the best value for key RPC customers. This will help ensure that the organisation continues to provide value for money and operates efficiently, as well as being well placed to respond to any recommendations from the framework review.

The secretariat will return to the committee with the outcomes of the initial information gathering phase of the work and to seek advice on the approach to take (including specific questions) for stakeholders/customers.

6. AOB

Future committee meeting dates will be circulated to members.

Frances MacLeod provided some feedback as an observer of the meeting, and as having had experience as the independent assessor on the interview panel. The Chair explained that the purpose of the observation and feedback was for someone familiar with the work of the RPC to be able to provide thoughts and evidence on how Committee meetings could be improved.

Next committee meeting 16th March 2015.