

The Online Safety Act 2023

Lead department	Department for Science, Innovation and Technology
Summary of proposal	Introduces a new regulatory framework establishing a duty of care on companies to improve the safety of their users online, overseen and enforced by Ofcom.
Submission type	Impact assessment (IA) – 19 August 2024
Legislation type	Primary legislation – enactment
Implementation date	2024
Policy stage	Final
RPC reference	RPC-DSIT-4347(5)
Opinion type	Formal
Date of issue	25 September 2024

RPC opinion

Rating¹	RPC opinion
Fit for purpose	The IA fully assesses direct impacts on business, in line with RPC guidance on primary legislation IAs. The IA provides a good monitoring and evaluation plan and assessment of wider impacts.

Business impact target assessment

	Department assessment	RPC validated
Classification	Qualifying regulatory provision (IN)	Qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	£263 million (indicative only)	Further IAs to be submitted at secondary legislation and/or regulator stages, subject to framework requirements.
Business impact target (BIT) score	£1,310 million (indicative only)	See above
Business net present value	Not quantified	
Overall net present value	Not quantified	

¹ The RPC opinion rating is based only on the robustness of the EANDCB and quality of the SaMBA, as set out in the [Better Regulation Framework](#). The RPC rating is fit for purpose or not fit for purpose.

RPC summary

Category	Quality	RPC comments
EANDCB	Green	The Department's approach to estimating and accounting for impacts on business is in line with RPC guidance for primary legislation IAs. The IA presents an indicative EANDCB, explaining that the final figure will depend on policy detail to be determined at secondary legislation stage and/or by Ofcom. The RPC expects to see the further IAs produced for those measures, subject to framework requirements.
Small and micro business assessment (SaMBA)	Green	The IA includes a strong SaMBA, which breaks down indicative costs per business by cost type and firm size and estimates the share of aggregate cost by business size. It explains why exempting small and micro businesses (SMBs) would compromise the policy objectives and considers mitigation measures. The IA includes a useful assessment of impacts on medium-sized businesses.
Rationale and options	Good	The IA provides evidence of existing harm and discusses market failure rationales for intervention. The IA only analyses the preferred option, but describes other options considered at consultation stage. It would benefit from further discussion of why alternative regulatory and non-regulatory options were not considered suitable.
Cost-benefit analysis	Satisfactory	The IA makes good use of data sources and evidence to provide illustrative cost estimates, including a break-even analysis. The break-even analysis would be improved by focusing less on reduced detriment relating to existing criminal offences. The IA would also benefit from strengthening its assessment in relation to Artificial Intelligence (AI) generated content.
Wider impacts	Good	The IA provides a good assessment of a range of indirect and wider impacts and a particularly strong analysis of competition and trade impacts. It would benefit from further analysis of public sector impacts and impacts on civil society organisations (CSOs).
Monitoring and evaluation plan	Good	The IA sets out governance plans and high-level objectives for a post-implementation review (PIR). The Department has strengthened the monitoring and evaluation (M&E) plan by including key metrics, specific research questions and data collection for the PIR.

Background

The RPC last reviewed an IA for this measure at the start of 2022, issuing a ‘fit for purpose’ opinion on 18 February 2022.² ‘Good’ ratings were given for ‘rationale and options’, ‘wider impacts’ and ‘monitoring & evaluation plans’, and ‘satisfactory’ for ‘cost benefit analysis’. This was a final stage IA that incorporated a number of amendments resulting from pre-legislative scrutiny of the draft Bill. As with other Online Safety IAs, the lead department for the measure at the time was DCMS. The present IA takes account of amendments to the Bill during parliamentary passage affecting direct impacts on business and reflected in the Bill at Royal Assent (i.e. making submission of an ‘enactment stage’ IA for RPC scrutiny a requirement).

The present IA continues to indicate that the direct business impact of the Bill depends on matters that will be detailed in secondary legislation and Ofcom’s code of practice and will be subject to consultation and further IAs. The Department’s business impact assessment and EANDCB figure, therefore, remains an indicative one. The RPC would expect to see the further IAs providing more finalised business impact estimates in due course, subject to better regulation framework requirements.

Summary of proposal

The Online Safety Act (OSA) 2023 created a new regulatory framework establishing a duty of care on companies to improve the safety of their users online, which will be overseen and enforced by Ofcom. The new regulatory framework applies to any service:

- which hosts user generated content (UGC) which can be accessed by users in the UK; and/or
- facilitates private or public interaction between service users, one or more of whom is in the UK;
- search engines; and
- any service which publishes pornographic content which can be accessed by users in the UK.

