



Department for
Business, Energy
& Industrial Strategy

Regulatory Policy
Committee

Framework Document

2019

BRE
BETTER
REGULATION
EXECUTIVE

 Regulatory Policy
Committee

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Regulatory Policy Committee

FRAMEWORK DOCUMENT 2019

BEIS is implementing, a model of engagement that works consistently for every Partner Organisation – regardless of function, size, type, spend and degree of autonomy – while flexing to their individual needs. The model is based on improving engagement, promoting assurance, strengthening alignment and fostering talent. This Framework Document has been designed with this in mind.

Introduction

1.1 This Framework Document has been drawn up by the Better Regulation Executive (BRE) for the Department for Business, Energy and Industrial Strategy (BEIS) in consultation with the Regulatory Policy Committee (RPC) (10, Victoria Street, London, SW1H 2NN). This document sets out the broad framework within which the RPC operates as an advisory Non-Departmental Public Body (NDPB) of BEIS, and the relationship it has with BRE as the sponsor for the RPC.

1.2 This document does not confer any legal powers or responsibilities. It is signed and dated by the RPC Chair and the Secretary of State for Business, Energy and Industrial Strategy. Copies of this document and any subsequent amendments will be made available to members of the public on the www.gov.uk website.

Purpose of the Regulatory Policy Committee

2.1 The RPC has a vital role to play in helping to deliver the Government's better regulation priorities for the 2017-22 Parliament by promoting efficient regulation and providing transparency and accountability on the impacts of government regulation on business.

2.2 In its core duty the RPC offers an independent view of the overall quality of analysis underpinning regulatory decisions. The RPC brings credibility to government's important regulatory decisions and assurance to stakeholders. In its statutory role as the independent verification body for the business impact target, it validates the assessed impacts on business and civil society organisations and supports the Government's commitment to be accountable and transparent about the impact of regulation on business and civil society groups.

2.3 As a centre of excellence, the RPC provides expert advice on the quality of analysis and evidence used by departments and regulators in their assessments of

economic impacts on business from regulatory interventions, and post-implementation reviews. Through effective early engagement with departments, the RPC plays a key role in improving the evidence used to support ministerial decision making. The RPC also provides, by mutual agreement, advice to government on its wider better regulation agenda including links with the industrial strategy.

2.4 BRE is responsible for advising ministers on the development of the better regulation system. It is also the sponsor team within BEIS for the RPC. The work of both organisations contributes directly to the Government's overarching aim to make Britain the best place in the world to start and grow a business.

2.5 The Secretary of State has decided that, subject to 2.1, the RPC should:

- take a proportionate approach in delivering all of its functions;
- act independently on individual regulatory proposals, operating within the better regulation policy framework set by ministers and collectively agreed by Cabinet. Ministers may agree changes to the better regulation policy framework or to the principal s for the methodology that will impact on how the RPC undertakes its role. The RPC will receive written advice and guidance where this applies;
- explore how its experience and oversight can help it be a centre of excellence for appraisal and analysis of regulation.

Additional role as independent verification body

2.6 Under Section 25 of the Small Business, Enterprise and Employment Act 2015 (SBEE Act), the RPC has been appointed for the 2017 - 2022 Parliament as the independent verification body that verifies assessments of economic impact and lists of regulatory provisions in reports on the business impact target (BIT) published by the Secretary of State, in addition to its core role set out in 2.2.

The RPC delivers its verification function through the publication of opinions on assessments of economic impact of each qualifying regulatory provision included in the government's annual reports on the BIT, and in an annual statement confirming that the impacts of all the measures published in the Government's reports have been accurately recorded. The RPC's statutory functions are to verify:

- assessments of economic impact of each of the qualifying regulatory provisions that have come into force, or cease to be in force, during the reporting period; and
- all the non-qualifying regulatory provisions listed in each report.

and to publish a statement recording any such verifications.

2.7 In addition to the statutory functions set out in paragraph 2.6, the Secretary of State may ask, and confirm in writing, the RPC to undertake non-statutory functions in respect of the purposes in paragraph 2.1.

2.8 To help improve the capability of departments and regulators in undertaking regulatory appraisals and evaluation, the RPC can engage with departments on its own initiative.

Partnership principles between BEIS and the RPC

3.1 The Secretary of State agrees the RPC's corporate and business plan, including objectives and key performance indicators (KPIs). Communications between the RPC and responsible ministers should normally be through the Chair, who will ensure that members of both the Committee and the Secretariat are kept informed of such communications.

3.2 The SBEE Act requires that the appointed independent verification body for the business impact target which, for the 2017-2022 Parliament, is the RPC, must be, in the opinion of the SoS, independent of the SoS.

3.3 The RPC will respect the prerogative of ministers in:

- determining the Government's objectives and policy for better regulation, and the better regulation framework to deliver those objectives; and
- setting the Government's policy objectives and deciding between policy options for individual measures.

3.4 For the RPC to perform its functions efficiently and effectively, close working with the Government is necessary in some areas, particularly in respect of co-ordination, clear lines of accountability and information exchange, while retaining the RPC's independence. Annex 2 'BRE – RPC ways of working' sets out the respective roles of each body and how they will work together.

How the RPC operates:

4.1 The RPC will deliver its statutory and non-statutory functions by:

- a. operating an effective, consistent, proportionate and timely system for its scrutiny and verification activities, having regard to guidance on the priorities and objectives agreed with ministers;
- b. The RPC will provide government with insights on the operation of the better regulation framework, gained through its scrutiny function, and how well this meets ministers' stated better regulation policy intentions but may not comment publicly on any other aspect of government policy. This protects the

independence of the RPC and ensures clear separation between the scrutiny of analysis and evidence (which is the role of the RPC) and policy making and setting the better regulation policy framework (which is the responsibility of ministers);

- c. providing a transparent account of its scrutiny work while also respecting the confidentiality that may be associated with individual departmental and regulator proposals and government policy making;

- d. working to clear quality standards, sharing good practice; and

in performing its functions, the RPC will also:

- a. apply better regulation guidance as defined by the BRE and relevant government guidance including the HMT Green Book and the Better Regulation Framework Guidance, and the need for co-ordination of activities to ensure effective and efficient operation of the better regulation framework;

- b. engage with stakeholders – including business, business representative bodies, voluntary and community bodies, regulators, Parliament, European counterparts and other interested parties – to:
 - share knowledge and experience of independent scrutiny;

 - improve the quality of analysis and evidence in impact assessments; and

 - build and maintain the RPC's understanding of issues affecting different business sectors.

4.2 Ministers may ask the RPC's views on other areas of related better regulation policy.

Governance and accountability

RPC's legal duties

5.1 In addition to its non-statutory functions, the RPC's statutory duties are conferred by virtue of its appointment as the independent verification body under Section 25 of the SBEE Act. In this role, the RPC provides independent, expert advice on assessments of the economic impacts on business, voluntary or community bodies arising from regulatory change.

5.2 The RPC is a partner organisation of BEIS and is accountable to Parliament through the Permanent Secretary and to the Secretary of State for BEIS for the analysis it uses and through the Department's Principal Accounting Officer for the way it uses public funds.

Regulatory Policy Committee and its secretariat

The Committee

6.1 The committee is comprised of a chair and other members (collectively 'the RPC').

The secretariat

6.2 The RPC is supported by a secretariat which is comprised of civil servants. In line with the *Civil Service Management Code*, the head of the secretariat has responsibility for the recruitment of the secretariat staff, following recruitment policies and processes agreed with the department.

