



# Regulatory Policy Committee

## **15 years of Independent Scrutiny of Government Regulation 2009-2024**



October 2024

## Contents

Foreword by Stephen Gibson .....	3
October 2009 to April 2010: Labour Government .....	4
May 2010 to April 2015: Coalition Government .....	5
May 2015 to May 2017: Conservative Government .....	7
June 2017 to November 2019: Conservative Government .....	10
December 2019 to July 2024: Conservative Government .....	12
July 2024: Labour Government .....	17
What next for the RPC? .....	18

## Foreword by Stephen Gibson



I am proud to be chairing the Regulatory Policy Committee (RPC) as it reaches its 15<sup>th</sup> anniversary. It is an exciting time for the RPC to undertake our role of providing scrutiny of regulatory measures.

Since the committee's creation in 2009, our role has grown from that of an *ad hoc* advisory body, producing opinions on regulatory impact assessments that were already in the public domain, to one with the opportunity to have a more direct and positive influence on the quality of evidence-based policymaking. With the recent revisions to the Better Regulation Framework (BRF), we will offer our input at an earlier stage of the policy development process to better support decision-making by ministers and Parliament.

Over the past 15 years, the RPC has issued over 4,600 formal and informal opinions on regulatory impact assessments, post-implementation reviews and cost-to-business calculations produced by teams across government on a huge range of policy areas. Our opinions provide an independent view on whether or not the evidence and analysis developed to support policy proposals is fit-for-purpose. Our work has also supported Government initiatives to constrain the cost of regulation on business, to improve the evaluation of existing regulations and to understand the impacts of Free Trade Agreements.

The nature of our work means that it sometimes contains messages that departments would prefer not to hear. Nonetheless, we have always sought to tell government departments and ministers our independent views on the quality of their assessments. By offering honest, independent input, we hope to help government make better policy decisions.

Since the RPC's inception, we have maintained close engagement with external stakeholders including business groups, civil society organisations, other international regulatory scrutiny bodies and parliamentarians. It is critical for us to understand the potential impact of regulations from their different viewpoints. Our stakeholders have been, and will continue to be, crucial contributors to our independent scrutiny process and assist us in ensuring robust evidence is provided to support the regulatory policy-making process. I would like to thank everyone who has supported the committee over the years.

Delivering our independent, evidence-based analysis of the impacts of regulatory proposals will continue to be our focus in the years ahead. This publication ends with a section on our own suggestions to the new Labour government for how to make our role even more effective. We look forward to working with the Government to help it deliver its policies as effectively as possible.

Finally, I would like to take this opportunity to thank all the current and former members of the committee and secretariat for their hard work over the last 15 years in making the RPC as successful as it has been.

**Stephen Gibson**

Chair

Regulatory Policy Committee

## October 2009 to April 2010: Labour Government

The Regulatory Policy Committee (RPC) was formed in 2009 as an independent *ad hoc* advisory body to provide the Government with advice on the quality of the analysis and evidence supporting new regulations. Chaired by Michael Gibbons and supported by a secretariat of civil servants, its purpose was to provide scrutiny of the evidence and analysis underpinning new regulatory proposals while not commenting on policy.

**October  
2009**

In creating the RPC, the Government's intention was to build upon the work of predecessor bodies, including the Better Regulation Task Force (BRTF) and the Risk and Regulation Advisory Council (RRAC), helping to ensure that regulations are made for the right reasons and are proportionate to the risk and scale of the problem they are addressing.



**The founding members of the RPC:**  
(clockwise from top-left)

- Michael Gibbons, Chair – author of the Gibbons Review of Employment Dispute Resolution and former member of the BRTF
- Sarah Veale – Head of Equality and Employment Rights, TUC and former member of the RRAC
- Mark Boleat – Former Director General, the Association of British Insurers
- Ian Peters – Chief Executive, Chartered Institute of Internal Auditors and former member of the BRTF
- David Parker – Emeritus Economics Professor, Cranfield School of Management
- Philip Cullum – Deputy Chief Executive, Consumer Focus and former member of the RRAC

The RPC's role was intended to hold the Government to account via the quality of individual impact assessments (IAs) produced by individual departments for new regulations. By providing public scrutiny of regulatory IAs (especially the cost-benefit analysis underpinnings) the RPC aimed to help create a cultural change across government in which departments would now have both the incentive and advice needed to increase the quality of their evidence-based policymaking overall.

In its early months, the RPC only issued opinions on regulatory proposals where there were major concerns about the quality of the analysis and focussed on the five Principles of Good Regulation: proportionality, accountability, consistency, transparency and targeting.

We developed good relationships with similar bodies internationally, which led to the formation of RegWatchEurope (RWE), a network of independent regulatory scrutiny bodies across Europe.