The OSA seeks to address the following broad categories of online content:

- illegal UGC and activity which is an offence under UK law - such as child sexual exploitation and abuse (CSEA), terrorism, hate crime and sale of illegal drugs and weapons;
- children’s exposure to UGC and activity which gives rise to a foreseeable risk of psychological and physical harm to children - such as children’s access to pornographic content, legal suicide content, content promoting self-harm, and content promoting eating disorders, and content which may not be appropriate for younger children such as online abuse, cyberbullying, harmful health content and content promoting or encouraging violence;

² [The Online Safety Bill: RPC Opinion - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/the-online-safety-bill-rpc-opinion)

- children's exposure to pornographic provider content which is published and not user generated; and
- 'protected content', including journalistic content, content of democratic importance, and news publisher content.

The IA estimates 25,100 platforms will be in scope of the new regulations, unchanged from the final stage IA. Again unchanged, the IA anticipates between 30-40 platforms that pose the highest risk fall into the following three categories:

- Category 1 - likely to be the highest risk and 'highest reach user to user' platforms, e.g. the largest social media sites and pornography sites, which will have additional duties with regard to content that is harmful to adults;
- Category 2A - the highest risk and highest reach search services, e.g. the largest online search engines; and
- Category 2B - high-risk, high-reach platforms that may not necessarily meet the Category 1 threshold.

Thresholds for these categories will be set out in secondary legislation. Service providers in those categories will have additional duties imposed upon them, including submitting annual transparency reports to Ofcom.

Changes since final stage IA

The IA presents a summary of changes to the measure since the final stage IA at 'break-out box' 1 on page 20. These include removal of the 'legal but harmful' adult safety duties, changes to user empowerment duties and new requirements to judge whether content is illegal. The IA explains throughout, predominantly through 'break-out boxes', why, in most cases, these changes do not materially affect the assessment of direct costs to business. One exception are the new requirements to judge whether content is illegal, estimated to cost around £5 million per year ('break-out box 9, page 47) and contributing to an increase in transition costs. Overall, the EANDCB has increased by around 5 per cent since the final stage IA, from £251 million to £263 million (2019 prices, 2020 present value base year). This is discussed further below.

As noted above, the IA provides only an indicative scale of impacts at this stage because the policy details will be decided in secondary legislation and the Ofcom code of practice. It suggests an illustrative cost of £2.8 billion over ten years in present value terms, up slightly from final stage (£2.5 billion) including:

- transition costs of £107 million (£65 million), consisting mainly of familiarisation and reflecting duties on illegal content in their guidance;
- recurring costs of £332 million (£290 million) per year, amounting to around £2.7 billion over ten years in present value terms. The largest costs are in respect of:
 - additional content moderation (£1.9 billion);
 - fees paid by industry to cover Ofcom's operating costs (£539 million);
 - justice sector impacts (£170 million); and

- fraudulent advertising duty, including conducting customer due diligence (£120 million).

Overall costs have increased by proportionately more than the increase in the direct costs to business. This is because of two factors. First, estimated industry fees have increased by over 70 per cent but these are excluded as direct business costs, in line with better regulation framework practice. Second, only a tiny justice impact was monetised at final stage; the £170 million figure above is almost entirely an additional cost since then.

The Department has not been able to monetise benefits. However, the IA estimates the aggregate current detriment from certain types of online harm and uses it to carry out a 'break-even analysis', indicating that the measure would have a positive net present value if it eliminated approximately 1.3 per cent of the online harms included in the calculation (such as child sexual abuse, cyberstalking and fraud). This compares to the 2.1 per cent figure in the final stage IA. This change reflects a much higher Home Office estimate of the social cost of online harms (£254 billion over the ten-year period, compared to £135 billion previously), driven primarily by markedly higher estimates of the prevalence of cyberstalking.

EANDCB

The Department's approach to estimating and accounting for impacts on business fulfils the requirements of 'scenario 2' in the RPC guidance for primary legislation IAs.³

The IA estimates an illustrative EANDCB figure of £263 million (2019 prices; 2020 present value base year), up from £251 million at final stage, based upon anticipated requirements from the Ofcom code of practice, qualitative information from business and an assumed set of plausible actions providers may need to take. However, it states that it is not possible to calculate a robust EANDCB figure at this stage due to uncertainties about final policy details.