6.3 The levels of secretariat support are agreed between the RPC and BRE as its sponsor directorate and the BEIS Principal Accounting Officer (the Permanent Secretary).

Public appointments

7.3 For all public appointments, the 'Governance Code' must be adhered to. BEIS is responsible for managing the process of making public appointments to RPC in an efficient and effective manner.

7.4 BEIS will advise the Secretary of State on all public appointments to RPC and will manage the process of making such appointments in accordance with the Governance Code. This includes advice on role specifications, remuneration, and the composition of recruitment panels.

7.5 BEIS will work with RPC and BRE on the public appointments process in a timely, efficient and effective manner. This includes taking into consideration advice and recommendations from BRE when seeking ministerial and cross-government approvals.

7.6 Committee members of the RPC are appointed by the Secretary of State in consultation with the Chair of the RPC.

7.8 No individual should serve more than two terms or serve in any one post for more than ten years apart from in exceptional circumstances where Ministers may decide an individual's skills and expertise is needed beyond this tenure. Such exceptional reappointments/extension should be notified by BEIS to the Commissioner for Public Appointments ahead of announcement.

7.9 BEIS will provide advice to RPC and BRE on relevant guidance or regulations issued by BEIS or wider government relating to remuneration, including pay, pensions and expenses.

7.10 BRE will provide advice and recommendations to BEIS on remuneration for ministerial appointees including expense arrangements. This advice will detail the way in which such expense arrangements are in line with 'Managing Public Money' requirements on the handling of public funds.

Roles and responsibilities

8.1 The roles and responsibilities of the main stakeholders are set out below:

BEIS accountability for RPC

8.2 The Secretary of State for BEIS accounts for the RPC's performance, effectiveness and efficiency in Parliament. He or she is not responsible for the content of the reports the RPC produces in performing its duties.

8.3 The Secretary of State's responsibilities include:

- setting the RPC's strategic objectives and the policy and performance framework within which the RPC will operate (as set out in this framework document and the Better Regulation Framework Guidance) and;
- keeping Parliament informed about the RPC's performance.

8.4 The Secretary of State will appoint the Chair and committee members, taking account of the views of the Prime Minister. For committee members, the Secretary of State will consult the RPC Chair.

8.5 The Secretary of State may delegate some or all of his responsibilities to the BEIS minister whose responsibilities include deregulation and regulatory reform.

8.6 The responsible minister will meet the committee Chair formally at least once a year to discuss the RPC's performance, its current and future activities and any policy developments relevant to those activities.

BEIS Principal Accounting Officer responsibilities

8.7 BEIS has not designated an accounting officer (AO) for the RPC. The accountability to Parliament from the policy side rests with the minister; and on resources, with the departmental Permanent Secretary, who acts as Principal Accounting Officer.

BEIS accounting officer's specific accountabilities and responsibilities as Principal Accounting Officer (PAO):

- the Principal Accounting Officer of BEIS is the RPC's Accounting Officer. (The respective responsibilities of the PAO and accounting officers for the RPCs are set out in Chapter 3 of *Managing Public Money* which is sent separately to the accounting officer on appointment); and
- the PAO is accountable to Parliament for the funding the RPC receives as delegated by BEIS. The PAO is also responsible for advising the responsible minister.

8.8 The Permanent Secretary, as the Department's Principal Accounting Officer (PAO), is responsible for the overall organisation, management and staffing of BEIS and for ensuring that there is a high standard of financial management in the Department as a whole. The Principal Accounting Officer is accountable to Parliament for the issue of funding to the RPC. The RPC is funded from the Department's resource and capital under the Departmental expenditure limits. The allocation of funding will be held within the Department.

8.9 In particular the Principal Accounting Officer of BEIS shall ensure that:

- the RPC's strategic aims and objectives are appropriate given BEIS' wider strategic aims and RPC's independence;
- the financial and other management controls applied by BEIS to the RPC are appropriate and sufficient to safeguard public funds and that the RPC's compliance with these controls is effectively monitored;
- the internal controls applied by the RPC conform to the requirements of regularity, propriety and good financial management;
- the RPC is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*;

- arrangements are in place in order to monitor the RPC's activities and address significant problems, making such interventions as are judged necessary;
- the RPC is informed of relevant better regulation policy in a timely manner; and
- in the case of serious concerns about the activities of the RPC, to bring these to the full committee, requiring explanations and assurances that appropriate action has been taken.

Responsibility for accounting to Parliament

8.10 The Permanent Secretary as the RPC's accounting officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the RPC.

8.11 The accountabilities include:

- signing the BEIS core accounts of and ensuring that proper records are kept relating to the RPC accounts, as part of BRE's core, and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- ensuring that effective procedures for handling complaints about the RPC are established and made widely known within the RPC;
- preparing and signing a governance statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in an annual report and accounts;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by BEIS (BRE), the Treasury and the Cabinet Office;
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the RPC's stewardship of public funds.

The committee

9.1 The RPC consists of experts from various backgrounds, including business, academia professional and economists. Their knowledge and experience allow them

to fulfil their advisory role in scrutinising the analysis and evidence supporting regulatory proposals made by government departments in line with current better regulation guidance.

9.2 The committee has a corporate responsibility for ensuring it fulfil the aims and objectives set by the Secretary of State and for promoting the efficient and effective use of staff and other resources by the RPC. The committee should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

9.3 The committee is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of the RPC, consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
- ensuring that the Secretary of State and the BEIS minister responsible for better regulation policy are kept informed of any developments that are likely to impact on the strategic direction of the RPC or on the attainability of its targets and KPIs, and determining the steps needed to deal with such developments; and
- ensuring that any statutory or non-statutory requirements for the use of public funds are complied with, that the committee operates within the limits of its statutory authority and any delegated authority agreed with the department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the committee takes into account guidance issues by the Department.

The Chair's responsibilities

10.1 The Chair of the RPC is responsible to the Secretary of State. The Chair is responsible for ensuring that policies and actions support the responsible minister's and where relevant other ministers' wider strategic policies and that its affairs are conducted with probity.

10.2 The Chair ensures committee members fulfils the aims and objectives of the RPC as set by the Secretary of State in points 2.1 to 2.7.

10.3 In addition, the Chair has the following leadership responsibilities;

- Formulating the committee's strategy;
- Carrying out the functions as stated in the remit letter and other correspondence from the Secretary of State and responsible minister;

- Ensuring that the committee, in reaching decisions, takes proper account of the guidance provided by the responsible minister or the Department and does not go beyond its remit;
- Promoting the efficient and effective use of staff and other resources;
- Delivering high standards of regularity and propriety;
- Representing the work and views of the committee to external stakeholders as described in point 11.1 – 11.3 below, to support understanding of its independent scrutiny functions.

10.4 The chair also has an obligation to ensure that:

- the work of the committee and its members is reviewed and is operating effectively;
- when committee vacancies arise, the responsible minister is advised of the RPC's needs and, in particular, ensure that the committee has a balance of skills appropriate to discharge the RPC's functions, as set out in *the Government Code of Good Practice for Corporate Governance*;
- committee members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she together with the other board members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public-sector practice;
- the responsible minister is advised of RPC's needs when board vacancies arise;
- he or she provides advice on the performance of individual board members when being considered for reappointment;
- the RPC plans to use its resources on an affordable and sustainable path, within agreed limits;
- he or she assesses the performance of individual committee members on an annual basis and when being considered for re-appointment; and
- there is a code of practice for committee members in place, consistent with the Cabinet Office *Code of Conduct for Board Members of Public Bodies*.