**RegWatchEurope**

**April  
2010**

## May 2010 to April 2015: Coalition Government

**May  
2010**



The Conservative-Liberal Democrat Coalition entered government with the ambitious aim of being “*the first government in modern history to leave office having reduced the overall burden of regulation, rather than increasing it.*” This would be achieved using the “One-In, One-Out” (OIOO) rule whereby no new regulation would be introduced without changes to existing regulation that reduced the burden on business by at least an equivalent amount.

The RPC’s role and remit was strengthened when the Government’s Cabinet sub-committee on Reducing Regulation required that impact assessments for all new regulations affecting business or civil society had to have a ‘fit-for-purpose’ rating from the RPC.

The RPC therefore became more explicit in its reviews of government analysis, which now also included validating the contribution of any new measures under the OIOO accounting system. Impact assessments were rated either ‘fit for purpose’ (green or amber-rated) or ‘not fit for purpose’ (red-rated) to show whether decisions to regulate were based on sound evidence and analysis.

The RPC also published a ‘league table’ of departmental performance in producing fit for purpose IAs.

All of this meant that the RPC would become engaged earlier in the policymaking process and, therefore, be in a position to influence the quality of the supporting analysis – including prior to consultation – where it might have a much bigger impact.



The Government also introduced the Red-Tape Challenge, inviting the public to suggest areas of regulatory red-tape to remove or improve.

This led to over 3,000 regulations being scrapped or improved and saved businesses an estimated £1.2bn a year in regulatory costs

**April  
2011**



**April  
2012**

In April 2012, the RPC was formalised as an advisory Non-Departmental Public Body (NDPB) sponsored by the Department for Business, Innovation & Skills. At this point we bade farewell to Mark Boleat and Philip Cullum and welcomed new members Alexander Ehmann, Jeremy Mayhew, Martin Traynor and Ken Warwick (L to R).



- Alexander Ehmann – former Deputy Director of Policy and Public Affairs, Institute of Directors
- Jeremy Mayhew – Councilman, City of London Corporation and senior adviser, PwC Consulting
- Martin Traynor – former Group Chief Executive, Leicestershire Chamber of Commerce
- Ken Warwick – former Director of Analysis, Department for Business, Innovation and Skills

**August  
2012**

By August 2012, the overall quality of departments' impact assessments had improved, with 81 per cent rated fit for purpose.

The Government streamlined the better regulation framework process by removing the amber rating and limiting us to red- or green-ratings of final stage impact assessments based on the quality of evidence on the direct impacts on business.

**2013**

By 2013, OIOO had been replaced by One-In, Two-Out (OI2O) and the 'Small and Micro Business Assessment' (SaMBA) became more prominent in our scrutiny. With small and micro businesses being such an important part of the UK economy, our role in ensuring departments had appropriately considered options for exemption, disproportionate impacts and mitigation gained greater focus, and we started to issue red-rated opinions where SaMBAs were insufficient.

At this point we also took on scrutiny of post-implementation reviews (PIRs), to help ensure that the analysis supporting the follow-up evaluation and improvement of regulatory policies by government was also fit for purpose.

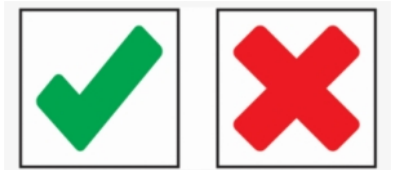
**March  
2015**

In March 2015, Jonathan Cave and Nicole Kar joined the committee as we said goodbye to David Parker and Ian Peters.



- Jonathan Cave – Senior Teaching Fellow in Economics, University of Warwick.
- Nicole Kar – Head of Competition, Linklaters

Later that year, we introduced our Initial Review Notice (IRN) system – a less formal way of providing early feedback to departments on red-rateable issues and areas for improvement. This allowed departments to resubmit their IA with improved analysis in order to gain a fit-for-purpose rating.



Over the life of the Parliament, the RPC improved the accuracy of government estimates of the impacts of regulation by around £585 million per year. Under the OIOO and OI2O systems this meant that, without RPC scrutiny, the net savings to business claimed by government from regulatory reforms would have been around £0.5 billion higher, potentially allowing additional regulatory burdens to be introduced while still meeting the Government's target.

**May  
2015**

May 2015 to May 2017: Conservative Government



**July  
2015**

The importance of the RPC's work was recognised in July 2015 when we were made the Independent Verification Body (IVB) for the Government's new Business Impact Target (BIT), introduced by the Small Business, Enterprise and Employment (SBE) Act.

### Case Study: Standardised packaging of tobacco products – July 2014



During the 2010-15 Parliament, the Department of Health introduced legislation to standardise the packaging of tobacco products. The IA for this policy received a red rating due to incorrect assumptions about the direct and indirect costs on business.

The Department had reasoned that the loss of profits for tobacco companies would be indirect – and, therefore, did not qualify under the rules of One-In, Two-Out – because it depended on whether smokers changed their behaviour. However, the RPC argued that the loss of profits should be counted as a direct cost, because the measure explicitly restricted promotional activity in order to reduce cigarette consumption and therefore sales of the products.

