

## News story: Michael Gibbons, Chair of the RPC talks robust scrutiny

The Government will shortly report on its plans to make the Better Regulation system more efficient for Whitehall Departments, as it promised in response to the PAC's report of 12 October 2016. Continuous improvement of the regulatory framework is, of course, important – but as the RPC noted in our six-monthly report, efficiency should not be conflated with a reduction in quality-assurance of the policy process, nor with a narrow focus on the Business Impact Target.

Indeed, both the PAC and the NAO expressed very strong support for the work of the RPC, and did not propose any reduction in its independent scrutiny at an early stage. The RPC's discussions with leading business groups and other major stakeholders including the CBI, the BCC, the EEF, the IoD, the FSB, and the TUC, confirm that our existing role is strongly supported – especially at this time, when the major regulatory changes associated with Brexit are being considered and therefore regulation as a priority issue for business and Parliament is moving back up the agenda. We therefore feel it is important to retain a focus on appropriate scrutiny at an early stage.

Because late-stage validation is legally mandated under the SBEE Act, past reviews of the system have tended to focus it more and more tightly on the Business Impact Target (BIT) and the requirements of the Act. It is easy to see the higher-value early-stage scrutiny as an easy target for efficiency savings – to the detriment of the system as a whole. But there are a number of examples where we are told that the scrutiny of the RPC at consultation stage has driven changes in approach as a result of better consideration of the evidence and impacts. That, in our view, is how the system should work, and we would argue strongly for a system where scrutiny is focused at an early stage, rather than on pure validation of BIT figures.

The RPC agrees wholeheartedly with the principle of proportionality – Departmental efforts and our scrutiny should both be focused on the most significant and controversial regulations; but our efforts should be proportionate to the actual impact of the measure rather than the BIT impact. To continue to focus the efforts of Whitehall on the narrow confines of the business impact target (BIT) is to miss the point badly, and under the current framework a validation impact assessment, can – and often does – focus purely on the BIT rather than the true impacts of regulation. In addition, it typically does not consider the feasibility of alternatives to regulation, nor trade-offs between different impacts across multiple options, nor impacts on the smallest businesses. The Small and Micro Business Assessment, carried out at a stage when policy is being formed, is seen as a valuable contribution which support small business. Early scrutiny rather than pro-forma validation after decisions are made is key to ensuring these points are properly explored.

Examples of measures which could be excluded from broad, early, effective

scrutiny under a system focused only on the BIT and the requirements of the SBEE Act include:

- measures which have significant societal impacts, but do not have large quantifiable direct impacts on business e.g. Trade Union measures or gender pay gap reporting
- measures with large impacts which net off to a small overall figure such as MoT test regulations
- measures where the impacts are large but unquantifiable e.g. counter-terrorism measures; regulations around space and satellite market development; laws around the use of autonomous vehicles.

Exempting such measures from proper scrutiny would also create an incentive for Departments to declare that they cannot assess impacts fully – a move away from the improvements in quality of appraisal we have seen since 2010. We know, from discussions spanning several years with stakeholders, that such exclusions would be seen by them as a clear reduction in transparent and independent scrutiny at this vital time.

Another area where we would urge caution is the quality-assurance of evidence underpinning measures which the Government has chosen to exclude from the BIT. In the past, these have included the National Living Wage, National Minimum Wage, and large measures around systemic financial risk, where the Government is making significant decisions and should do so based on strong evidence. They are also measures where Parliament, businesses, and civil society organisations have had a strong interest in ensuring that the Government presents that evidence.

Whilst the RPC supports continued review of the framework, we will argue for a system where eligibility for light-touch scrutiny ensures that measures which fall into the categories listed above, are novel or contentious, or impact any one group particularly, should remain in scope of full, early quality assurance by the RPC. In addition, we would suggest that the same approach should apply to Non Qualifying Regulatory Provisions which would ensure that measures such as the National Living Wage, National Minimum Wage, and large measures around systemic financial risk would receive an appropriately robust level of scrutiny.

