

RPC meeting 11 September 2023 - minutes (Published)	
Attendees	
The Committee Chair: Stephen Gibson (SLG) Jonathan Cave (JC) Daniel Dalton (DD) (Online) Stephen Gifford (SJG) Hilary Jennings (HJ) John Longworth (JL) Andrew Williams-Fry (AWF) (Online)	RPC Secretariat Stuart Sarson – Head of Secretariat Better Regulation Executive Rhiannon Harries (RH) – Director Henry Phillips (HP) – Head, Frameworks Policy Team BOU Chris Carr - Director British Retail Consortium Tom McCarthy Association of Convenience Stores Edward Woodall
Apologies Derek Ridyard (DR)	

A. Minutes of committee meeting 17 July 2023 and matters arising

1. The **minutes of the 17th July meeting were agreed** with minor changes [and are now available on the RPC Website].
2. **Register of interests:** committee members confirmed the accuracy of their entries in the RPC register of interests [available on the RPC website]. Members were reminded of the importance of ensuring that they are clear when making any public personal statements that they are not speaking on behalf of the RPC.
3. **Gifts and hospitality register:** committee members confirmed the accuracy of their entries in the gifts and hospitality register [available on the RPC and BEIS websites].

B. Better Regulation Executive (BRE) and Brexit Opportunities Unit (BOU) Update

BRE update

4. Henry Phillips (HP) provided the BRE update, covering updates on recruitment for new RPC members and updates to the Better Regulation Framework.

BOU update

5. Chris Carr gave an update on the Government’s work on ‘Smarter Regulation, and the work underway following up on the REUL Act to identify measures for reform or repeal. He also told the committee that the Government was planning a call for evidence on how they might improve the role of regulators.
6. The Chair thanked Chris and Henry for their updates.

C. External Presentation: British Retail Consortium (BRC)

7. Tom McCarthy (TM), Public Affairs Manager at the BRC introduced himself and gave a general overview of the BRC. He explained that the BRC is the ‘go-to trade association’ for UK retailers

with a membership of around 200 major retailers plus smaller retail trade associations, such as independents, booksellers, and horticultural trades.

8. TM explained that the retail trade is going through a period of profound transformation which has been driven by innovative technology and as a result changing consumer behaviours, especially with the rise of online shopping. Retailers are moving towards 'omni-channel offering', which sees physical retailing on the High Street and in town centres, and the online element working together as two complementary channels. As a result, there is a lot of investment underway in new technology, ranging from artificial intelligence (AI) to Virtual Reality.
9. There is ongoing work in sustainability and net zero initiatives, leading to the BRC's Climate Action Roadmap, which is an industry guide to get the retail industry and its supply chain to net zero by 2040. As a result, there is a lot of investment going on in areas such as decarbonisation, logistics, improving sustainable sourcing and helping consumers live greener lives.
10. TM explained BRC has four key functions.
 - Policy
 - Public Affairs - speaking with government, opposition, regulators and telling the industry 'story' in a less technical and accessible way.
 - Communications – communicating with consumers, members of the public and government.
 - Research and insights - monitoring sales for the industry monthly.
11. The main purpose for the BRC is to make a positive difference to the retail industry and customers it serves, both now and in the future. This is done primarily through working with its members across fourteen different communities, each led by a policy advisor, by sharing best practice and insight analysis.
12. TM made the following comments with regard to regulations:
 - There has been significant concern across the industry, from a range of retailers, around the cumulative burden that regulation poses on the industry with decreasing retail margins from about 4% five years ago to around 2% today. Research from the CMA into the grocery sector found operating margins contracting around 40-50% in the last 18 months.
 - There has been a lot of work preparing for sustainability regulations, with regards to resources and waste. This takes up a lot of the industry's resource, both from a financial perspective, but also in terms of their teams who deal with preparations and compliance.
 - Government does not always consider the cumulative impact of regulations on businesses. In that regard, BRC would like to see a more coordinated and centralised approach and look at how the UK's regulation policy impacts industry cumulatively.
 - BRC would like to see a regulatory system that is smart, proportionate and which considers the needs of business, consumers, and the civil society. They believe that regulatory activities should be conducted transparently with accountability and targeted cases where action is required, noting that there are instances where regulation is not always the answer.
13. The committee and BRC were keen to continue the current relationship with the RPC sharing views and to support the RPC work.

D. Engagement Updates

14. A list of engagements in which the Chair and the committee members were involved had been circulated in advance of the meeting.

E. Methodology Sub-Group (MSG)

15. Jonathan Cave (JC) reported on the MSG meeting on 7th August which discussed a draft paper setting out RPC expectations for scrutiny of Options Assessments under the new Better Regulation Framework. JC thanked members of the committee and the secretariat to date and noted that following the meeting, the paper had been circulated for further comment. Following publication of the new Better Regulation Framework, the secretariat will continue to work with committee members on individual sections of the paper with an updated version of the paper to be discussed at the next MSG meeting on 20th November.

F. External Presentation: Association of Convenience Stores (ACS)

16. Edward Woodall (EW), Government Relations Director at the ACS, gave a broader view of the ACS. It has a range of small and large businesses with three streams of membership, including:
- Multiple retailers – e.g. Co-op, Applegreen or BP, managed centrally with professional policy teams looking after regulation.
 - Symbol group operators – e.g. Costcutter and Londis (including franchises).
 - Independent convenience stores.
17. ACS influences policy through engagement with government. There are around 48,000 convenience stores in mainland United Kingdom, with 71% in the independent retail symbol group bracket. Convenience retailers sell a wide range of regulated products, covering a range of regulatory areas, including alcohol, confectionary, e-cigarettes, high fat/salt products and tobacco.
18. ACS work with various agencies across government on the following policy priorities:
- Environment - especially the cost and operational management of deposit return scheme (DRS) and single use plastics and vape recycling.
 - Crime – the growing levels of violence in stores.
 - Public Health – such as restrictions on: vaping, alcohol, licensing and high fat/salt products.
 - Business rates – the impact this has on investment and non-online businesses.
 - Rising employment costs and regulations – the challenge this creates for existing business models; and
 - Fuel Pricing and EV infrastructure (transparency on fuel pricing dynamics).
19. EW concluded by saying that ACS' focused on delivering evidence through government consultation processes. The following issues were discussed by the committee:
- The challenge of Impact Assessments which focus only on economic analysis and not operational impacts.
 - Whether there is any analysis carried out about the proportion of the reused products going out to landfill prior to implementation of DRS Scheme.
 - Issues surrounding the under estimation of potential costs for implementation in impact assessments submitted by various government departments for RPC scrutiny including familiarisation and enforcement costs.