Committee members' individual responsibilities

11.1 Individual committee members should:

- comply at all times with the *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflict of interest;
- comply with BEIS and HMG information security policy;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Cabinet Office and committee's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in accordance with the RPC's purpose and functions.

Head of the RPC secretariat responsibilities

11.2 In support of the committee and BEIS, the head of the secretariat shall:

11.3 Responsibilities to the BRE

- establish, in agreement with the Secretary of State, the RPC and the BRE, the RPC's corporate and business plans in the light of BEIS's wider strategic aims and agreed priorities, and ensure that these are published in a timely manner;
- inform BEIS through BRE of progress in helping to achieve BEIS's objectives and in demonstrating how resources are being used to achieve those objectives;
- ensure that timely forecasts and monitoring information on performance KPIs and finance are provided to BEIS through BRE; BEIS is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the BRE in a timely fashion; and
- bring to the attention of BRE and BEIS' Principal Accounting Officer any instruction or contemplated course of action by ministers that is inconsistent with the RPC's agreed role and remit or that does not measure up the

standards set out in Box 3.1 of *Managing Public Money*, so that it can be resolved appropriately through the agreed BRE – RPC escalation process (see Figure 1).

11.4 Responsibilities to the committee

- Advise the committee on the discharge of their responsibilities as set out in this framework document and in the relevant instructions and guidance that may be issued from time to time;
- Advise the committee on the RPC's performance compared with its aims and objectives;
- Ensure that financial considerations are taken fully into account by the committee at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- Provide the committee with operational assurances and escalate risks appropriately;
- Take action as set out in paragraphs 3.8.6 of *Managing Public Money* if the committee, or its chair, is contemplating a course of action involving a transaction, which the head of the RPC secretariat considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical;
- be in charge of staffing arrangements: see below point 31.1- 33.2; and
- the Head of the Secretariat will ensure the Secretariat complies with all relevant information security policy and legislation. The Head of Secretariat will also aim to ensure that information security policy is followed by the Chair and committee members and will raise concerns if required

Annual report, accounts and audit

Annual report

12.1 The RPC must publish an annual report of its activities. The annual report must outline the RPC's main activities and performance, including against KPIs agreed by the Secretary of State, during the previous year and set out, in summary form, in forward plans. A draft of each report should be submitted to BRE at least two weeks before the proposed publication date. RPC accounts are audited in accordance with

BEIS standard procedures. The RPC will be audited as part of the BEIS core accounts. They will be included into the BEIS core accounts that will be laid before Parliament complying with Treasury's Financial Reporting Manual.

12.2 The report shall be placed in the Libraries of the House of Commons and House of Lords and made available on the www.gov.uk website. The chair shall make themselves available to discuss the report with the relevant parliamentary committees.

12.3 The RPC produces an annual report of its activities but does not produce separate financial accounts. The RPC's accounts shall be consolidated within the BRE accounts.

12.4 The RPC is a small advisory NDPB. It is supported by a secretariat staffed by BEIS officials and receives its funding by budgetary delegation from within BEIS's financial framework, rather than a separate grant or grant-in-aid.

12.5 The RPC follows all BEIS accounting and procurement systems. Spending (largely on staff) is monitored as part of BRE's financial processes.

Internal audit

13.1 The RPC shall:

- ensure that the department's internal audit team has complete access to all relevant records;
- forward to the department the audit strategy, periodic audit plans and annual audit report; and
- keep records of fraud and theft suffered by the RPC and notify the department of any unusual or major incidents as soon as possible.

13.2 The internal audit service has a right of access to all documents, including where the service is contracted out.

External audit

14.1 The Comptroller & Auditor General (C&AG) audits BEIS annual accounts and lays them before Parliament, together with their report.

14.2 The C&AG:

- will consult the department and the RPC on whom – the NAO or a commercial auditor – shall undertake audit(s) on their behalf, though the final decision rests with the C&AG;

- will share with the sponsor department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the department's responsibilities in relation to financial systems within the RPC;

14.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the RPC has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983.

Right of access

14.4 For the purpose of external audit the department has the right of access to all RPC records and personnel for example, sponsorship audits and operational investigations.

Freedom of Information

15.1 The RPC will comply with the Freedom of Information Act. It will ensure that the public can, on request, be given access to information, in accordance with these statutory obligations. The RPC will, where appropriate, operate in line with "Information Principles for the UK Public Sector".

Management and Financial Responsibilities

Management and financial responsibilities

16.1 Unless otherwise agreed by BEIS Finance and HM Treasury (as appropriate), the RPC shall follow the financial principles, rules, guidance and advice set by BEIS and those contained within the Treasury's document 'Managing Public Money'. If there is any perceived conflict between the two sets of guidance, then they should be raised with BEIS Market Frameworks (MF) Group Finance in the first instance.

The roles and responsibilities associated with this finance model are set-out in Annex 2.1.

16.2 Once the RPC's budget has been approved by BEIS, and subject to any ministerial instruction, the Head of the RPC Secretariat will receive a delegated financial authority letter from the Director of BRE (a copy of such a letter is attached at Annex 2.2). This will set out the conditions upon which RPC can incur expenditure, and details of its annual budget allocation. The following conditions shall also apply:

- The RPC shall comply with Managing Public Money (MPM) regarding novel, contentious or repercussive proposals and ensure that the relevant procedures are followed in relation to all expenditure. The RPC are also required to comply with BEIS MF finance policy alongside MPM. If there is any apparent conflict between MPM or BEIS financial policy, or if RPC has any other queries, they may refer to the BRE sponsorship team or BEIS MF finance team for further guidance or clarification. In the first instance, MF group finance will seek clarification from the relevant expert area in BEIS central finance before reporting back to the RPC. In the event of a disagreement between RPC and the MF finance team this will be escalated through the RPC- BRE dispute resolution process, if unresolved the issue will be referred to HMT for final decision.
- Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed.
- The RPC shall provide BEIS with such information about its operations, performance, individual projects or other expenditure as BEIS may reasonably require.

16.3 Each year, in the light of decisions BEIS has made on departmental objectives, the BRE sponsorship team will:

- invite the Head of Secretariat to any BRE senior leadership team meetings for any items that will discuss RPC finance or have implications for it; and similarly share, when received, any information that may impact RPC finance;
- consult the Head of the Secretariat of any planned changes that impact on the RPC's budget and deliverables affecting the RPC as and when any potential issues arise;
- consult the Head of the Secretariat of any proposed changes to the in-year budget and provide a clear explanation of the rationale for the proposed changes with sufficient time to discuss with MF Group Finance. If the changes are significant, then ministers need to be informed of the implications before any final decisions are made; and
- send the RPC a formal statement of the annual budgetary provision allocated by BEIS in the light of competing priorities across the Department.

Budget

17.1 Each year the RPC will have a full delegation from the BRE Director for their budget. The Head of the RPC secretariat is responsible for ensuring reporting accurate financial information throughout the year, informing BRE Director and MF Group Finance team on any potential over/under spends on the budget. A full list of the HoS responsibilities as the budget holder are set out in the roles and responsibilities (annex 2.1). The BRE Director will have ultimately responsibility to ensure the RPC are managing their finances effectively in line with departmental policies (as is the case with all delegated budgets). MF Group Finance will ensure the RPC budget holder is informed of timescales and requirements for budget planning etc and provide, as necessary support, for completion of the such requests, as well as assistance for the monthly monitoring process. MF Group Finance will assist the RPC with any finance issues they have throughout the year, in a timely manner. MF Group Finance will assist the RPC with any submissions or business cases if the need arises.