Whilst we agree that Departments' efforts and our scrutiny around post-implementation review should focus on the largest measures, we remain very concerned that many of these reviews, regardless of size of impact, are not, in practice, being carried out. This, along with an improvement in the monitoring and evaluation planning, was something the PAC made clear in their recommendations.

The Government has made significant progress over the past five years on tackling the deregulatory agenda, and as a consequence has won a measure of

confidence from the business community and civil society. Now, especially in the context of Brexit, is not the time to jeopardise that trust; we should focus on real quality-assurance of major measures when significant regulatory change is ahead.

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## [Press release: Digital comparison tools could offer even greater benefits – CMA](#)

The Competition and Markets Authority (CMA) has today published an [update paper](#) on its market study into digital comparison tools (DCTs).

DCTs enable consumers to compare products and services on quality as well as price, and help them switch between suppliers. These range from price comparison websites to smartphone apps.

The [paper](#) unveils a comprehensive consumer survey into DCTs. This shows that overall DCT users think these tools work well, making it easier to make informed choices and save money. Although DCTs are still a relatively new way of purchasing, the survey indicates that consumers are generally confident in the way they use them, and many use more than one site. The majority consider that individual DCTs do not feature all of the suppliers in each market.

DCTs have become an important way for many people to buy services such as insurance and utilities. For example the [CMA's survey](#) showed that in the past year 84% of people looking for car insurance used a comparison site, 67% looking for energy, and 52% for broadband.

The survey found that only 11% of recent users believed that sites covered all suppliers, and that almost two-thirds (64%) of people using a DCT visited more than one site. Many consumers appear to use DCTs for research, with 44% of those who didn't buy directly through a DCT saying that they used the information they had gathered from a DCT to help them negotiate a better deal with a provider.

Users explain they use DCTs to find a good deal, save time, and research available options, and more than 9 out of 10 say they are satisfied with the service they receive.

The CMA's update, however, identifies 4 areas of possible concern, which will form the focus for the second phase of the market study.

These are:

- whether sites could be more transparent – for instance in their market

- coverage and business models, and in their treatment of personal data
- whether the benefits that DCTs can offer could be further improved if suppliers made more information available
- certain practices and contractual arrangements that could limit healthy competition between DCTs
- the way DCTs are regulated

The CMA is seeking further views on these as it continues the study.

Andrea Coscelli, CMA Acting Chief Executive, said:

Our work so far suggests that digital tools like price comparison websites generally work well for consumers, who really value the service they provide. However, our report suggests that improvements may be necessary to help more people get even better deals.

Among the areas we wish to consider further are what can be done to increase confidence among consumers and how to improve competition, regulation and transparency in the sector. We are now seeking further views on these issues as part of our wide-ranging market study.

The final report will be published by 28 September 2017.

Market studies may lead to a range of outcomes including giving a market a clean bill of health; taking action to improve the quality and accessibility of information to consumers; encouraging businesses to self-regulate; making recommendations to the government to change regulations or public policy, and taking competition or consumer law enforcement action. They can also lead to a reference for a more in-depth market investigation – which the CMA is ruling out in this case as the remaining options are sufficient to remedy any issues that may be found.

Please send comments by 24 April, by email to [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk) or by post to:

Digital Comparison Tools Market Study  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London  
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## Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated

industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Flickr](#), [LinkedIn](#) and [Facebook](#).

2. The CMA launched its [market study](#) into digital comparison tools (DCTs) in September 2016.
  3. The CMA's working definition of a DCT is: web-based, app-based or other digital intermediary services used by consumers to compare and/or switch between a range of products or services from a range of businesses.
  4. For further information on this market study and to view the update paper, visit the [case page](#).
  5. The results of the consumer survey can be found on the [case page](#).
  6. Market studies are carried out using powers under section 5 of the Enterprise Act 2002 (EA02) which allows the CMA to obtain information and conduct research. They allow a market-wide consideration of both competition and consumer issues. Market studies take an overview of regulatory and other economic drivers in the market and consumer and business behaviour.
  7. Enquiries should be directed to Simon Belgard ([simon.belgard@cma.gsi.gov.uk](mailto:simon.belgard@cma.gsi.gov.uk), 020 3738 6472).
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## [News story: New £1 coin becomes legal tender](#)

The new £1 coin becomes legal tender from today.