### Case Study: Ballot thresholds in important public services – December 2016



As part of the Trade Union Act 2016, the Government consulted on specific measures including setting a new threshold requiring at least 40 per cent of eligible union members to vote in favour before industrial action could be taken. The RPC issued a red-rated opinion on the Government's consultation stage IA because it did not provide sufficient evidence of the scale of the problem at hand.

Following the RPC's scrutiny, the final stage impact assessment was improved with data showing the impacts of public sector strike action on the wider economy due to, for example, lost working days in other sectors.

### Case Study: Machine-readable information on consumer energy bills – May 2014



This measure required energy providers to place a 2cm x 2cm machine-readable image, such as a barcode or a quick response code, on all domestic retail consumers' paper energy bills. When scanned by a generic reader, this image would provide access to 12 key pieces of consumption data in an easy-to-read format.

The Government's initial IA provided insufficient evidence that exempting small and micro businesses would not allow the objectives of the proposal to be achieved. Following our scrutiny, the IA was updated with a quantitative analysis showing that small and micro businesses were expected to bear 3.2% of the costs associated with the measure even though they only made up 0.2% of the market. This analysis showed that small and micro businesses could be exempted from the regulation, while still delivering the vast majority of the policy benefits.



## The Business Impact Target (BIT)

The BIT was a target the Government set itself in relation to the maximum cumulative burden that regulation imposed on business over the life of each Parliament. The Government had to report on its progress every year and in full at the end of the Parliament. The calculations of regulatory burdens that went towards the BIT (based on the Equivalent Annual Net Direct Cost to Business) were validated by the RPC as the Independent Verification Body.



	2015 Parliament	2017 Parliament	2019 Parliament
<b>BIT Target</b>	£10bn reduction	£9bn reduction	£0 'holding' target
<b>BIT Outcome</b>	£6.6bn reduction	£7.8bn increase	£17.2bn increase
<b>Difference</b>	£3.4bn	£16.8bn	£17.2bn

The Government failed to meet its BIT target for reducing the impact of regulation on business in each of the three Parliaments that the BIT operated in.

**June  
2016**

Pre-Brexit, whilst EU regulations did not count towards the BIT (other than in cases of 'gold-plating', where UK regulations went beyond EU requirements), the RPC scrutinised government assessments of larger EU measures because they were a significant source of regulatory costs and benefits to business and wider society.

We provided opinions on EU free trade agreements and post-implementation reviews on trade restrictions and other regulations related to international trade.



**May  
2017**

By the end of the Parliament, the independent non-economic regulators had been brought into scope of the BIT, and the role of the RPC was extended further to verify the business impacts of qualifying measures from these regulators.

## June 2017 to November 2019: Conservative Government



June  
2017

In the run up to Brexit, the RPC scrutinised the IA for the EU Withdrawal Act (in July 2017), the Withdrawal Agreement Bill (in October 2019) and many related measures – including contingency legislation to be implemented in the event of the UK leaving the EU without a deal in place.

After eight years of service, we said farewell to Michael Gibbons, and Anthony Browne was appointed Chair in December 2017. From May 2018, Laura Cox, Stephen Gibson, Brian Morgan, Andrew Williams-Fry and Sheila Drew Smith joined Anthony on the committee (replacing Nicole Kar, Martin Traynor, Alexander Ehmann, Ken Warwick and Sarah Veale).

A new Better Regulation Framework was published in 2018, which included the new *de minimis* threshold of  $\pm$ £5 million net impacts on business per year, below which RPC scrutiny was no longer required. In addition, consultation stage impact assessments were no longer required to be submitted for RPC scrutiny (though many departments continued to send them on a voluntary basis).

Government departments were now able to self-assess whether their regulatory measures qualify as *de minimis* ie below the threshold. In such cases, the RPC could ask the then Better Regulation Executive (BRE) to 'call in' any measures we were concerned may either be above the *de minimis* threshold or may need scrutiny due to other significant impacts or controversial aspects.

To help departments improve the quality of their analysis, we offer support in the form of informal advice for consultation stage impact assessments in a quicker turnaround time.

November  
2019



*Clockwise from top-left:*

- Anthony Browne, Chair – former Chief Executive, British Bankers' Association
- Laura Cox – former partner, PriceWaterhouseCoopers LLP
- Stephen Gibson – Director, SLG Economics and former Chief Economist, Ofwat and Postcomm
- Brian Morgan – Director of the Creative Leadership and Enterprise Centre, Cardiff
- Andrew Williams-Fry – former Director of Regulation, Gatwick Airport, Thames Water and the Mastercard group
- Sheila Drew Smith – Chair, Safeagent and former member of the Committee on Standards in Public Life

### Case Study: EU (Withdrawal) Bill – March 2017



The European Union (Withdrawal) Bill gave effect in domestic law, to the UK's withdrawal from the European Union. The IA stated that there were over 12,000 EU regulations and over 6,000 EU directives in force across the EU. In addition, there were around 7,900 statutory instruments (SIs) made in the UK that have implemented EU legislation. A large proportion of this law would not function effectively after the UK left the EU unless action was taken to correct it.