Procurement

18.1 The RPC must follow BEIS procurement policies without exception. All procurement activity must be logged initially with the central procurement team. The RPC must obtain approval from MF group finance for any procurement activity over £10k in line with the departmental policy. The RPC should raise any issues directly with the central procurement team, ensuring that MF group finance are well informed.

Business Plan

19.1 The RPC's initial business plan will be submitted to the RPC sponsorship team to support the annual operational budget setting process; the timetable for setting

this will vary each year. The detailed timetable for preparing the business plan will be agreed between RPC and the sponsorship team in BRE once BEIS MF Group finance has indicated the timescales. The business plan shall demonstrate how the RPC will achieve its duties and functions and contribute to the achievement of its overall priorities and objectives.

19.2 The following matters should be set out in the plans:

- Budgetary requirements for the forthcoming financial year ('the bid'). The requirements will still need to be included by the deadline in the business planning templates once commissioned by the MF group finance team.
- Key objectives and associated key performance targets/indicators for the year ahead, and the strategy for achieving those objectives. The plan should set out the RPC's plans to measure performance against these key performance targets/indicators.
- A review of performance in the preceding financial year, together with comparable outturns for the previous 2-5 years, and an estimate of performance in the current year.
- Effectively looking at the potential risks or other factors that could have an impact on the RPC not being able to accurately forecast.

19.3 The departmental annual BEIS business planning process will be commissioned to directorates annually; both BRE and RPC are, as always, required to feed into this process when commissioned by MF group finance. This process is separate from the RPC's business plan. As with the BRE budget bid, there is no guarantee that the bid will be approved by central MF finance. RPC must consider a realistic approach when preparing for business planning.

Publication of plans

20.1 Subject to any commercial considerations, the corporate and business plans, once signed off by all relevant parties including ministerial clearance, should be published by the RPC section on the www.gov.uk website, as soon as is practical.

Grant-in-aid and any ring-fenced grants

21.1 The RPC is an advisory NDPB and is supported by a Secretariat staffed by the sponsor department (BEIS) and receives its funding by budgetary delegation from within BEIS's financial framework, rather than a separate grant or grant-in-aid.

Delegated authorities

22.1 The RPC's delegated authorities will be reviewed and issued at the beginning of each financial year. The RPC shall follow the principles, rules, guidance and advice in *Managing Public Money*, including but not limited to those regarding novel,

contentious or repercussive proposals (such as significant future cost implications or repercussive on the wider public sector), and will refer any difficulties or potential bids for exceptions to MF Group Finance and the RPC sponsorship team in the first instance. The RPC is also required to comply with BEIS policy alongside MPM. RPC shall obtain BEIS's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the RPC's annual budget as approved by BEIS;
- incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by BEIS;
- taking any decisions which might have wider financial implications that could prove repercussive or which might significantly affect the future level of resources required;
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

Reporting performance to BEIS

23.1 The RPC shall use the BEIS management and information systems to enable them to review in a timely and effective manner its financial performance against the budgets. The RPC shall inform the sponsorship team in BRE of any difficulties in adhering to the budget, including under and over spends. The RPC is responsible for ensuring reports are accurate throughout the year and for updating the RPC's entries on the Department's admin tool.

23.2 As a minimum, the RPC will provide the BEIS MF Finance and RPC sponsorship team with monthly information that will enable BEIS to satisfactorily monitor:

- in-year forecasts for 2018-19, and subsequent financial years, for both admin and programme to ensure that the forecasts are a realistic reflection of spending plans against the current budget for the financial year;
- forecast outturn by resource headings;

- other data required for reporting to HMT Treasury using the Online System for Central Accounting and Reporting (OSCAR). BEIS MF Group finance will give as much notice to the RPC as possible regarding finance/HMT commissions.

23.3 As requested (usually quarterly) forecast volatility data requires:

- volatility ranges for each forecast. If the spending is fixed, then the ranges should match the mid-point forecast;
- forecasts for future years (spending review period). This information is used to support the assessment of the Departments financial position and affordability of future funding options;
- future commitments, where applicable, should be included under the correct definition. Either Legal, where a legally enforceable contract is in place, or political, where funding has been publicly announced by ministers or there are intra-government agreements;
- risks and pressure register that highlights any budget risks of over or underspends. The RPC will need to provide an assessment of the impact and likelihood of the risk crystallising.

Providing monitoring information to BEIS

24.1 The RPC's performance against key targets will be reported in the RPC's annual report.

24.2 The RPC will provide the Department sponsor team (BRE) with information on a quarterly basis, as well as other keep-in-touch dates, that will enable the BRE to monitor satisfactorily:

- the RPCs output performance;
- progress against outcome measures and performance targets (KPIs);
- the RPC's financial management;
- forecast outturn by resource headings;

- other data required for the online system for central accounting and reporting (OSCAR);
- risks identified by the RPC.

24.3 The RPC shall also make available such data as may be reasonably requested by BRE in fulfilling its duties as the sponsor directorate, whilst respecting the RPC's independence on casework.

RPC & BRE working level liaison arrangements

25.1 Communication on RPC performance with BRE

- When reviewing the RPC's performance against plans and targets, and expenditure against budget allocations, BRE officials and RPC secretariat officials will communicate regularly whilst respecting the RPC's independence. BRE will share information relating to any wider better regulation policy developments that might have an impact on the RPC in a timely fashion.

26.1 RPC & BRE dispute resolution process

In the event of a dispute between the BRE and the RPC on a governance or policy issue, there are two escalation routes as set out in the diagram below (**Figure 1**):

- For governance or performance issues, the escalation route is similar to that used with other BEIS arm's-length bodies.
- The escalation route for policy issues (generally covering the interpretation and implementation of better regulation policy) is bespoke to the RPC. It includes the creation of a 'Regulatory Framework Group' (RFG) consisting of representatives from the RPC, BRE, Departments and large regulators. The aim of this group is to try and agree a consensus view on any policy issue. Where further escalation is necessary RFG will provide advice to inform the next stage of discussions. As RPC is an independent body, the RFG will not cover disputes over individual case work.

26.2 RPC appeals process for individual cases

- For individual case work disputes there is a separate process (**Figure 2**) between the RPC and departments/regulators. This does not involve BRE.
- BRE and the RPC will review how these processes are working one year after implementation.

Figure 1.