The EANDCB has increased slightly since final stage primarily because of three areas: estimates in relation to the new requirements for platforms to judge whether content is illegal referred to above; an increase in transition costs, accounted for mainly by a sharp increase in estimated familiarisation costs; and estimated costs in relation to duties on pornography providers now being included in the EANDCB figure.

There are other monetised estimates in relation to new duties, such as reporting CSEA and providing information to parents of a deceased child about their use of the service, but these are very small. In other areas, the IA provides indicative assessments such as in relation to the imposition on providers of Category 1 services of an alternative dispute resolution (ADR) duty and bringing app stores in scope of the regulation. These areas are generally subject to further decisions by the Secretary of State and/or Ofcom, and potentially secondary legislation. The

³ <https://www.gov.uk/government/publications/rpc-case-histories-primary-legislation-ias-august-2019>.

Department expects further assessments in these areas. The indicative assessments are proportionate at this stage.

The IA assumes that meeting the new requirement to judge whether content is illegal will be part of content moderation, although it monetises this as an additional cost ('break-out box' 9). The IA's estimates for content moderation itself, which drive the overall costs to business, are largely unchanged from before. The IA would benefit from providing further justification that the overall estimates for content moderation remain reasonable, in the light of the new requirement in relation to judging whether content is illegal and the dropping of requirements in relation to 'legal but harmful for adults.' This would provide greater confidence that the need for trained content moderators had been sufficiently assessed, particularly in relation to AI generated content moderation where traditional content moderation (such as key word filtering) may struggle to keep up with sophisticated tools.

The IA indicates that further assessments will be produced to support secondary legislation and the Ofcom code of practice. The IA would benefit from providing more details and clarification of these assessments, where possible, presumably starting with the parallel impact assessment on categorisation referred to in 'break-out box 5' (page 24). The RPC would expect to see further assessments, subject to better regulation framework requirements.

Direct/indirect

Albeit indicative at this stage, the IA correctly identifies direct impacts on business.

Counterfactual/baseline

The IA provides a good discussion of the counterfactual (the do-nothing option). Following RPC comments, the IA now includes a useful discussion of the 'Voluntary Principles to Counter Online Child Sexual Exploitation and Abuse' (paragraph 103) adopted in 2020 by the UK and other countries. The IA would be further improved by extending discussion of this framework's potential impact on the counterfactual.

Comparison against consultation stage IA estimates

The estimated number of providers in scope reduced significantly between consultation stage and final stage, however the overall estimated costs have increased significantly, implying a very large increase in estimated costs per business. Following RPC comments in our December 2021 Opinion, the IA includes a comparison against consultation estimates and has extended this in the present IA to compare final and enactment stage figures (page 124). The IA would be further improved by comparing costs per business, given the estimated number of platforms affected has reduced markedly since the consultation stage.

See also comments under 'Cost-benefit analysis' below.

SaMBA

The IA includes a strong SaMBA, which analyses possible disproportionate impacts on SMBs, explains why exempting them would compromise the policy objectives and considers mitigations. It sets out indicative costs per business by cost type and firm size and estimates the share of aggregate cost by business size (table 55). The breakdowns indicate large and medium businesses are expected to bear around 94 per cent of costs. The SaMBA considers mitigation measures in detail (see paragraph 366 and table 57). It also describes engagement with SMB representative organisations. The SaMBA would benefit from additional discussion in some areas, e.g. the impact of SMBs having relatively limited compliance resources. The IA would also benefit from discussing improved compliance incentives for ‘small’ platforms, to address the risk that ‘problematic’ content will migrate to under-resourced or non-compliant platforms.

The IA would benefit from explaining why the indicative estimated transitions costs for SMBs (tables 49 and 50) and total costs for microbusinesses (table 55) have increased significantly since final stage.

The IA helpfully includes a section (pages 135-136) on impacts on medium-sized businesses – a new framework requirement since the final stage IA.

Rationale and options

The IA provides a range of evidence indicating societal harm and concern around online activity, focusing mostly on illegal activities. It describes a theoretical basis for government intervention, in terms of negative externalities and information asymmetries. It also explains in detail the current legal and regulatory context and how the preferred option fits in with other measures. The IA describes existing measures taken by platforms (paragraphs 100-102) but concludes that these depended on the nature of the risks, the level of resources of the platform, the type of content on the platform, the impact on the platform’s brand, and competitive considerations. They are not, therefore, considered by the Department to be enough to sufficiently mitigate the problems described in the IA (for example at paragraphs 5-13 and 60-69).