The IA explained why the nature of these corrections would, in many cases, depend upon the outcome of negotiations and, therefore, why it would be necessary to have a “correcting power” in the Bill to permit further changes via secondary legislation. Our Opinion stated that the Department's assessment was, at that stage, sufficient, on the understanding that separate IAs on substantive policy changes would follow in due course.

### Case Study: Biodiversity net gain – June 2019



The IA discussed how to deliver habitat creation and enhancement whilst ensuring the policy was simple, certain and efficient for developers to follow. Biodiversity net-gain was defined in the IA, as an overall increase in habitat area and/or quality following a new development. The Department reasoned that the habitats would be managed for up to 25-30 years and must satisfy a 10% net gain in biodiversity points before they are granted planning permission by local planning authorities. The developer would then have the option between several different actions to deliver net gain.

Our opinion welcomed the level of analysis throughout the primary legislation stage IA. The Department had monetised benefits supported by evidenced assumptions. On expected costs to developers, we found these well calculated and presented.

### Case Study: ECO3: improving consumer protection - December 2018



The Government proposed an amendment to the Energy Company Obligation (ECO) delivery framework with an aim of improving the quality of installations and consumer protection standards of several ECO measures. The measure introduced a new quality mark framework, using the existing *TrustMark* government-endorsed quality scheme, and a new set of technical standards.

Our opinion stated that the Department provided a clear and well-structured IA. In particular we cited the detailed description of the impacts of the measure on small and micro businesses, including how they might be disproportionately affected and so to counter this, the IA provided a full discussion of mitigation to assist such businesses.

**December  
2019**

## December 2019 to July 2024: Conservative Government



At the end of 2019, Anthony Browne was elected to the House of Commons and Stephen Gibson was appointed interim Chair. In January 2020, Stephen had the honour of hosting a celebration of the RPC's 10<sup>th</sup> anniversary at an event in the House of Lords, with former members and a wide range of stakeholders from business, civil society and Parliament.

Following the UK's exit from the EU, the RPC was asked to provide assessments of Free Trade Agreement (FTA) Impact Assessments – we have since provided opinions on the IAs for FTAs with Japan, Australia, New Zealand and a multilateral FTA with the trans-pacific partnership of twelve nations.

The Covid pandemic led to some of the emergency legislation IAs being scrutinised at pace, and an exemption for most Covid legislation from the Better Regulation Framework and therefore our scrutiny. Similarly, the Russian invasion of Ukraine required us to assess urgently the impacts of the series of trade sanctions IAs.

**May  
2021**



In May 2021, Stephen Gibson was confirmed as chair of the RPC by the Business Secretary.

Stephen introduced the RPC's blog with an initial post where he discussed the case for independent scrutiny of impact assessments earlier in the decision-making process. Since then, we have posted blogs covering a wide range of issues, from the need to reform the Better Regulation Framework, through the impacts on both businesses and civil society organisations, to the lack of post-implementation reviews undertaken by departments and the importance of such review to future regulation. Our blog posts lets us share our independent views on better regulation principles and regulatory reform proposals, to inform and stimulate policy debate and discussion.

We also introduced new templates for drafting our opinions to make them more accessible and introduced ratings for elements of the IA that were not part of our fitness for purpose assessment. This allowed us to rate as 'Good', 'Satisfactory', 'Weak', or 'Very Weak' important areas such as the Rationale & Objectives, Cost-Benefit Analysis, Wider Impacts, and Monitoring & Evaluation Plan.

**December  
2021**

**January  
2022**

By January 2022, the terms for Sheila Drew Smith, Laura Cox and Brian Morgan had ended and we welcomed new members Stephen Gifford, Derek Ridyard, Hilary Jennings, Daniel Dalton and John Longworth.

*Clockwise from top-left:*

- Daniel Dalton – former CEO, British Chamber of Commerce and MEP for the West Midlands 2015-19
- Stephen Gifford – Chief Economist, Faraday Institution and Board Member, Ulster University Economic Policy Centre.
- Hilary Jennings – independent consultant specialising in competition and regulation.
- John Longworth – former Director General, British Chambers of Commerce and MEP for Yorkshire and Humber 2019-20
- Derek Ridyard – co-founder RBB Economics and Member, Competition Appeals Tribunal



April 2022 saw us bid farewell to Committee member Jeremy Mayhew.

**October  
2022**

Later that year, the Government launched its consultation on reforming the framework for better regulation. In our response, the RPC made the case for stronger early-stage scrutiny.

In October 2022, ministers extended the small and micro business assessment to consider medium-sized businesses (up to 499 employees), so that all such businesses would be considered for exemption or mitigation from new regulations where possible.