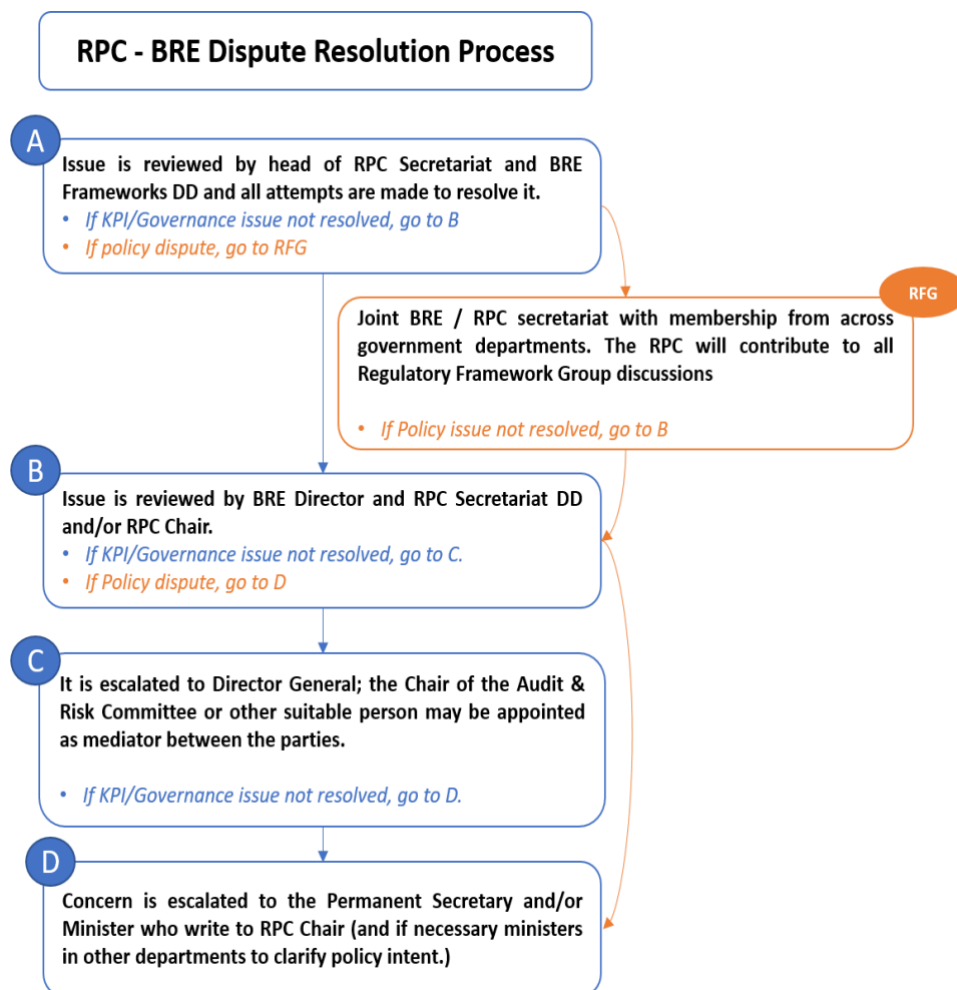
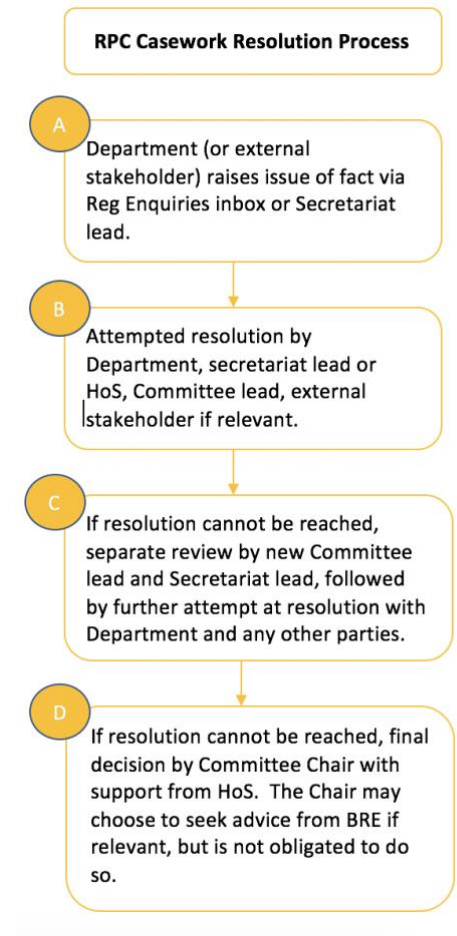


Figure 2.



27.1 for BRE – RPC ways of working please refer to **Annex 2**.

RPC appointments and staffing

28.1 The chair and committee members are appointed (for a term of up to three years) by the responsible minister; the head of the secretariat is responsible for the hiring of staff in the secretariat.

The chair and committee members

The committee will consist of a chair, together with members that have a balance of skills and experience appropriate to directing the RPC's business. Members should have experience in areas such as economics and business regulation.

28.2 Chair and committee member appointments will comply with the *Commissioner for Public Appointments Code of Practice for Ministerial Appointments to Public Bodies*. In line with government's code of good practice:

<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

RPC Secretariat Staff

29.1 Broad responsibilities for staff

29.2 Within the arrangements approved by the responsible minister [and the Treasury] the RPC head of the secretariat has responsibility for the recruitment, retention and motivation of its secretariat staff. The RPC will adhere to the BEIS HR processes, terms and conditions.

30.1 Staff costs

30.2 Subject to its delegated authorities, the RPC shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

31.1 Pay and conditions of service

31.2 As the RPC is staffed by civil servants they are subject to the departments (BEIS) pay terms and conditions.

Review of the RPC's status (and winding-up arrangements)

32.1 The RPC will be reviewed each parliament. The date of the next tailored review will be in Q4 of 2019.

32.2 This framework document will be reviewed as necessary by BRE. Signatories of this document may request a review of its contents at any time, and it will be reviewed at a minimum once in every three years or following changes and/or review of the RPC's functions. For the avoidance of doubt, this document remains in force following a General Election until reviewed as above.

33.1 Arrangement in the event that the RPC is wound up

33.2 The RPC has been established as an advisory NDPB. In the event that the RPC is wound up, BRE shall put in place arrangements to ensure the orderly dissolution of the RPC

33.3 BRE will ensure that the assets and liabilities of the RPC are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to BRE). To this end, BRE shall:

- ensure that procedures are in place in the RPC to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the RPC's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit. It shall be for the C&AG to lay the final accounts in Parliament, together with the report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that BEIS inherits the role, responsibilities, assets and liabilities, BEIS AO should sign.

List of annexes to the RPC framework document

Annex 1. RPC remit letter from the Secretary of State for Business, Energy and Industrial Strategy

Annex 2. BRE – RPC ways of working

Annex 2.1 RPC Finance Roles and Responsibilities

Annex 2.2. RPC Delegated Budget Letter

Annex 2.3 BEIS Governance model

Annex 2.4 Code of Conduct for RPC Committee members

Annex 3. Compliance with government-wide corporate guidance

	Signed		Signed
.....		
23rd Feb 2019	Date	11th March 2019	Date
.....		
(On behalf of the Department)		(On behalf of the RPC)	

Annex 1.

RPC remit letter

The Rt Hon Greg Clark MP
Secretary of State for Business,
Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Anthony Browne,
Chair, Regulatory Policy Committee

20 July 2018



Regulatory Policy Committee Chair

Congratulations on your appointment as Chair to the Regulatory Policy Committee. I am pleased with the positive, early impact that you have already had in your role. I was also glad to be able to write to you recently to confirm that I have appointed the Committee to the statutory role of independent verification body for the Business Impact Target. The appointment signals the importance the Government places on the Regulatory Policy Committee's work in ensuring that high-quality, proportionate evidence supports the Government's regulatory decisions.


The work of the Regulatory Policy Committee is a vital component of our better regulation priorities for this Parliament. I would like the Committee to continue to promote more efficient regulation, supporting the Better Regulation Executive in emphasising the importance of high-quality and proportionate evidence to underpin Government's regulatory decisions. I also expect the work of the Committee to support my desire to increase the transparency and accountability of the impacts of government regulation on business and wider society groups in this Parliament. Your independent scrutiny can increase the confidence of stakeholders in the Government's important regulatory decisions and agenda. I also hope, as we have discussed, that you and the Committee will be able to contribute to our wider agenda to promote innovation-friendly regulation in support of the Industrial Strategy.