This is the first new £1 coin to be introduced in more than 30 years and will be the most secure of its kind in the world – highlighting the UK's position as a world leader in innovation.

The new coins are being produced by The Royal Mint, in South Wales, at a rate of up to four million per day. The public can now expect to find them in their change in the coming days and weeks.

Around 1.5 billion new £1 coins are being produced by The Royal Mint and these will be distributed to banks and retailers over the next 6 months. Round £1 coins will be returned to The Royal Mint – some of which will be reused to make the new coin.

Commercial Secretary to the Treasury Baroness Neville-Rolfe said:

This is a giant step forward to help stamp out counterfeit coins and save businesses and the taxpayer millions of pounds every year.

Today marks the start of the six-month transition period, so I'd urge everyone to make sure they spend, return or donate their old round pounds before 15 October. We have been working hard with

businesses over the last three years to help make this changeover as smooth as possible.

Adam Lawrence, chief executive of Royal Mint, said:

It's an historic day for UK coinage, and one that The Royal Mint has been working towards, together with businesses and industry, for a number of years. From today, the public will start to encounter for themselves the most innovative and secure coin ever produced by The Royal Mint.

It's been designed to be fit for the future, using security features that aim to safeguard our currency, and currencies around the world, for years to come. Staying ahead of sophisticated counterfeiters remains a constant challenge and this coin helps in that battle.

David Smith, Head of Public Affairs and Research at the British Parking Association, said:

The BPA has been working closely with The Royal Mint and HM Treasury to ensure that its members, who include local authorities, parking operators, and parking machine manufacturers, are ready to accept the new £1 coin wherever possible at launch. Most of the major parking machine manufacturers are positive they will be able to manage the upgrade in a timely manner, having begun upgrades over 12 months ago.

Evidence suggests a significant number of motorists prefer using cash and they should feel confident that they can pay for parking wherever they choose to park when the new £1 coin is launched.

The Royal Mint and HM Treasury have been working with businesses for the past three years to help them prepare for the change. Although many will have upgraded their machines to accept the new coin from 28 March, not all machines will accept the new coin from the date of introduction.

The new 12-sided £1 is highly secure and looks very different. New security features on the one pound coin include a hologram-like image that changes from a '£' symbol to the number '1' when the coin is seen from different angles. It also has micro-lettering and milled edges.

### **Further information**

It is important that all round £1 coins are returned before 15 October 2017 when they lose their legal tender status. People will still be able to return old coins to their bank after this time.

Businesses, as well as members of the public, wishing to find out more information about the support on offer should visit the [official new f1 website](#)

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## **Press release: PM meeting with the Prime Minister of Qatar: 27 March 2017**

The Prime Minister welcomed His Excellency Sheikh Abdullah Bin Nasser Al Thani, Prime Minister of Qatar, to Downing Street this afternoon for a bilateral meeting.

Prime Minister May welcomed the close relationship between the two countries. And she reiterated the commitment she made at the Gulf Cooperation Council Summit in December to step up the UK's relationship with the Gulf.

They discussed our growing trade and investment partnership, and agreed that the Qatar-UK Business and Investment Forum taking place in London and Birmingham this week will provide opportunities to deepen these ties.

They also agreed on the importance of our security cooperation, and committed to strengthening our collaboration on cyber security and defence.

Finally, they discussed regional issues, and the importance of securing lasting political settlements in Syria and Yemen, while ensuring humanitarian assistance reaches those in need.

They ended by looking forward to the Gulf Cooperation Council Summit to be hosted by the UK later this year.

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## **Press release: Foreign Office expresses concern about Russian protest arrests**

The UK is concerned by the detention on 26 March of hundreds of Russian citizens following organised protests, which included journalists and opposition leader Alexei Navalny. Russian citizens were exercising their fundamental rights to freedom of expression, association and peaceful assembly. The UK calls on the government of Russia to release citizens detained during peaceful demonstrations, and to comply with its international

commitments in the Council of Europe and the OSCE.