We scrutinised the impact assessment for the Retained EU Law (REUL) (Revocation and Reform) Bill, a flagship policy for the Government. This was rated as not fit for purpose, due to methodological issues and an incomplete consideration of the impacts of sunseting REUL on small, micro and medium-sized businesses. Following our opinion (although not necessary because of it), the REUL Bill was significantly amended to remove the sunseting clause. Ultimately nearly 600 pieces of legislation were revoked after it came into force.

**February  
2023**

Our December 2022 Independent Verification Body (IVB) report noted an alarming increase in the number of IAs that were rated as 'not fit for purpose'. In particular, between 2021 and the publication of the report in February 2023, we published red-rated opinions on IAs for eight measures, compared to none between 2016 and 2020.

In addition, 63% of IAs were rated either 'weak' or 'very weak' for not being sufficiently robust on at least one of the four areas of scrutiny not reflected in red/green ratings ('rationale and objectives', 'cost-benefit analysis', 'wider impacts', and 'monitoring and evaluation').

There was a significant increase in the number of IAs submitted late to the RPC – in some cases when the legislation was already before Parliament. This undermined the purpose of the Better Regulation Framework in allowing us to inform Parliamentarians of the robustness of the evidence supporting regulatory proposals. On this point, the House of Lords’ Secondary Legislation Scrutiny Committee report *“Losing Impact: Why the Government’s impact assessment system is failing Parliament and the public”* agreed and suggested that we should highlight



where IAs are submitted late, which we have done by publishing statements on our website.

In May 2023, the Government announced reforms to the Better Regulation Framework (BRF). The RPC welcomed these reforms which included a number of changes that we had advocated, including: earlier independent scrutiny of IAs to allow us to comment effectively on the evidence supporting different policy options; consideration of a wider range of impacts (including the impacts on households and the environment); and a greater emphasis on monitoring and evaluating regulations after they have been introduced, together with a commitment for post-implementation reviews to be carried out more comprehensively. These changes were introduced over a 12-month transition period up to September 2024.

In June 2023 RPC Chair, Stephen Gibson gave evidence to the Independent Commission on UK Public Health Emergency Powers, that was set up to learn lessons from the Covid pandemic. Stephen gave evidence on the role of the RPC and the importance of evidence and analysis within its work on pandemic related assessments it scrutinised. His evidence was drawn on heavily in the final report issued by the Commission.



In August our statutory role as Independent Verification Body for the Government’s Business Impact Target (BIT) ended. Our 2023 BIT report estimated an *increase* in the regulatory burden on business for this parliament (up to the removal of the BIT) of around **£17.2 billion**, against the Government’s target of no increase. This, together with the failure of previous Parliaments to meet their BIT targets showed that the BIT had not reduced regulatory costs (in fact they have increased substantially). At the same time, important policy areas (such as Covid regulations) have been exempt and not included in the BIT figures.

September saw the start of a 12-month transition period for departments to adopt the changes to the BRF. Together with the Better Regulation Executive, we began a programme of assistance to departments to help them adapt to the new BRF.



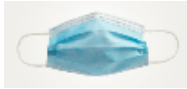
We continued to notice the failure of departments to complete post-implementation reviews (PIRs) of their regulations, despite these in many cases being a statutory requirement. We echoed, via our blogs, the criticism of the lack of PIRs made by both the NAO and the Office of Environmental Protection.



National Audit Office



### Case Study: COVID-19 Vaccination as a Condition of Deployment in Health and Care providers – November 2021



As part of the Government's response to the Pandemic it sought to make COVID-19 vaccination a condition of employment in health and adult social care settings. The regulations were intended to place vaccination requirements on health and adult social care staff and volunteers who had face-to-face contact with patients and who were directly involved in patient care, as well as ancillary staff such as porters or receptionists who may have social contact with patients but are not directly involved in their care.

Our red-rated opinion stated that the IA did not provide the level of economic evidence for the calculation of direct impacts or the consideration of the impacts on small and micro businesses to deem it fit for purpose. It did not provide evidence that excluding unvaccinated staff from health and care services would not result in critical staffing shortfalls, or sufficient evidence that such shortfalls could be avoided.

### Case Study: The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2022



In response to calls for sanctions against Russia's invasion of Ukraine, the Foreign Office produced a series of IAs to accompany the regulations, which required assessment by us at pace to assist Parliamentary scrutiny. Given the urgency of the regulations, the RPC found the wide-ranging sectoral IAs to be sufficiently evidenced on the impacts on businesses of all sizes.

### Case Study: Strikes (Minimum Service Levels) Bill – February 2023



The Government sought to introduce powers to enable it to set minimum service levels, for certain sectors of the economy, on days where strikes occur.

We opined on the bill IA stating it was not fit for purpose as it did not provide a sufficient level discussion of the impacts on sectors from the adoption of a minimum service level. Specifically, the IA did not adequately assess the impact on small and micro businesses and civil society organisations expected to be disproportionately affected.

