

Attendees

Chairman

Michael Gibbons

RPC Secretariat

Head of Secretariat

Committee Members

Alex Ehmann

Jeremy Mayhew

Martin Traynor

Sarah Veale

Ken Warwick

Nicole Kar (Teleconference)

Jonathan Cave (Apologies)

Better Regulation Executive (BRE) officials

1. Matters arising

Minutes of April Committee meeting

- Minutes of the April meeting were agreed subject to minor changes:
 - Paragraph 10 bullet point 1 – sentence to be toned down
 - Paragraph 18 bullet point 1 – Clarification provided on storyline for Performance Report
 - Paragraph 21. A factual correction was made to the minutes that the Chair met with the Head of Economics of CBI rather than as stated the Head of CBI.

All the above changes were made in the April minutes

Matters arising

- No member declared any conflicts of interests or changes to conflicts of interests.

2. Impact on RPC as a result of Parliament being dissolved

- The Director of BRE outlined the standard processes which apply during the time between an election being called and the appointment of a new Government (known as Purdah). During this time, Ministers continue with the daily business of Government but should not make substantive policy decisions. Civil servants must not do anything that will impact on the future Government and may not discuss any policy issues or policy development with anyone outside of the Civil Service. This means that BRE and the RPC secretariat cannot share policy thinking with the committee, though they may (and will) seek the advice of the Committee.
- The appointment of the RPC as the IVB is separate from its broader administrative role on policy quality-assurance. The IVB role lasts for the lifetime of the relevant Parliament, and therefore comes to an end on 8 June. Ministers must announce the new BIT and the appointment of the new IVB within the first year of the new Parliament, or initiate primary legislation if they choose to alter the SBEE act.
- Although its role as IVB formally comes to an end, the work of the RPC is not yet complete. The overwhelming view of the committee was that the RPC should finish its work for this Parliament and issue its final report. If there were measures that had not been validated by the 9 June,

then BRE should approach the new Ministers with a view to a temporary extension of the RPC as IVB. BRE noted that they had also considered this point, but had concluded that any such decision must be made by Ministers. However, **BRE to provide RPC with written confirmation as to the arrangements regarding the finalisation of RPC IVB work and interim arrangements before the announcement of the new IVB. Action BRE**

6. BRE said that although they cannot discuss policy they would welcome the Committee's thoughts around the future framework and BIT target/metrics as the RPC has built up considerable knowledge and experience in this space. They hoped that the election would provide an opportunity to comprehensively redesign the system and get it right. There were difficulties in explaining the current system to the man on the street (for example, the rationale for the BIT calculation, and the approach to what counts as a business). BRE noted that reducing the cost to business is only one component of what a government wants to do as part of better policy making. The objectives of a new BIT framework would need to be determined.
7. The committee welcomed the offer from BRE. Several comments were made by committee members:
 - They welcomed an approach which considered wider impacts to society such as the NPV, but were cautious in that there could be considerable benefits to society but these could have an adverse impact on business. However, it was felt that a properly calculated NPV was definitely better for policy making.
 - Some felt a new framework should start with the objective of reducing the burden on business.
 - Others felt that the framework should be designed such that societal NPV is the ultimate objective of policy making, but with a constraint on the amount of regulatory cost that could be imposed on business
 - Some sought a clearer definition of what constitutes a business and a more consistent approach, especially around public sector organisations. They felt the fact that RPC does not validate impacts on the public sector at present does not imply that it is not important.
 - They pressed for simplification of the methodology, and a proportionate system which focuses on key measures, rather than dealing with many small regulator cases which disproportionately consume RPC resource. Over time changes have been made to the process, and this has made it unwieldy and complex to operate at times.
 - They argued that the RPC would be strengthened and made more independent if it was put on a statutory basis like the Office of Tax Simplification. Many stakeholders (especially business groups) support a statutory role for the RPC
 - They argued for a broad and balanced consideration of the views of the stakeholders, noting that in addition to businesses the views of civil society and charities should be considered. It was also important not to forget the Whitehall stakeholders such as government departments and regulators.
 - They felt strongly that regulatory changes arising from Brexit should be reviewed and validated by the IVB, and suggested considering whether there should be a separate account for Brexit-related measures.

