

Attendees

Chairman

Michael Gibbons

RPC Secretariat

Hiroko Plant, Head of Secretariat
Secretariat

Committee Members

Jonathan Cave

Alex Ehmann

Nicole Kar

Jeremy Mayhew

Martin Traynor

Sarah Veale

Ken Warwick

Better Regulation Executive (BRE) officials

Chris Carr

BRE officials

Hugh Robertson **TUC representative**

1. Matters arising

Minutes of June Committee meeting

1. Minutes of the June meeting were agreed subject to replacing paragraph 23 with the following.

- The Chair clarified that the RPC's letter made to BRE regarding the committees' reluctance to score corrections to previous mistakes in the current account, particularly if there had been no actual impact on business, had received a response. The conclusion was that such issues would be made transparent in BRE's BIT reporting.

Matters arising

2. The following declarations on conflicts of interest were made:

- The Chair stated that he no longer had a conflict of interest on carbon capture and storage as he had now resigned as Chairman of the Carbon Capture Storage Association.
- One member (KW) informed the committee that he is due to sign a contract to undertake an economic assessment of a new protocol to the Capetown Convention on International Interest in Mobile Equipment. The RPC had given an opinion on an earlier protocol, on aircraft. Therefore, he said that he should be excluded from any future IAs on Capetown convention-related matters.

These will be recorded on the register of interests and necessary action taken to avoid any conflicts of interests. **Action: RPC Secretariat.**

2. Update to Committee on interim arrangement, Business Impact Target (BIT) and the Independent Verification Body (IVB)

3. The Director of BRE informed the committee that BRE's submission on interim arrangements and draft write-round letter was sent to the Minister for Better Regulation and Regulatory Reform on Friday 7 July. The letter had gone through a number of iterations and the committee

had the penultimate version. BRE would provide the committee with the final version. (**Action BRE (CC)**) [Copy of submission provided to RPC 11 July 2017].

4. The Chair thanked the departing BRE Director for his summary and hoped that he would take on the views of the Committee as the BIT is further developed. He also thanked the BRE Director for the effective working relationship he had had with the RPC over the last few months and in particular for his honesty, and wished him all the best for the future in his new role.

3. Why the TUC support better regulations

5. The TUC representative explained TUC's general approach to regulation. They welcomed better regulation and would like to see the burden on business and society reduced and to have a level playing field between businesses. He argued that the TUC's approach was not ideological, but evidence-based, and set out some specific points that the TUC felt were important in this context.
 - The TUC dispute the claim by government that the overall burden of regulation had really been reduced. In March 2016 a new package of Red Tape Challenge (RTC) reductions were announced, in which the government claimed that previous initiatives had saved business £2.7 billion. This is disputed by the TUC on the ground that 90% of the claimed savings came from 2 EU banking and financial regulations.
 - The suggestion that deregulation is a positive thing was based on a political dogma rather than evidence. It had not led to any actual benefits to business.
 - The effect of continued deregulation would be worse conditions for the poor and vulnerable with exploitive employment practices and more deaths and injuries through reducing H&S standards.
 - That better regulated countries perform better economically.
6. The Chair thanked the TUC rep and opened the discussions to the committee. The following comments were made by the members:
 - Do not share the views on RTC. The coalition government abolished over 3000 regulations. Red tape is regarded as a significant constraint by business, being rated as the third most significant constraint on growth in the Business Perception Survey (MT).
 - The purpose of regulation is to help society work together; often the real benefit is the change in behaviour brought about by regulation. The direction of regulatory policy can – and should - change following the Grenfell Tower incident; it is less about deregulation and more about better regulation. Also, change in the economic environment, such as the development of the gig economy; have brought about new challenges, with new types of labour relations, and business regulations, which the existing regulatory environment has to meet (JC).
 - Agreed that protection of the vulnerable is one purpose of regulation, but not the only purpose (JM).
 - The attitude to the same regulation may vary even between different businesses. Some regulations may be supported by incumbents because it can protect them from competition from new entrants (MT).
 - Disagreed that more regulated countries have a stronger economy; in fact the evidence is to the contrary (KW).
 - The Chair said that the presentation highlighted some significant changes; changes in attitude to regulations, changes in targets and the approach to quantification and questioned what the TUC proposed as incentives to better regulation.

7. In his response, the TUC representative said that improvements were needed in the ways that regulators and departments undertook post implementation reviews, which could help formulate a strategy for future regulation. The RTC should not be about what we can get rid of, but more about how we can improve things, how you can make regulation better and more effective. In conclusion, he said that he would like the committee to consider that economic growth might not be driven by deregulation, as regulations in many sectors, such as gambling and hospitality, had created jobs.

4. Draft Corporate Report

8. A near final version of the draft Corporate Report was presented to the committee. The committee were asked to provide comments, so that the final version could be submitted to the Minister for his approval in time to be laid in the House. The main overarching comments made were:
 - Need to pull out the conclusions more clearly
 - Enhance stakeholder engagement and refer to the RPC chairing RegWatch in 2017.
 - Some recommendations need sharpening and wording needs clarifying; for instance, the RPC can encourage departments to do certain things, but cannot ensure that those things happen.
9. The committee agreed to provide comments to the secretariat quickly to ensure that it could be published within the agreed timescale, and three Committee members (SV, MG and JC) agreed to take responsibility for finalising the draft. **Action: Committee to provide comments and RPC to publish Corporate Report.** [Since the meeting the committee have provided their responses and the report was finalised, laid in the house on 18th July and published on 19 July 2017.]

5. BIT Report

10. The secretariat (FB) presented the initial key messages of the BIT report which is to be published in October. The committee was asked to provide comments to enable the Secretariat to develop the report.
11. The Secretariat agreed to take the comments on board and provide the Committee with a draft BIT report for its comments. **Action: Secretariat**

6. Risk Register

12. The committee lead on risk (JM) presented the risk register (RR). He said that the RR had not been considered by the committee since February, and he had received a request from the secretariat whether it could be rescheduled to the next committee meeting due to the full agenda. He said that he felt strongly in the light of recent political developments, which had impacted on the RPC, that it was important to have the RR reviewed soon by the committee, and indeed that a fast-moving political climate with a full agenda was an indication that the RR

needed to be taken seriously. He said the RR as presented needed a number of changes. These were:

- Risk 1 and 4 were less likely than we had thought previously and risk 1 needed to be taken off in its current form. The highest risk to the RPC and should be the first risk on the register is that the RPC is not re-appointed as the IVB.
- Risks 5 and 6 were greater previously, but do not reflect the current change in mood and these should be higher up the register.
- The area of the RR that needs most work is the mitigation, in other words what do we do now.

The committee lead said that he would like to receive a significantly revised RR for his comments in early August which is then circulated to the committee and that it should be on the agenda for the next committee meeting in September. **Action Secretariat**

7. Any other Business

13. None.



Role of regulation -
TUC view.pdf