### Case Study: The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) – July 2023



We agreed to provide Government with opinions on the IAs of Free Trade Agreements (FTAs) including the Trans-Pacific partnership FTA.

The CPTPP aimed to enhance the UK's trade and investment relationship by removing tariff and non-tariff (including regulatory) barriers to trade. We found the FTA IA well-researched and that it provided a good assessment of the potential long-run impacts of the UK's accession to the CPTPP. However, we felt that the IA would be improved by a more balanced presentation of the impacts and that it was difficult for threader to get a clear, balanced picture of the impacts of the FTA from the IA.

2024



We started 2024 by holding an event at the House of Lords to promote the new Better Regulation Framework and the RPC's role in it. Around 150 stakeholders from across Whitehall, the business community, civil society organisations, parliamentarians and regulators attended. There were speeches from Lord Dominic Johnson (the Minister for Regulatory Reform), Stephen Gibson, the Earl of Lindsay and Jon Geldart (Director-General of the Institute of Directors). The event gave an opportunity to emphasise how moving scrutiny to an earlier stage in the policy development process, considering a wider range of impacts under scrutiny and having a greater focus on evaluation, would all assist ministers in being better informed within their decision making.

Also in January 2024, RPC Chair, Stephen Gibson, gave evidence to the House of Lords Secondary Legislation Scrutiny Committee (SLSC), discussing the RPC's views on the new Better Regulation Framework (BRF) and how the changes may impact Parliamentary scrutiny of new regulatory proposals

The early part of this year also saw changes to the Committee with both Derek Ridyard and Professor Jonathan Cave leaving, the latter after 10 years, to be replaced by Professor Caroline Elliott and Ryan Williams.



- Caroline Elliott – Professor of Economics, University of Warwick
- Ryan Williams – Chief Economist, Enoda and formerly Professor of Finance, University of Arizona

May 2024 saw the Government publish its White Paper: *'Regulation for Innovation, Investment and Growth: Working with Regulators to Deliver a World-Class Service'*. The RPC welcomed the White Paper and the Government's ongoing efforts to improve the quality of regulation and sought to work with the Government to ensure the commitments made would be effective. In particular, the RPC welcomed the proposal to re-establish voluntary independent scrutiny of regulators' cost-benefit analysis. We also saw the White Paper as a vehicle to reinforce the need for PIRs to be undertaken and scrutinised on a more comprehensive basis.

*Now more than ever, it is essential that proposed regulation is fully thought through in terms of its effectiveness, proportionality and impact on economic growth. The RPC plays an important role in independently scrutinising this process. We hope that Government continues to value the role of the RPC by ensuring that it is sufficiently resourced and at the heart of improving the regulation agenda."*

**Jon Geldart, Director General at the Institute of Directors**

---



July  
2024

## July 2024: Labour Government



Following the election, the RPC is now raising awareness of its role with the new government and how it can help to support its agenda.

We recently published spreadsheets summarising departmental performance on the quality of the IAs and PIRs. Of the departments with more than 5 IAs, the former BEIS achieved 90% Good or Satisfactory ratings, while the DHSC, DfE and DLUHC all received less than 55%. We hope that this transparency will spur departments to improve the quality of their IAs and thereby improve the quality of regulations.

*“The Regulatory Policy Committee (RPC) continues to play a key role in holding government to account on its commitments to growth-focused and proportionate regulation – a big consideration for CBI members investing in the UK. The RPC’s scrutiny and commentary on regulation helps to ensure that the voice of the regulated is heard and that regulation is developed in a proportionate way and supported by a strong evidence base.”*

**Rupert Soames, President of the Confederation of British Industries**

---

decisions about whether to retain, revise or remove a regulation and providing important lessons for future regulation. We hope that the transparency and accountability of providing details on Government and departmental performance will help to strengthen adherence to the BRF.

*“From a business perspective, the work of the Regulatory Policy Committee is crucial in ensuring legislation is based on accurate evidence and data. As a sector that is regularly impacted by new regulation, having an independent body we can liaise with to give the business view on costs or benefits to UK hospitality operators is vital. This relationship helps ensure that decision makers have evidence based and proportionate data on which to base policy proposals. We look forward to working with the RPC over the next 15 years and beyond”.*

**Kate Nicholls OBE, Chief Executive, UK Hospitality.**

---

Our results also show that many departments have failed to meet their statutory obligations to produce and publish PIRs. Without reviewing the performance of recent regulation, government could be leaving ineffective or out-of-date regulation in place, causing unnecessary burdens on business and society and threatening the growth agenda. PIRs are of key importance to a smarter regulatory framework, informing

*“Working people rely on strong, effective regulation to ensure they are kept safe and treated fairly. The Regulatory Policy Committee has an important role to play in ensuring that the laws that govern our lives are informed by evidence. As a new government takes the country in a fresh direction, we look forward to working with the RPC on its ongoing analysis.”*