You have taken over as Chair of the Regulatory Policy Committee at a time when the Government is facing unprecedented challenges from the work needed to deliver a successful exit from the European Union. This provides important context as you work with the other members of the Committee to deliver prompt, appropriate and proportionate scrutiny of Government regulation. Additionally, following the National Audit Office and Public Accounts Committee 2016 reports, we are implementing a number of policy reforms intended to make the better regulation system more proportionate and effective. As a result, the better regulation framework has undergone significant change and I would like you to work with the Committee members to lead them through the process of resetting the organisation's role. In particular, I would like you to lead the Committee to deliver a more collaborative relationship with departments, working with them at an early stage to improve the quality of analysis across Government. My officials stand ready to support to you to do this: it will be key to building

credibility within the Government and to support departments to deliver Ministerial commitments, especially in light of the challenges of EU exit.

As we deliver a more proportionate and principals-based better regulation framework, this places greater importance on the continuing dialogue between the Regulatory Policy Committee and officials from the Better Regulation Executive to ensure that better regulation policy and the Regulatory Policy Committee's methodology remain aligned to support the delivery of collectively agreed better regulation policy. I have asked Better Regulation Executive officials to continue to advise the Regulatory Policy Committee where any requirements or conditions apply and support the Regulatory Policy Committee in meeting them and expect the Committee to be open to this advice.

Whilst the Regulatory Policy Committee is an independent body and can act independently on individual cases, it operates within the better regulation policy framework set by Ministers and collectively agreed by Cabinet. Ministers may agree changes to the policy framework, or principals for the methodology, that will impact on how the Regulatory Policy Committee undertakes its role, and I may ask my officials to write to you from time to time to update you and provide guidance on this. In addition I may ask you to undertake additional tasks over the course of the Parliament related to your core purpose, to improve the efficiency of Government regulation. As I mentioned above, I would like to seek expert advice from the Regulatory Policy Committee in relation to initiatives to develop innovation-friendly regulation, such as the Regulators' Pioneer Fund and the Ministerial Working Group on Future Regulation (which I have recently invited you to join). You and your Committee members may also be able to contribute to our work to develop the evidence base about how regulatory reform can best support innovation and the Industrial Strategy. I hope that you will be able to make this wider contribution alongside your core role of providing timely and proportionate scrutiny of significant measures within the Regulatory Policy Committee's remit. I look forward to seeing you again in due course and working with you over the course of this Parliament.

with but wider


THE RT HON GREG CLARK MP
Secretary of State for Business, Energy & Industrial Strategy

Annex 2.**BRE – RPC ways of working***Introduction*

The RPC and the BRE have a shared objective to promote more efficient regulation for the measures that matter most to business. We do this through the better regulation framework which supports high quality evidence, and transparency and accountability for the costs and benefits of regulation to business and civil society groups. While BRE and Government set the policy that the RPC implements, in order to deliver this both the BRE and the RPC need to operate in a way that respects and values the different but overlapping remits.

It is therefore imperative that engagement on individual and organisational levels should be in a constructive manner that recognises each other as trusted partners. Communications should be clear and ensure that requests for information and papers include sufficient clarity around expected timings, and responses and papers are to be provided in good time to enable both the RPC and BRE to deliver effectively. This paper sets out some shared principal s for ensuring that we work together constructively

Context

1. A key aspect of the RPC's role is operational independence of decision-making. However, the Secretariat is more embedded in the core Department than is typical for independent organisations. This partly reflects how the RPC was established prior to becoming an NDPB in 2012 and is also partly a function of the RPC's unusual position of providing casework advice for policies prior to Cabinet clearance across Whitehall.
2. Historically, BRE officials and RPC Secretariat (all BEIS employees) have shared information very freely with each other and with the RPC's members; indeed the RPC's framework document includes wording requiring very close sharing and engagement. This has, however, resulted in a lack of clarity regarding roles and responsibilities and asymmetric engagement/information sharing. This confusion has potentially impacted on the operational independence of the RPC.
3. In practical terms, the Secretariat is subject to both the reporting requirements required by BEIS of its NDPBs and to BEIS's rules on (for example) finances and IT. Both it and the Committee's members find this double scrutiny onerous for a small organisation. Moreover, the Department has recently set up a new governance team to professionalise how the relationship with NDPBs are managed in BEIS – early indications are that this will require clearer oversight from BEIS, including ministerial engagement on the RPC's governance structures and delivery plans.
4. The RPC is more closely managed in regards administrative functions and more closely embedded in the Directorate responsible for its governance than in comparison with alternative models used by comparable organisations such as the Low Pay Commission (LPC), the UK Space Agencies Audit Committee and the Migration Advisory Committee. All have clear operational independence and more Ministerial oversight, indicating there are opportunities to develop the BRE/RPC governance arrangements. In terms of the RPC remit, this is based on historic practice and other NDPBs follow a more formal approach such as the LPC which has its annual remit approved by Ministers.

Embedding operational independence through increased separation

5. In line with best practice for similar Arm's Length Bodies (ALBs), BRE and the RPC are moving to a working relationship with greater separation and more formalised arrangements for information sharing. A greater degree of operational independence will ensure the RPC's ability to provide independent advice is not undermined by unclear sponsorship arrangements. It will also enable BRE's policy making process to reflect usual Government approaches. More robust independence will enable the RPC to manage their relationships more effectively and increase their credibility with stakeholders.

6. In light of changes to ALB best practice and guidance, the previous (close working, yet undefined) arrangements need to change. The previous governance model had high levels of policy integration between the BRE and the RPC, but we need to establish more clarity on the distinction between Ministers setting the policy framework and RPC implementation.
7. The key to operational independence is to ensure it is sensitive to changes of Government, who may have very different priorities for better regulation than the previous administration. The RPC should operate within the context of Government's wider objectives; both on better regulation and more broadly, appraisal and policy frameworks e.g. the Green Book and The Guide to Making Legislation, plus Cabinet Office and DEXEU guidelines. To enable clear operational independence, we believe it would be helpful for the RPC to have clearer boundaries for independence on case work and on reporting on quality of analysis across Whitehall. This would give certainty about where they have the independence to develop their approach to processing and reporting on casework, in line with BRE / Government policy. Both the BRE and the RPC share an objective to improve the quality of analysis across Whitehall, working with Departments – ideally the BRE and RPC will work together towards this.

BRE will provide appropriate support for operational activities, including:

- Feedback on where BRE and/or Departments feel systems could be improved;
- Clear steers on Ministerial direction and policy, and a clear positive stance on the value of the RPC;
- Support for individual case-work decisions, where Departments may be tempted to seek BRE's support in overturning decisions. The RPC Framework Document will set out a process for resolving disputes between RPC and Departments.

Engagement on policy development

8. Greater separation between the BRE and the RPC requires the BRE to adopt a consistent approach to consulting the RPC on policy proposals for the better regulation framework itself; even when a policy is in development and the detail cannot be shared, BRE commit to ensuring that the RPC's views are provided verbatim to Ministers where the policy is relevant and that their comments are considered in the policy making process by BRE.
9. BRE will endeavour to give the RPC at least 1 working week in which to provide thoughts and comments in response to BRE. Where it is not possible to provide this time, BRE will explain why there are additional constraints and seek to maximise the time available within those constraints for the RPC to comment.

Governance structure

10. As mentioned above, historically the governance relationship between BRE and the RPC has been informal, and the Secretariat has been embedded in the same directorate. BEIS are rolling out a new governance structure for all BEIS partnership organisations to ensure consistency across the Department. In this context, BRE are working with the RPC to professionalise the policy sponsorship arrangements to ensure that it embodies best practice for an ALB with appropriate operational independence (set out further in the attached annex).