It was agreed that the committee would provide BRE with a written statement on the suggested future framework and metrics by June. **Action RPC: HofS**

3. Timing of BRE and RPC reports

8. BRE stated that the existing BIT approach was designed for a five year fixed Parliament. Because of the election, the second BIT annual now report becomes the last one. To meet its statutory obligation to publish a report before the end of the Parliament, BRE has published an interim report covering measures which had been validated at the time of the election announcement. As a result they have not come up with headline statements or figures, but will need to do so when the final report is published. The Chair queried whether there was an interim BIT adjusted target for the two years of this Parliament based on BIT validations being multiplied by five for the life of an expected 5 year Parliamentary term when the current BIT was announced. BRE said that this will have to feature in the final report, but is not stated in the interim report.
9. The Chair said that the RPC intends to fulfil its obligations by completing any submissions still outstanding and publishing its own report as soon as possible. Therefore, a letter setting out interim arrangements for the role of the RPC was required (this was mentioned earlier in the minutes where it was agreed that BRE would provide written confirmation).
10. One committee member stated that he was uncomfortable with “settling the account” with a successor administration. It is appropriate (in terms of scrutiny terms) for the government to be judged according to its record, which is not possible if the BIT report and RPC commentary appears after the election. The Head of Secretariat said that the RPC could have published an interim report like BRE, but this would have been incomplete, as many measures had not yet been validated. It would have added relatively little value. The Chairman concluded by saying the RPC would not want to do that and would prefer to do a proper job once all the submissions had been received. There was some discussion of resourcing needs for this work.

4. RPC Draft Corporate and BIT Reports

11. A draft outline of the RPC Corporate and BIT reports was presented to the committee stating that both were at an early stage of development and that the committee’s steer on the broad themes and structure were sought. These would then be developed into a more finished product and sent to the committee for its further comments and agreement.

Corporate report

12. The following comments were given by the committee on the Corporate Report:
 - It should be a forward looking document that discusses the shape of future policy scrutiny that RPC would like to see emerge.
 - It needs a strong story line and good headlines backed up by solid data
 - The structure needs some revision; at present the vision and role of the RPC is at the back of the document, and the description of our role should start with the broader role of the RPC rather than as the IVB
 - The Secretariat should separate the objectives from the corporate report or re-order the report, and alter the table of commitments to set out clearly what we have achieved
- There was some discussion of whether we should present two reports or one; given the likelihood that the BIT report would run later than planned. It was agreed that the Corporate Report should satisfy RPC requirements as an NDPB and only have high level messages about the record over the Parliament with the RPC BIT report going into more detail coming after the publication of the BRE BIT. **Action: The Secretariat (GM, HP) agreed to produce a summary of key messages at a strategic level within the next week, for the Committee to review by**

correspondence. A near-final draft would be presented at the June meeting, building on that feedback.

BIT Report

13. The committee were informed that this was a report for the whole of the Parliament. It looks at both qualifying and non-qualifying. The committee made the following comments:
- The Government agreed to a £10 billion BIT and the Business committee will be expecting to see some commentary on this.
 - We should include commentary on the changing regulatory landscape, and the possible future role for the IVB.

5. Updates of Meeting with Stakeholders

Regwatch

14. The Portuguese have now applied to join Regwatch Europe. The French could be offered associate membership. The German view was that post the French election it could be a different matter. There was also some discussion of the paper.
15. UK is hosting the Regwatch for 2017. Further reports of the key outcomes will be given in future committee meetings

OECD meeting and RPC intervention

16. KW felt that the RPC's intervention at the OECD meeting had been well received. The OECD is launching a survey on the role of regulatory oversight bodies in member countries and the OECD meeting had been a good opportunity for the UK to shape the OECD's research study, as well as informing other OECD member countries about the role of the RPC and RegWatch. The OECD work would be useful in emphasising the benefits of independent scrutiny and might produce insights that would help inform the design of the better regulation framework in the UK

5. A.O.B

17. There was no other business. The Committee asked for a summary of actions within the week, before the main minutes were produced, and the Secretariat promised to provide one.