

[Press release: RPC releases latest report](#)

Having reviewed 318 submissions in 2016, the [RPC reports](#) a significant overall decline in the proportion of impact assessments which were fit for purpose at first submission, coupled with a continuing absence of the biggest post-implementation reviews (PIRs). The most common issues relating to the quality of initial submissions are: missing costs, unjustified assumptions, lack of clarity in impacts on small and micro businesses. In addition the Committee has only seen a modest number of (mainly minor) PIRs over the last year and is concerned that reviews of significant measures such as major pensions regulation have yet to appear.

Michael Gibbons CBE, RPC Chairman, said:

“As the RPC takes over as Chair of the RegWatch Europe network and we collectively shine a light on European regulation and international best practice, I am disappointed that our government departments have not really embraced the opportunity to learn from their experiences of regulation in the last Parliament. I am heartened, though, that the National Audit Office (NAO) and the House of Commons Committee of Public Accounts (PAC) are joining us in the call for the monitoring and evaluation of bigger measures and that departmental analysis should focus more on societal impacts than at present.

“Although we are concerned that the overall quality of first time submissions has declined, with 28% receiving ‘not fit for purpose’ notices over 2016, there are some strong examples of good practice and some departments that consistently produce excellent assessments such as DWP, HSE, and DEFRA. We are also pleased with the general quality of the small number of submissions we’ve seen from regulators which have only recently come into scope of our scrutiny.”

Frances O’Grady TUC General Secretary said:

“I believe that it is important that any new regulation should have to be shown to be of benefit and the RPC has an important role to play as is shown in the report being published today. I also think that it is important that the RPC is given the ability to declare not fit for purpose those Impact Assessments that do not reasonably assess the benefits or costs to wider society, as proposed last year by the Public Accounts Committee.”

Adam Marshall, Director General, British Chambers of Commerce, said:

“As we enter a period of transition and change, it is vital that any and all regulatory changes due to affect British business are rigorously justified.

"It is disappointing to see that many Government departments have slipped backwards, and are not completing impact assessments to the highest standards.

"The need for scrutiny is greater than ever, and the Regulatory Policy Committee has a crucial and abiding role to play. This report is a timely reminder that government departments must justify regulatory changes properly – particularly at a time when businesses are clear that significant regulatory changes could dent both confidence and investment."

Martin McTague, Policy Director at the Federation of Small Businesses (FSB), said:

"The excellent work of the Regulatory Policy Committee once again shows the need for Ministers to improve the performance of the government departments they lead. This annual report reveals how many departments are slipping when measuring the regulatory burden they place on SMEs. The RPC has found gaping holes in impact assessments, making it impossible to identify the true cost of regulation on small businesses – something that we have found most recently with HM Treasury's assessment of mandatory quarterly tax reporting. As the UK defines its approach to regulation post-Brexit, it's more vital than ever the Government has a clear picture of the burden of regulation on small firms."

Josh Hardie, CBI Deputy Director-General, said:

"Thanks to the scrutiny of the Regulatory Policy Committee, businesses can be confident that regulation is grounded in a strong evidence base. It has an important role in holding government to account."

Looking to the future the RPC will:

- continue to work with departments and regulators to improve the quality of their analysis
- continue to remind departments and regulators of the importance of considering the impact of their actions on small businesses and wider society
- press for assurances that the government's promise of a more efficient and proportionate system doesn't translate into lower level scrutiny, reduced evidence or even reduced scrutiny of policies, e.g. at consultation stage
- scrutinise the government's assessment of the impacts of the Great Repeal Bill and of subsequent Brexit related changes to the UK's regulatory framework.

NOTES TO EDITOR

1. The Regulatory Policy Committee (RPC) is the independent advisory body set up to provide external, transparent, real time scrutiny on the quality of evidence and analysis supporting regulatory changes affecting

business and civil society.

2. We give Ministers opinions in advance, to help ensure decisions on legislative proposals are based on a robust evidence base, which provides businesses and the public with confidence that the government's claims on regulatory reform are credible.
3. RPC response to PAC & NAO reports can be found here:
<https://www.gov.uk/government/news/rpc-response-to-pac-report>
<https://www.gov.uk/government/news/rpc-response-to-nao-report-2>

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1. 318 first-time submissions from depts: a. 72% were rated fit for purpose as first submitted b. 28% received initial review notices (IRNs) or red-rated opinions
2. Decline from 80% of submissions that were rated fit for purpose as first submitted between 2012 and 2015.
3. 19 first-time submissions from Regulators, 89% were fit for purpose – an improved performance on departments.