This IA considers only the preferred option and the counterfactual. However, it briefly describes the three policy options considered in the consultation stage IA, setting out their overall costs and net present values (paragraphs 45-48 and table 1). The IA would be significantly improved by providing a stronger justification for selecting the ‘full risk-based scope’ as the preferred option over the “limited risk-based scope” option considered at consultation stage. It would also be improved by fully describing the relative costs, benefits and risks of the two ‘risk-based’ options and providing better evidence and analysis to justify the preferred option (see also comments under ‘Cost benefit analysis’ below).

The IA would benefit from discussing the likely effectiveness of codes of practice in this area, including addressing any risk that they may decrease legal certainty and

increase regulatory ‘churn’, and may be more difficult to enforce than rule-based regulation.

The IA explains that the Department considered non-regulatory options as part of the long-list policy development process, including self-regulation and voluntary approaches to tackle harm. It describes several innovative non-regulatory online safety measures which the Government proposes to undertake that are complementary to this measure, albeit in less detail than in the final stage IA (see paragraph 52).

As noted above, the IA would benefit from discussing how the proposals will keep up with the pace of AI generated content, such as whether specific measures addressing AI content might be needed, in terms of future-proofing as well as aligning with international AI governance frameworks being discussed and developed. The IA could also usefully discuss the use of AI to identify and restrict harmful content. The IA would also benefit from explaining how user empowerment tools and updating terms of service will be effective in the light of information asymmetry, with people generally not reading or engaging with information on platform websites (paragraph 21).

The IA would benefit from explaining further whether and, if so, how the UK (e.g. through Ofcom) will seek to enforce the regulations for online providers which have no legal presence in the UK or are hosted from other countries.

On fraudulent advertising, the IA discusses the voluntary activity that platforms are currently undertaking but notes that fraudulent adverts are still widespread online (paragraph 209). The IA would benefit from further discussion of the scale of the problem and how it might be possible to obtain more robust data to support the rationale for this measure.

Cost-benefit analysis

The IA helpfully sets out the estimated costs of the options from the consultation stage IA. The ‘limited risk-based scope’ option had an indicatively monetised societal cost around 20 per cent lower than the preferred option and an indicative EANDCB around 25 per cent lower. As noted above, the preferred option’s scope is wider and, therefore, it offers greater potential benefit. The IA provides a qualitative assessment of why the OSA is expected to result in reduced harm (table 41) and conducts a break-even analysis. The IA would benefit from discussing why it is expected that the preferred option would generate benefits greater than the additional costs over the ‘limited risk-based scope’ option. The IA would generally benefit from discussing the subjective nature of some key terms used in the proposal, the consequent difficulties in defining them and how this would affect the assessment of costs and benefits.

Risk of restrictions on freedom of speech

The IA notes that the term ‘legal but harmful’ applies now only to children and that ‘misinformation’, ‘disinformation’ and ‘the intimidation of public figures’ have been removed. Misinformation and disinformation will still be covered where it is illegal or harmful to children or covered by terms of service of Category 1. These changes

appear to significantly reduce risks to freedom of speech, as discussed in some detail in the 2022 RPC opinion. The IA still provides a useful discussion of risks to freedom of speech (paragraphs 330-336). It also acknowledges that major technology companies already exercise significant power over what lawful speech is available online and helpfully lists some concerns raised by some stakeholders (table 44) and how the OSA addresses these concerns.

The IA would benefit from discussing further the uncertainty around any remaining risks, such as potential overreach or risk aversion by providers (who will be potentially subject to huge fines) in interpretation of the boundary between legal and illegal content or in subjective areas such as harmful content. This could include reviewing the impact of the 2018 German Act to Improve Enforcement of the Law in Social Networks ('NetzDG') in this area (for example, the report by the Centre for European Policy Studies appears to provide some reassurance on this issue). The IA could also usefully consider any analogies to or learning from experience with the broadcasting code and press complaints mechanisms. Also, the IA refers to protections in relation to "journalistic content" and "content of democratic importance" but would benefit from discussing how these protections would operate in practice, given the broad nature of the definitions in the IA. The IA would benefit from referring to the work of the House of Lords Democracy and Digital Technologies Committee.

