

Minutes of 12 July 2021 Committee meeting (public)	
Attendees	
<b>The Committee</b> Stephen Gibson (SG) – Interim Chair (Chair) Jonathan Cave (JC) Laura Cox (LC) Sheila Drew Smith (SDS) Jeremy Mayhew (JM) Brian Morgan Andrew Williams-Fry (AWF)	<b>RPC Secretariat</b> Stuart Sarson – Head of Secretariat (HoS)  <b>BRE</b> Chris Carr (CC) – Director of BRE  <b>Forum of Indian Regulators</b> Dr Abha Yadav (AY) Associate Professor (Competition Law & Market Regulation) at the Indian Institute of Corporate Affairs.  <b>Confederation of British Industry</b> Louise Hellem (LH) - Director of Economic policy  <b>Taskforce on Innovation, Growth and Regulatory Reform Report (TIGRR)</b> Sir Iain Duncan Smith (IDS)

#### A. Introduction and matters arising

1. The Chair welcomed everyone to the meeting.
2. The **minutes of the May Committee Meeting** were agreed with a minor change in paragraph 8. The public minutes have now been published on the RPC website.
3. **Register of Interests:** The Register had been updated to include the changes in declaration of interests reported by members. It has since been published on the RPC Website.
4. **Gifts and Hospitality Register** – The Chair asked that everyone keep the register up to date and include offers of gift and hospitality even if declined. The Register has since been updated to include recent declarations of gifts and hospitality and published on the RPC website. It is also published on the BEIS website as required by BEIS guidance on gifts and hospitality

#### B. Forum of Indian Regulators (FOIR)

5. The Chair introduced Dr Abha Yadav (AY), Associate Professor (Competition Law & Market Regulation) at the Indian Institute of Corporate Affairs. She explained the structure, the membership, member organisations and the mission statement which are:
  - Transparency
  - Protection of consumer interest
  - Develop human and institutional capacities.
  - Provide an information base on regulatory law and practice and regulatory economics; and
  - Collaborate with academic and research institutions, professional bodies, and NGOs in India and internationally.

6. AY then set out what they do which are:
- **Information base** - Research Projects on themes such as Performance Evaluation of Regulators
  - **Collaboration with academic research and institutions** – extensive domestic and international agreements.
  - Carry out training and provide seminars.
7. AY concluded by discussing the FOIR’s collaborative work and its strengths and weaknesses and what we could learn from their experience. The following comments were made:
- The committee welcomed the training provided by the FOIR and hoped to be able to collaborate with FOIR. The FOIR play an active role in developing better regulation training at an academic and practical level and knowledge sharing
  - Coordination between regulators can cause conflicts of interests and loggerhead, but this is managed by FOIR working closely with the regulators and fine tuning of policies. There is also much to be gained from cross learning.
  - Stakeholder management in a country as large as India can be problematic. FOIR is able to facilitate this and can act as a facilitator and arbiter. It also helps by providing training programmes and case studies.
8. The Chairman thanked Dr Yadav for her presentation saying that the RPC have many common areas with the FOIR and will look to collaborate with them in the future.

### C. Engagement updates

9. The Chair reported on the following engagements since the previous Committee meeting;
- **Federation of Small Business. 22 June**– Discussed the British Columbia model. Believe there is an ambition from Ministers to reduce regulation on business as a result of Brexit, however there is far too much paperwork and burden on sending goods to EU/NI. Supported RPC current work, as well as increasing our remit.
  - **Confederation of British Industry 16 June** – Discussed the role of the RPC and current work being undertaken to improve both RPC remit and standing, work surrounding the BIT and where regulation currently sat within CBI priorities.
  - **John Penrose (JP) MP.** Two meetings:
    - 18 June** - Focused on the TIGGR report. Suggested the RPC reach out to the Shadow Business Secretary.
    - 24 June.** Discussed opportunities to increase awareness of the RPC among MPs. Shared concern about the number of exemptions in place and their implications for the value of the current BIT. JP clearly sees much potential for deregulation from the many previously EU regulations that might now be removed or amended and from an extension of the scope of the regulatory framework to cover more of the work of the economic regulators. Discussed the merits of supplementing business impacts with some measure of the impacts on net

zero or on wider impacts on society. Raised the possibility of resurrecting a device that the BCC had apparently previously published which was a “barometer” of regulatory impact. This had been an effective way of drawing MPs’ attention to the impact of the Government’s regulatory activity.