Ways of working principles

11. This section provides examples of the principles/behaviours around which BRE/RPC interactions will be shaped, alongside some practical examples of what this could mean in practice – the examples are not intended to be an exhaustive list but should cover most practical situations.
12. Communications on individual cases – BRE are committed to transparent policy making where it is consistent with providing a space for Ministerial decision making, information security and integrity. It wants to ensure the right information is shared at the appropriate time and that it maintains a 'no surprises' relationship with the RPC.

For example:

- BRE will respect the prerogative of the RPC to manage individual cases, including how casework is processed and scrutinised by the members and secretariat, within the bounds of the better

regulation framework. BRE will provide advice and views on different approaches and processes if this is sought by the RPC.

- BRE will ensure the RPC are aware of advice provided to Departments on framework rules where the advice is likely to be applied to individual measures (including sharing summaries or copies of the advice where possible), and in advance of providing advice where appropriate.
 - The RPC will share summary information on submissions received and copies of opinions issued with BRE regularly, to ensure BRE have the appropriate oversight of its outputs and are alerted in advance to potentially contentious issues.
 - The RPC will run a process that ensures individual cases that are likely to cause significant handling issues with ministers and government Departments are flagged with BRE in advance. BRE will not fetter the approach the RPC takes in such cases but may need to provide advice to Ministers if requested. BRE will check the factual accuracy of this advice before submitting it, as it relates directly to the RPC's operational remit.
 - If individual cases illustrate trends in the quality of analysis by Departments, or suggest wider concerns within Departments or the framework, these issues will also be highlighted by the RPC to BRE including through the quarterly sponsorship meeting.
 - The BRE Director will attend RPC team meetings at regular intervals, to brief the team on policy developments. He will also meet regularly with the Chair. Colleagues from BRE will attend those sections of Committee and/or team meetings that cover items of direct relevance to BRE, or as invited by the RPC.
 - Where BRUs give feedback or raise concerns about the RPC or BRE this will be shared informally with a commitment to identify potential improvements. Actions taken in response to any concerns must be handled in a sensitive manner, and in a way that does not jeopardise BRUs' confidence in providing feedback. Both BRE and RPC will encourage BRUs and others to raise concerns directly with the relevant organisation, and to engage in finding appropriate solutions.
13. Robust policy making – BRE are committed to ensuring that the experience of the RPC is factored into policy decisions and advice on better regulation, particularly on the framework where there is a read across to the role of the RPC and always when there is an operational impact of the policy, at the appropriate time. At the same time, the RPC commits to understanding that the policy making process requires BRE to deliver collective Government agreements which set final policy.

For example:

- BRE will ensure RPC views go to Ministers alongside BRE's relevant policy submission on the framework, and BRE will consult the RPC, particularly when those decisions will impact the role of the RPC. Subject to the constraints of ensuring space for ministerial decision making, BRE will share sufficient information to enable the RPC to develop an informed view. BRE will endeavour to give the RPC has at least one week to provide thoughts and comments for the purpose of informing Ministerial decisions. If not possible BRE will explain the time constraints.
- Where policy is not in development, for example when developing/revising the better regulation guidance documents, BRE will consult the RPC early and regularly, including sharing drafts where possible. When seeking views BRE will aim to ensure that the RPC have at least one week to provide comments.
- BRE will consider all comments provided by the RPC and explain what action /recommendation has been taken as a result. However, the RPC are one of a number of factors shaping a Ministerial decision so the BRE cannot guarantee that final decisions will align with the RPC's preferred position. Where possible, BRE will explain the reasoning behind Ministerial decisions.
- On RPC guidance documents, the RPC will consult the BRE and other relevant stakeholders (departments, regulators) early and regularly, including sharing drafts where possible and aiming to ensure at least one week for comments. Where it is not possible to allow one week for comments, the RPC will explain clearly why this is the case.

14. Customer focussed service provider – Effective engagement with Departments, on individual cases and more widely, is crucial to ensuring independent scrutiny adds value; as is effective engagement with other stakeholders within the boundaries of the Government’s policy framework. It is especially important that BRE and RPC should work jointly on this engagement, and present consistent messages.

For example:

- Wherever possible, the BRE and RPC will consider joint engagement with Departments, especially where it is important that there is a single approach/message – or keep each other informed. Where the RPC, or BRE, feels the need for independent conversations these should occur, especially where important for maintaining the independence of the RPC;
- The RPC and BRE will work together to develop and deliver approaches to improving the capability of government Departments.
- The RPC is able to engage as it sees fit with the Better Regulation Units across Government on case work (including on individual cases and planning).
- The RPC will be able to attend the BRU drop-in for agenda items that do not relate to policy development.
- The BRE will work with the RPC to ensure that Departments are aware of the policy framework and how the RPC will operate within the framework.

15. Information and document Sharing – The BRE and RPC will share information at the appropriate times in accordance with the principals set out above and will do so in line with departmental security information policy and any other relevant Government guidance and ALB best practice and will be covered in updates to the framework document.

For example:

- The RPC and BRE will provide planned publication dates as far in advance as practical, and share drafts ahead of publication dates (at least one week for documents not requiring comments/clearance; and at least two weeks for documents requiring ministerial clearance);
- When sharing drafts of documents, it will be clear who is responsible for sign off, and whether the drafts are shared for information, checking for factual accuracy, comments or Ministerial sign off;
- The RPC will ensure that documents requiring Ministerial sign-off are provided well in advance of publication dates, building in enough time for Ministerial queries;
- Information or statistics are checked in advance with relevant departments (although cross-Whitehall clearance is not required).
- Committee meeting minutes will be shared within two weeks of the Committee meeting, with at least a week for comments. The Committee meeting minutes will redact anything relating to policy in development, and other factors, where appropriate. In line with Cabinet Office NDPB guidance, the RPC will publish all Committee meeting minutes in a timely fashion.
- Committee papers will be commissioned at least two weeks ahead of the circulation date for papers, and other papers or requirements (such as collation of information or lines for Ministerial responses) will be commissioned on a similar timescale where possible. Where it is not possible, the commissioning part will explain clearly why this is the case, and allow as much time as possible for completion of the commission.

Annex 2.1**BRE – RPC Finance Model Roles and Responsibilities****Market Frameworks' Finance Business Partner (FBP) Team**

The FBP Team is responsible for providing support and advice to Directors and budget holders in managing their budgets, forecasts and financial risks. The FBP team will:

- Provide advice to the Director General of Market Frameworks Group on the annual budget allocation to the Director of BRE that will enable the delivery of the RPC's remit as set by Ministers.
- Collect management information such as spend profiles and forecasts to provide assurance to the Accounting Officer that spend is appropriate and within Managing Public Money principles.
- Support the RPC in budget planning and management information returns.
- Help and advise the RPC Secretariat on any financial queries that may arise.

BRE Director

The BRE Director is responsible for delegating the RPC budget to the Head of the RPC Secretariat. As Sponsor of the RPC, the Director of BRE is responsible for:

- Delegating to the Head of the RPC Secretariat an annual budget to support the delivery of the RPC's remit as set by Ministers.
- Operating within the budgetary and financial management constraints placed by BEIS Finance.
- Ensuring the RPC manages its budget to deliver activity that meets the remit as set by Ministers, and if not managing its budget satisfactorily, will follow processes for managing performance issues as set out by BEIS Finance, BEIS Partnerships Team and BEIS HR.
- Agreeing with the Chair of the RPC and the Head of the Secretariat if there are budgetary constraints that prevent the delivery of the full remit given to the RPC following mitigating actions by the RPC, what appropriate action is taken to manage the situation within his/her's delegated authority (financial and/or other). Where appropriate, issues associated with either financial and budget management by the RPC or delivery of the RPC's remit will be escalated within BEIS.
- Consulting and early engagement with the Head of the RPC Secretariat, and the Chair of the RPC over the annual business planning rounds of the RPC, and any in-year adjustments to that budget.
- Through the BRE Sponsorship team, provides support to the RPC in budget planning and management information returns.