Evidence and data

The IA makes good use of data sources and evidence obtained through consultation and other engagement. Since the final stage IA, the Department has used the results of further research commissioned in 2023 to inform the assessment of impacts on business and undertaken further engagement with industry (see familiarisation costs below). The Department has also used new data to provide a revised and expanded assessment of certain online harms, for example in relation to terrorism and extremism ('break-out box' 26, pages 106-109). The IA provides a clear assessment of the likely number of businesses/platforms directly affected and includes useful sensitivity analyses in the 'risks' section (para. 351 and table 47). It also estimates the number of CSOs likely to be affected by the measure and discusses the direct impact on CSOs that operate platforms.

As noted above, cost estimates were revised significantly since consultation stage (for example, transition cost assumptions have been revised upward substantially – see paras. 141 and 148). Since final stage, as noted above, direct costs to business have increased slightly, while estimated fee impacts on business and justice sector costs have increased significantly. The sharp increase in business familiarisation costs (paragraph 128-136 and table 8), in particular, appears to reflect improved evidence from engagement with in-scope platforms. The IA would benefit from providing further information on the sources for some of the figures.

The IA usefully reviews the limited international evidence available. Some of those measures are not yet in force, but the Department has considered 'NetzDG' in more detail. However, the IA would benefit from discussing the relative value of this evidence, as the German act appears to apply only to "manifestly unlawful" content.

The IA draws on various data sources in particular a survey of SMEs conducted by the Interactive Advertising Bureau, to provide an indicative cost of £120 million (over ten years in present value terms) for customer due diligence in respect of the new fraudulent advertising duty. Estimates of set-up costs and unit costs of conducting customer due diligence on an advertiser make use of assumptions in anti-money laundering IAs. These appear to be reasonable proxies at this stage, but the Department should seek to obtain evidence from stakeholders for the further IA at secondary legislation stage and consider any PIRs or other evaluation evidence from the anti-money laundering legislation and related IAs. The IA could also explain how why the estimate is slightly lower than that in the final stage IA.

The IA would also benefit from addressing some additional issues to demonstrate the robustness of its cost estimates for customer due diligence, for example:

- how fraudulent advertising is defined and differentiated from advertising for fraud-enhancing products or services; and
- clarification of what customer due diligence is likely to entail and how (in relation to e.g. non-compliant products) it relates to existing market surveillance arrangements.

These issues will need to be addressed in the further IAs relating to secondary legislation and/or Ofcom code of practice.

As noted above, the IA now partially monetises costs to platforms of employing age assurance technologies, based upon data from a survey of age verification providers in January 2022. This data has enabled the Department to produce illustrative costs for different platform scenarios, usefully strengthening the analysis. The IA would benefit from a clearer presentation of the calculations leading to the aggregate indicative estimate of £ 36.7 million (the central estimate). As noted above, the RPC would expect to see a cost for this requirement included in the EANDCB in further IAs at secondary legislation stage.

Assumptions, risks and uncertainty

The IA's section on risks and assumptions contains a useful sensitivity analysis, including on the number of businesses/platforms affected. Given the very high uncertainties around impacts, the IA would benefit from:

- varying assumptions for the percentage of in-scope platforms requiring extra expenditure on content moderation;
- discussing the risk that the content moderation in both human and AI form is going to require more investment to keep up and ensure proper compliance;
- providing sensitivity analysis around the assumed prevalence and incidence of harmful content;
- discussing the wide variety of estimates provided by certain platforms and providing detail on the £1.9 billion calculation at table 115; and
- discussing the risks associated with the complementary non-regulatory measures and the extent to which they are important to the success of the framework.

The IA could usefully discuss risk and uncertainty around the ability of businesses being able to restrict what is generated by AI, particularly where they are operating offline, and the difficulties the pace of change in AI present in robustly estimating impacts over the appraisal period.

The IA would be improved by expanding the discussion around displacement of 'problematic' content to under-resourced or non-compliant platforms. For example, it could address users gradually accessing content through internet intermediaries (and through free Virtual Private Networks), potentially to platforms that host even more harmful content.

Modelling, benefits and break-even analysis

The Department's decision to include a break-even analysis for the measure seems to be reasonable, given the difficulties of monetising benefits. However, the benefits figure calculated for the break-even analysis is comprised largely of expected reductions in types of harm which already constitute criminal offences. Given that, the IA would benefit from better explaining why the existing criminal offences and current enforcement measures are not sufficiently effective in addressing online harms and how Ofcom will work in tandem with law enforcement to achieve the policy objectives.