- **Jon Geldart (JG) Institute of Directors 12/5** – JG welcomed opportunity to work closer and was willing to promote the RPC. IoD has become less London centric and is now focussing on regional work. IoD has experts across the board, and survey members monthly, receiving 800-1000 responses. Regulation remains a key area for IoD and their members. SG was invited to present at a regional directors meeting 30/6, which SG has now done and discussed the RPC and our work.
  - **Baroness Hayter (BH) 28/6** – BH interested in a number of BEIS Bills which unfortunately the RPC will not scrutinise their IAs due to them being de minimis. BH believes that Depts IA content is poor, that consumer impacts should be included in IAs and that the framework surrounding IAs needs to be improved. Peers do not always have the chance to read RPC opinions as they lack the staff to assist in always being aware of them. BH would be happy to be included in further mailings, and meetings with other peers to discuss regulation and assisting the RPC.
  - **Anthony Browne MP** (former RPC Chair). Discussed how to engage effectively with Parliamentarians.
  - **IoD Regional Directors meeting (30 June)**. IOB were keen on the RPC scrutiny role and felt that its remit should be expanded
- 10. AWF met UK Finance on 2<sup>nd</sup> July.** Discussed current work that was being done between the RPC, HMT and FCA on cases. They were supportive of the RPC and were keen to engage further and at different levels, offering meetings with various member of UKF CEO and Chair. UKF keen to present to the committee at the Sept meeting and this is being followed up on by the secretariat.

#### D. MSG Update

11. The MSG notes were circulated to the committee. The committee were informed of the following:
- BRE presented an update on the innovation test and will consider the RPC’s comments as it refines its work in this area. JC commented that not all aspects of innovation can be measured and that it was important to distinguish between innovation and invention. This will be discussed in future MSG meetings.
  - An initial paper from Defra on its approach to baselines for air quality impact assessments in which Defra will consider the sub-group’s comments ahead of an expected further engagement with the RPC later in the year. Furthermore, COP21 is fast approaching. There is a strong movement on a holistic approach and how regulations can spin off. It is much more than air quality. It is important the RPC is proactive in this area.

- The date(s) of the next meeting(s) of the sub-group will be set to take account of the framework review consultation period, once that is known.

### **E. Confederation of British Industry**

12. The Chair welcomed Louise Hellem (LH) who leads CBI's policy work on tax and regulation, as well as the development of CBI's economic policy which helps build evidence for business and government to enhance the competitiveness of the UK's business environment.
13. LH presented CBI's recent campaign "Seize the moment" which sets out the five- year vision for the CBI. It looks at the future starting from the present crisis to recovery and identifying new opportunities and the challenges businesses face. It looked at the role of regulation, The imperative to act as a result of Covid, Net-Zero, Brexit and technology and the need for growth and to build better. Then it considered the role of regulation for investment and innovation, scaling up, transformation of skills, unlocking finance for growth and investment and a long-term road map.
14. The following areas were discussed by the committee
- The importance of focus on economic regulators who produce a considerable amount of regulations
  - The impacts on regulation arising from
    - Brexit,
    - Technology
    - Globalisation and free trade agreements
    - Decarbonisation
15. The committee felt that one of the challenges facing government is the burden of regulation in these areas and how to reduce the aggregate burden of regulation on business while delivering current policy priorities. There was discussion about whether aggregate burdens should be reviewed on a regular basis, which does not happen at present in the UK. LH explained that the CBI have currently paused a programme of work to look at the burdens holistically due to the Covid pandemic but will be looking to engage with key stakeholders to consider how regulation might be done differently in specific sectors. The committee encouraged the CBI to respond to the forthcoming consultation on the framework for better regulation.

