

RPC meeting 12 May 2025 - minutes

Attendees

The Committee

Chair: Stephen Gibson (online)
John Davies
Caroline Elliott
Hilary Jennings
Allan Little
Caroline Turnbull-Hall
Frances Warburton
Ryan Williams

RPC Secretariat

Stuart Sarson – Head of Secretariat

Regulation Directorate

Chris Carr – Director, Regulation Directorate
Dora Addei – Deputy Director, RD

Trade Agreement Analysis Group

Bal Khinder - Deputy Director, Trade Analysis

IBM

Richard Ward

A. Minutes of committee meeting 17 March 2025 and matters arising

1. **Welcome:** The Chair welcomed all to the meeting
2. **Register of interests:** committee members confirmed the accuracy of their entries in the RPC register of interests (available on the RPC website).
3. **Gifts and hospitality register:** committee members confirmed the accuracy of their entries in the gifts and hospitality register (available on the RPC and DBT websites).
4. The minutes of the 17 March 2025 meeting were agreed

B. Free Trade Agreements

5. DBT's Free Trade Agreements (FTAs) analytical team gave a presentation on FTA impact assessments (IA). The team was pleased to say that FTAs with India and the USA had been concluded very recently. The team is still digesting the full impact of the agreements and will report back to a future meeting of the RPC to set out the full implications for scrutiny of IA.
6. The FTA team set out its approach to modelling the impacts of FTAs, explaining that the core analysis uses Computable General Equilibrium (CGE) modelling. They summarised the different components of FTA IAs.
7. The FTA team concluded the discussion by stating that it would report back to a future RPC meeting to provide an update on the progress being made on FTAs. The Chair thanked them for their presentation.

C. Engagement update

8. A list of engagements in which the Chair and committee members had participated had been circulated in advance of the meeting. The Chair mentioned the following meetings:
 - He had engaged with the Scottish equivalent of the RPC, the Independent Regulatory Review Group, and spoke to Professor Russell Griggs, the RRG chair, to compare notes on regulatory

impact assessments, especially since many regulations are first implemented in Scotland before being adopted UK-wide. It was **agreed** that the RPC should develop links with the group.

- Chair of the EFRA Select Committee and the chief economists of the Home Office and Defra,
9. It was agreed that regular meetings with departmental chief economists should take place, to ensure ongoing dialogue and understanding of the regulatory scrutiny process.

D. External presentation impact of regulatory legislation on industry, innovation, and AI

10. **Richard Ward**, Government and Regulatory Affairs at IBM, gave a presentation to the committee on the impact of regulatory legislation on industry, innovation, and AI. He stated:

- The increasing role of regulators in designing regulation, has led regulators to be effectively ‘creating legislation themselves’ through codes of practice and other means.
- The lack of quality and structure in cost-benefit analysis (CBA) conducted by regulators was identified, suggesting that their CBAs should be scrutinised to ensure they are fit for purpose, especially given the context of regulators’ powers.
- Examples of legislation where the burden lies in codes of practice developed by regulators, such as the Telecommunications (Security) Act 2021, the Financial Services and Markets Act 2023, and the Digital Markets, Competition and Consumers Act 2024.
- It was noted that IBM operates one consistent system to comply with different regulatory regimes globally, which affects familiarisation costs. If specific regulatory changes in the UK are not the most extreme out of all the countries in which IBM operates globally, then the system is unlikely to change unless it provides significant local advantages. Some familiarisation costs are incurred in assessing the likely impact.
- The UK's approach to AI regulation was praised, where sector-specific regulators have the flexibility to monitor the quickly changing industry, and the importance of international consistency in regulatory impacts was emphasised.

E. RD update

11. **Chris Carr** gave an update on Regulation Directorate’s (RD) work:

- The March Action Plan remains the focus on governments regulation activity and RD is developing a programme plan of what will be delivered.

12. Chris committed to keeping the committee informed of developments.