The IA acknowledges that there is little evidence as to the likelihood of benefits occurring at the level necessary to offset costs. It would benefit from discussing business views on the likely effectiveness of the proposed measures, perhaps drawing upon their experience of carrying out existing activities such as risk assessments.

The IA's methodological approach remains largely the same as at consultation and final stage IA. The present IA also updates estimates of existing harm. Comparisons against the final stage IA are not straightforward, as the figures are now presented as ten-year present value (summary table, table 40, page 112) rather than annual figures, as previously. However, estimates of social cost relating to modern slavery, hate crime, illegal sale of drugs and, particularly, cyberstalking have increased since the final stage IA. The IA discusses the updated information and research but would benefit from explaining the changes in more detail in particular the very large increase relating to cyberstalking (which had already increased between the consultation and final stage IAs). It would also benefit from setting out the respective roles of various government agencies in combatting fraud (such as Ofcom, the Information Commissioner's Office, the Financial Conduct Authority, the Serious Fraud Office, the Advertising Standards Agency, etc), identifying any areas of co-operation between regulators and/or overlapping regulator responsibility, and discussing in more detail the impact of the Act on all relevant regulators.

Presentation

Noting the point above about the difficulty comparing the social cost figures between the final and enactment stage IAs, there are also difficulties in comparing some costs, as the category headings have sometimes changed and/or some costs

previously considered separately appear to have been merged. The IA would benefit more generally from facilitating greater ease of more granular comparison with the final stage IA estimates.

Wider impacts

The IA provides detailed assessments of trade and competition impacts. The assessments would benefit from further discussion of level playing fields between the UK and other countries and whether this measure may create potential barriers to entry, including whether compliance costs could deter start-ups in the UK. The assessments include discussion of the risk that the measure dissuades foreign investment and/or encourages UK-based organisations to disinvest in the UK, concluding that minimal impact is expected. The IA would benefit from explaining how the risk has been assessed in relation to the market impact of recently implemented similar regulation, such as the EU's Digital Services Act and Germany's NetzGD.

The IA could also consider how regulatory alignment or complementarities with similar proposals or measures elsewhere (for example, the Digital Services Act in the EU or Australia's Online Safety Act) may reduce compliance costs and, thereby, barriers. Overall, the IA would benefit from discussing further the possible benefits (including reducing the risk of overlap) of coordination between UK and relevant international agencies, and the potential costs of achieving this coordination. This could include reference to the Global Online Safety Regulators Network, International Working Group on Age Verification and other initiatives, such as those at the OECD, United Nations and the G7.

The IA includes a useful section discussing impacts on innovation (paragraphs.407-413). The IA acknowledges that the proposal will have disproportionate impacts companies in highly innovative sectors. However, it sets out how these impacts could be mitigated, e.g. through Ofcom potentially adopting a principles-based approach allowing flexible solutions, a proportionate focus on higher risk activities and the use of exemptions. The IA would benefit from clarifying what is meant by a 'principles-based' framework (paragraph 414) in this context, e.g. whether the compliance and enforcement efforts will focus on prevention of harm to users, expected regulatory outcomes, etc. The IA could also usefully consider further how the proposal might affect growth in the affected sectors.

The IA would benefit from considering the impacts on CSOs in more detail, e.g. implications for organisations such as Victim Support (with raised awareness perhaps leading to increased referrals). It could also usefully discuss the requirements CSOs will face and how Ofcom expects to interact with CSOs. The IA could also discuss potential displacement of activity away from CSOs which are currently focussed on addressing these types of harms.

The IA usefully now includes a much fuller monetised assessment of justice sector impacts but would benefit from greater monetisation of public sector costs. For

example, the IA could present indicative estimates of Ofcom's costs (including inspection and enforcement) and of establishing the body that will be responsible for receiving and processing online child sex abuse reports (paragraph 87). The IA would benefit from discussing potential implications for use of law enforcement resources.

Monitoring and evaluation plan

The IA describes the M&E plan for the measure (paragraphs 429-444), including plans for governance, high-level objectives, sources of evidence and the phases for the PIR. The plan was strengthened significantly in response to RPC comments in the December 2021 Opinion, identifying key metrics, specific research questions and data that will need to be collected. The presentation of the plan has improved since final stage, with more structured sections on proposed evaluation phases and questions. The plan could be further improved by discussing how AI and the challenges presented by its pace of change would be addressed.

Regulatory Policy Committee

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Two Committee members did not participate in the scrutiny of this case to avoid a potential conflict of interest.