### **F. BRE Update**

16. Chris Carr informed the committee that BRE will shortly be launching the consultation on the reforms to better regulations subject to write round. Once published the, the committee will have an opportunity to comment as it is anticipated that it will be open until 1<sup>st</sup> October. Multiple ministers were involved including the Cabinet Office and Treasury. It is a comprehensive and covers PIRs, consultation, innovation and levelling up. The consultation is quite open, there are no preconceived decisions on metrics and targets and different options being offered. The committee considered the following issues with BRE:
- The metrics and possible workshop on metrics
  - The Covid interim regulations
  - Appointment of the IVB scrutiny body
  - Stock of regulations

- Potential Machinery of Government changes

The ministers were clear that they would like a streamlined process, more challenge earlier on in the scrutiny process and shorter and more easily digestible IAs.

#### **G. Taskforce on Innovation, Growth and Regulatory Reform Report (TIGRR)**

17. Sir Iain Duncan Smith (IDS) gave a presentation on the report of his Taskforce on Innovation, Growth and Regulatory Reform (TIGRR). Sir Ian said that the remit from the Prime Minister was to look at ways to refresh the UK's approach to regulation now that the UK has left the EU, and to seek out opportunities to take advantage of the new-found regulatory freedom, to support innovation and growth. The task force consulted widely, particularly with those businesses and civil society organisations affected by regulation, but also with academics, colleagues in Parliament, thinktanks and other experts. They also talked to the Cabinet sub-committee on deregulation.
18. IDS clarified at the outset with the PM that they were going to produce a high-level response. They were not going to produce a list and were not going to look at employment regulation: the government has plenty of capacity within DWP to undertake that. The approach the Task Force took was to look at what the government can do which will have the biggest impact in the immediate and long term. The report looked at the following areas:
- Opportunities which could drive innovation and accelerate the commercialisation and safe adoption of new technologies, cementing the UK's position as a global science and technology superpower.
  - Opportunities to reduce barriers to entry in specific markets and make markets more dynamic and contestable across the economy.
  - Opportunities to reduce administrative barriers to scaling up productive businesses; and to tailor any necessary processes to the needs of UK start-ups and SMEs while maintaining the Government's commitment to high environmental standards and worker protections.
  - Opportunities to improve small business' experience of necessary regulatory requirements.
  - Sectors of the economy or regulatory frameworks which should be prioritised for further regulatory deep dives.
  - GDPR – Replace with a new UK framework that balances between protection of rights, ownership of data and exploitation of opportunities

IDS concluded by saying the report made recommendations how the UK can reshape its approach to regulation and seize new opportunities from Brexit with its newfound regulatory freedom.

19. In discussion the following points were made:
- The role of One in X out – IDS felt that it had a role in controlling government regulation.
  - Exclusions from the Framework should be limited
  - Government needs to see the bigger picture and how different regulations fit together rather than take a piecemeal approach. Government needs to coordinate regulations emanating from each department, so they are aware of the full implications.
  - Importance of good scrutiny and getting the right metrics.

- IDS had suggested a beefed up regulatory parliamentary committee to scrutinise regulations at early stage.
- “Sandbox” approach to regulations can be helpful.
- Regulators need to do more work in testing out the impact of regulations and regulators need to be held to account.
- ISB felt the Secretary of State for Business should be held to account on the overall level of regulatory activity.

20. The session was concluded by the Chair saying that there were a lot of common areas between the TIGRR report and what RPC would like to see. IDS concluded by recommending that RPC work closely with parliamentarian.

#### **H. AOB**

21. The Chairman hoped that the Committee would be able to join the Secretariat for its first physical get together planned for 10<sup>th</sup> August in St James’ Park.