**Paul Nowak, General Secretary, the Trades Union Congress.**

---

## What next for the RPC?

### What will independent scrutiny look like under the new framework?



The RPC welcomes the new Better Regulation Framework (BRF) which includes many changes that we had advocated:

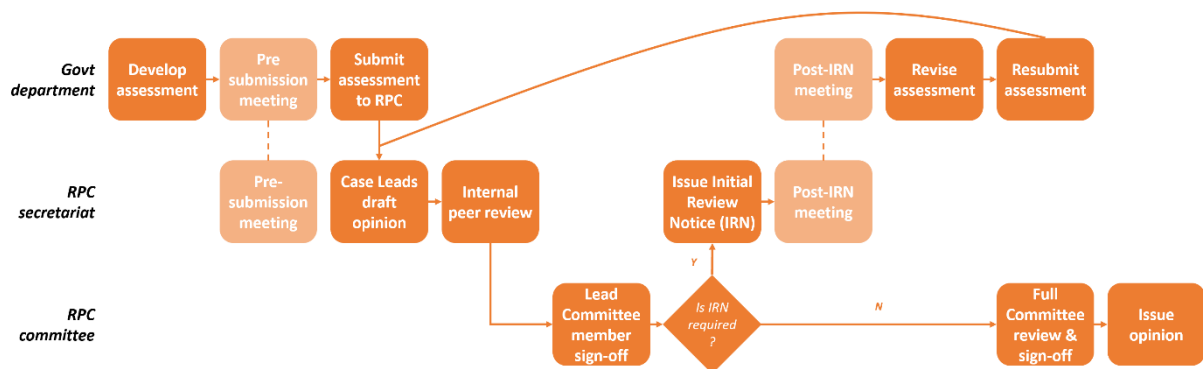
- Independent scrutiny at an earlier stage in the policy development process, to allow us to comment effectively on the evidence supporting the different policy options;
- Consideration of a wider range of impacts (including the impacts on households and on the environment), rather than the previous narrow focus on direct business impacts; and
- A renewed focus on monitoring and evaluation and a commitment for Post-Implementation Reviews (PIRs) to be carried out comprehensively.

Our role in the new BRF will move us into an earlier stage of policy development and we will scrutinise Options Assessments (OAs), an earlier iteration of the IAs supporting proposals that analyse different policy options for achieving government objectives. Our opinions will assist ministers’ decisions on which regulatory option to proceed with (or whether to adopt a non-regulatory approach).

As a regulatory proposal approaches introduction to Parliament, departments will be able to voluntarily submit an IA to the RPC for further scrutiny to assist both final decisions and Parliamentary scrutiny.

Five years after a regulation is introduced, departments are usually expected to undertake a post-implementation review to evaluate whether the regulation is working as intended and whether it should be revised, retained or removed.

### The RPC scrutiny process



### Supporting efforts to improve the analysis within government

The RPC supports analysts in government and has always played a role in helping train teams in departments in improving their skills in assessing policies and estimating impacts of proposals.

The RPC’s Methodology Sub-Group considers what additional guidance and training might assist in improving the quality of OAs, IAs and PIRs and consequently improve the evidence available to ministers and parliament in making regulatory decisions. We publish methodology notes and case histories to provide a guide for departments and regulators in their preparation of impact assessments.

### *Connecting more with our international counterparts*

The RPC has always engaged with regulatory scrutiny bodies in other countries and sought to share UK experiences and good practice to encourage evidence-based regulation elsewhere. While this was curtailed during the pandemic, we are now starting to re-connect across the world. We are a founding member of RegWatchEurope – the group of independent regulatory scrutiny bodies across Europe and in 2024 Stephen Gibson was a key-note speaker at the International Association of Regulation & Governance conference in the USA, at the Australian and New Zealand Regulatory Review Bodies annual conference and the Forum of Indian Regulators summer conference. We are planning to engage further with the Office of Information and Regulatory Affairs (OIRA) in the White House to share regulatory best practice. We will also be re-connecting with many of our international partners as we move forwards with the new BRF.

### How could the RPC be even more effective?

#### *Widen the scope of consideration for RPC ratings*

While the scrutiny of burdens on business has been our primary role, an ability to rate the overall analysis, rather than just the direct business impacts, will improve the analysis and better inform regulatory decisions.

We see it as important to have a well-evidenced assessment of why government intervention is the best (or only) way to address the policy problem from a range of well-considered options.

Wider societal impacts can include costs to individuals and households, or burdens on institutions, such as schools, as well as other consequences of policies such as effects on competition, innovation or the environment. For some regulations, these wider and often indirect impacts can be far more significant than the direct impacts on business.