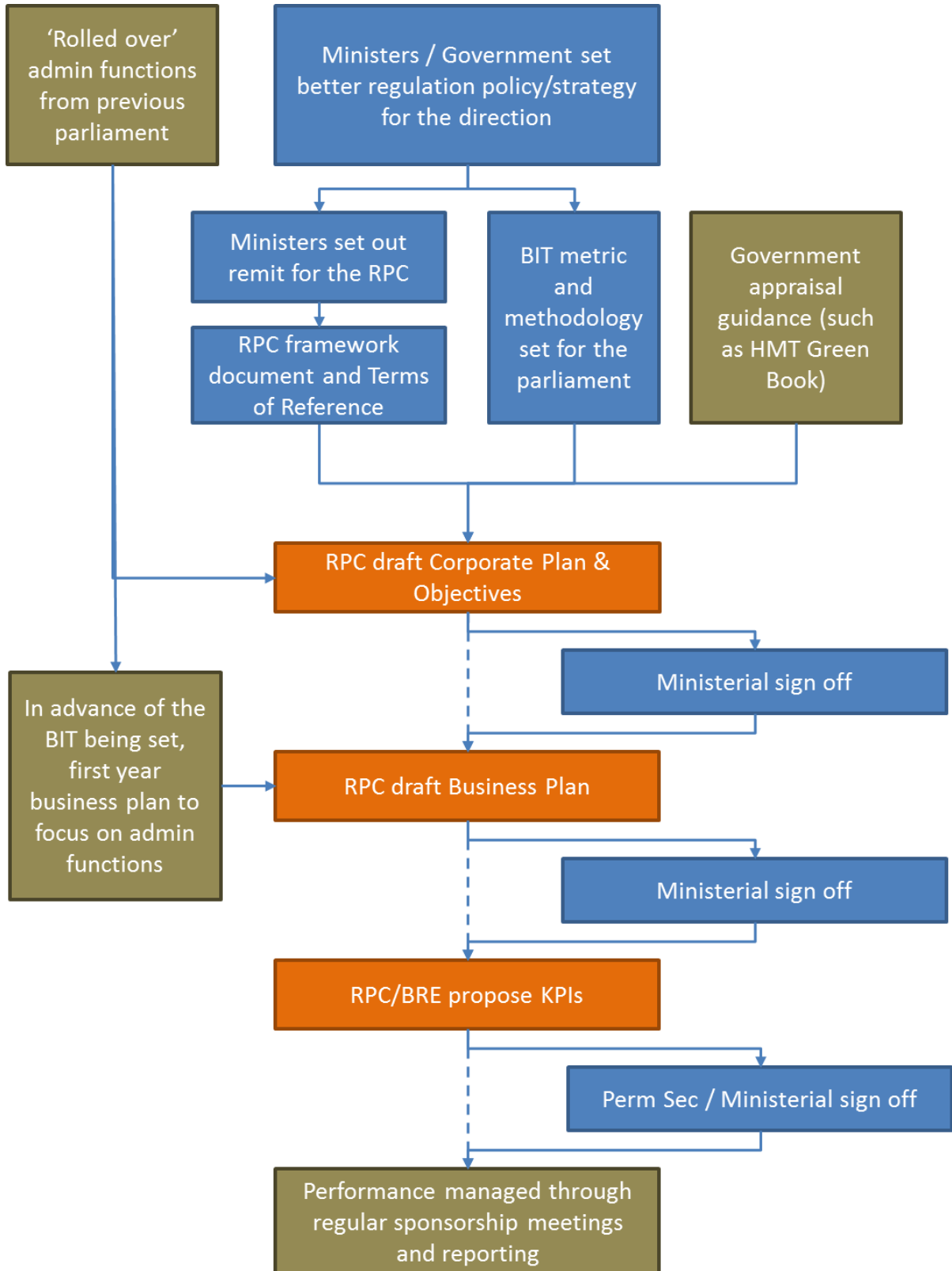
Head of RPC Secretariat

The Head of the RPC Secretariat is responsible for managing the budget of the RPC, and is responsible for:

- Ensuring that spend is within the agreed delegated budget.
- Ensuring that spend delivers activity within the remit of the RPC as set out by Ministers.
- Ensuring that spend is in line with the principles of Managing Public Money and BEIS Finance rules. Where the RPC Secretariat identifies a potential conflict between these two approaches, the RPC Secretariat will seek advice from the FBP Team.
- That appropriate and realistic forecasts are developed to deliver the RPC's remit to support the BEIS business planning rounds
- That appropriate and realistic management information is submitted to the BRE Director/Sponsorship Team and FBP Team.
- [Following RPC processes, reports to the Chair of the RPC on the financial status, and proposals for delivering within budget the RPC's remit as set by Ministers.]
- Identifying where financial allocations do not match business planning assumptions/bids, or are amended in-year, and as a first step, following RPC processes, adjusting delivery plans to meet the budget/amended budget allocated to the RPC.
- Identifying if budgetary constraints prevent the RPC from delivering its remit, and engaging with, or support the Chair of the RPC engaging with the BRE Sponsorship Team and BRE Director to alert this, and to work to identify a way of managing the budget and delivery of the remit.

Annex 2.2

BEIS governance model



Annex 3.

Compliance with government-wide corporate guidance and instructions

The RPC shall comply with the following general guidance documents and instructions:

- This framework document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice:
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Code of Conduct for Board Members of Public Bodies
http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf
- Code of Practice for Ministerial Appointments to Public Bodies:
<http://publicappointmentscommissioner.independent.gov.uk/wpcontent/uploads/2012/02/Code-of-Practice-2012.pdf>
- Managing Public Money;
<https://www.gov.uk/government/publications/managing-public-money>
- Public Sector Internal Audit Standards,
<https://www.gov.uk/government/publications/public-sector-internal-auditstandards>;
- Management of Risk: Principles and Concepts;
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud:
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf
- Government Financial Reporting Manual (FRoM):
<https://www.gov.uk/government/publications/government-financial-reportingmanual>;
- Fees and Charges Guide, Chapter 6 of Managing Public Money;
- relevant Dear Accounting Officer letters: <https://www.gov.uk/government/collections/dao-letters>
- Regularity, Propriety and Value for Money:

http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/p sr_governance_valueformoney.html

- The Parliamentary and Health Service Ombudsman's Principles of Good Administration:

<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprincipals>

- Consolidation Officer Memorandum, and relevant DCO letters

- relevant Freedom of Information Act guidance and instructions (Ministry of Justice)

<https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>

- [Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicB odiesGuide2006_5_public_body_staffv2_0.pdf]

- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;

- other relevant instructions and guidance issued by the central departments;

- specific instructions and guidance issued by BEIS;

- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the RPC.

ALB reports & recommendations:

- NAO report: Departments' oversight of arm's-length bodies: a comparative study
<https://www.nao.org.uk/wp-content/uploads/2016/05/Departments-oversight-of-arms-length-bodies-a-comparative-study.pdf>

- Public Accounts Committee: Better regulation enquiry
<https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/better-regulation-16-17/>