

The Regulatory Policy Committee's (RPC) key role is to provide independent scrutiny of the assessments which departments prepare when proposing new regulatory measures. These include options assessments (OAs), impact assessments (IAs) and post-implementation reviews (PIRs). Our review and opinions on the quality of evidence and analysis supporting new regulatory proposals are an important part of the policymaking process. In our opinions, we comment only on how well the relevant department has evidenced the case for the proposed regulation and assessed its potential impacts, not on the merits of the policy itself.

## **Types of assessment we scrutinise**

### **Options Assessments**

These identify, evaluate and compare different potential solutions to a policy problem. The goal is to select the most effective, efficient and proportionate option and consider a range of alternatives. These will include a Small and Micro Business Assessment.

### **(Final Stage) Impact Assessments**

These assess the costs, benefits, and distributional effects of a proposal and are required for regulations with significant impact. These build on the early analysis presented in OAs with more focus on the assessment of impacts as the proposal is finalised.

### **Post Implementation Reviews**

These seek to assess whether a previous regulation achieved its goals, how to modify (if at all) for the future and whether burdens could be reduced.

## **RPC formal ratings**

In many cases, we formally rate OAs, IAs (and other submissions such as PIRs) as “fit for purpose/not fit for purpose” on specific areas set out in the [Better Regulation Framework \(BRF\)](#). In our opinions on OAs and IAs we give formal ratings for three areas:

- Rationale
- Identification of options (including a SaMBA)
- Justification for preferred way forward

If any one of these is insufficient a red rating will result. PIRs can receive a red rating if the recommendation for the regulation is not sufficiently evidenced.

For the areas on which the RPC provides a formal rating we use the following ratings (based on the criteria indicated):

Rating	Criteria
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<b>Green (“fit for purpose”)</b>	The IA (or other submission) is fit for purpose. The RPC has no significant concerns over the quality of the IA, or there are some minor issues that could be improved. There may be many points for improvement, which the department should consider.
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<b>Red (“fit for purpose”)</b>	The IA (or other submission) is not fit for purpose. The RPC has major concerns over the quality of the evidence and analysis, and the overall quality of the IA (or other submission), that need to be addressed.
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### **RPC quality indicators**

In addition, in our opinions, we often comment on the quality and robustness of the evidence and analysis in other areas, on which we do not provide a formal rating. We note, in such cases, where the analysis is of particularly high quality, and areas where we consider improvements are needed.

In the interests of increased clarity and transparency, we have introduced “quality indicators” in our opinion summaries, covering key areas, which we consider in our opinions, but which are not formally rated. For OAs and IAs these are:

- Regulatory scorecard
- Monitoring and evaluation.

PIR areas are:

- Monitoring and implementation
- Evaluation.

Weak or very weak ratings in the same categories over one or several assessments will likely result in the RPC working with the department to achieve better outcomes in the future.

We use the following quality indicators:

Quality indicator	Criteria
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<b>Good</b>	Addresses the issue well. The analysis is sufficiently robust and addresses the issue properly. The analysis is based on good to high-quality, proportionate evidence and uses appropriate assumptions. It could be improved only in minor areas (if at all) and provides good support for decision-making on these aspects of the assessment.
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<b>Satisfactory</b>	Addresses the issue adequately. The analysis is considered satisfactory. The analysis is based on adequate, proportionate evidence and uses appropriate assumptions. Some improvements could be made, but it provides sufficient support for decision-making on these aspects of the assessment.
<b>Weak</b>	Weak analysis of the issue. The analysis is not sufficiently robust to address the issue. Improvements are required in one or a number of areas. It provides inadequate support for decision-making on these aspects of the assessment.
<b>Very weak</b>	Very weak analysis of the issue. The analysis is poor and has significant flaws. Significant improvements are required in one or a number of areas. It provides inadequate support decision-making on these aspects of the assessment.

### **A note on the old Framework**

Prior to September 2023 the RPC, like all of government, was operating under the previous Better Regulation Framework. Some assessments from government continue to be scrutinised under that framework due to the bulk of the work being conducted previously, thus making it disproportionate to start over under the new framework.

Under that framework (which did not include OAs), (final stage) IAs were red-rateable on their EANDCB (the direct costs to business) and their SaMBAs. The four quality indicators were:

- Rationale and options
- Cost benefit analysis
- Wider impacts
- Monitoring and evaluation plan.

PIRs under the old framework were assessed as now – red-rateable on the recommendation and with the same quality indicators.