*“Making sure the impact of regulation on small businesses is recognised is vital, and the RPC’s scrutiny in this area is to be commended. Small firms do not have access to the same level of compliance resources as their large counterparts, so making sure that regulation does not prevent small businesses from fully participating in the economy is key, in order to unlock the growth and innovation we all want and need to see from, businesses of all sizes.”*

**Tina McKenzie, Policy Chair,  
Federation of Small Businesses**

---

## *Improving monitoring and evaluation and the quality of Post- Implementation Reviews*

*“The RPC performs an essential role as the independent regulatory scrutiny body for the UK Government. The checks and measures it applies provide assurance and transparency that are necessary to ensure Government is held to account and regulation works well and as intended. Our report in 2023 on post implementation review of environmental law built on RPC’s work highlighting failures in government performance on post-implementation review in 2021. We have worked collaboratively and effectively on this topic to drive progress in the production of post implementation review reports.”*

**Dame Glenys Stacey, Chair of the Office for Environmental Protection**

---

Monitoring and evaluation plans should not be an afterthought, analysis should set out clearly at the start the benchmark for the success of a policy. Enabling the RPC to rate the quality of monitoring and evaluation plans will improve policy design as well as improve the quality of post-implementation reviews further down the line. Given the poor performance of previous governments in undertaking PIRs, the RPC continues to promote to the new government the importance of reviewing existing regulation prior to amending or bringing in new proposals. This is not to say there has not been any improvement. Following reports made by the National Audit Office and the Office of Environmental Protection, both of which the RPC has endorsed, we have seen several departments undertake reviews of their legislation to identify outstanding PIRs and put

in place programmes to deliver them. We welcome this greater emphasis on the importance of monitoring and evaluation which has already led us to more proactive work with these departments to submit outstanding PIRs. We urge the Government to ensure all departments follow suit.

### *Include regulators in the scope of the Framework*

Under the updated Better Regulation Framework, provisions made by regulators are not in scope of the Framework and therefore do not face independent RPC scrutiny. We believe that including them in the framework would improve the robustness of the regulators’ analysis and provide assurance to stakeholders over its quality and effectiveness.

*“The future growth of UK manufacturing relies on a regulatory environment that enables them to innovate while also upholding critical safety, quality and environmental standards across industry. The important role of the Regulatory Policy Committee is vital to ensuring that regulation works for manufacturers.”*

**Stephen Phipson CBE, CEO, Make UK**

---

### *Have an effective mechanism for taking account of RPC opinions when deciding on legislation*

For the framework to work effectively, when we issue an opinion that an assessment is not fit for purpose, or where there is no post-implementation review of existing regulation, there needs to be a clear mechanism for the Government and Parliament to take this into account in deciding whether to proceed with the legislation. Justification to proceed with legislation where the IA has been red-rated by the RPC (or there is no IA) should form part of the introduction by government of legislation to Parliament.

### *Publication of more data on departmental performance*

We see our publication of data on departments' performance against the Better Regulation Framework on the quality of departmental IAs and PIRs, as providing important transparency on this process. We will continue to publish this information and will seek to supplement it where appropriate. We believe that transparency and accountability will help to strengthen adherence to and delivery of the Framework.

### *Removing the unnecessary building safety exemptions from the Framework*

We continue to question the exemption of building safety regulations from the Framework. As a result of this exemption, these regulations do not receive the same, independent scrutiny of the quality of the impact, or options assessments as other Government regulatory proposals.

This view is supported by a recent report on regulation from the Centre for Policy Studies which criticises a DLUHC regulation requiring a second staircase in buildings that are more than 18m tall. In this they comment that DLUHC's estimate of the cost of the measure: *"appears to be out by an order of magnitude. Yet there is no way for anyone outside DLUHC to challenge the figures, not least because the new Better Regulation Framework exempts 'regulatory provisions for the safety of tenants, residents and occupants in buildings' from independent scrutiny"*.

### *Properly completing Post-implementation Reviews*

It is important to complete Post-Implementation Reviews (PIRs) of existing regulation before introducing new regulations. Given that many PIRs are already a statutory requirement (although a requirement that is often not complied with), we strongly support the initiatives to ensure that they are properly undertaken on a more comprehensive basis – for example automatically sunseting regulations if they have not had a PIR within a given time-period. We hope that the Government (and individual Ministers) will give a greater priority to their responsibility to complete PIRs.

There is still much work to do. We do hope that the Government will continue to strengthen the Framework to achieve the full benefits of an effective and comprehensive regulatory programme with independent scrutiny playing an integral and important part. The RPC shares the new government's goal to ensure that regulation promotes growth, is properly evidence-based and is not seen as a 'free lunch' that ends up reducing investment and harming international competitiveness.



Regulatory Policy Committee  
Ground Floor  
10 – 18 Victoria Street  
London SW1H 0NN

**E-mail:** [enquiries@rpc.gov.uk](mailto:enquiries@rpc.gov.uk)    **Website:** [www.gov.uk/rpc](http://www.gov.uk/rpc)

**Twitter:** [@RPC\\_GOV\\_UK](https://twitter.com/RPC_GOV_UK)    **RPC Blog:** <https://rpc.blog.gov.uk/>