



HOUSE OF LORDS

Secondary Legislation Scrutiny Committee

Corrected oral evidence: Quality of impact assessments

Tuesday 28 June 2022

4 pm

Watch the meeting

Members present: Lord Hodgson of Astley Abbotts (The Chair); Baroness Bakewell of Hardington Mandeville; Lord De Mauley; Lord German; Viscount Hanworth; Lord Hutton of Furness; The Earl of Lindsay; Lord Lisvane; Lord Powell of Bayswater; Lord Rowlands; Baroness Watkins of Tavistock.

Evidence Session

Heard in Public

Questions 1 – 10

Witnesses

[I](#): Lord Callanan, Minister for Business, Energy and Corporate Responsibility, BEIS; Sarah Montgomery, Deputy Director, Policy and Delivery, Better Regulation Executive.

Examination of witnesses

Lord Callanan and Sarah Montgomery.

Q1 **The Chair:** If you are happy, Minister, we will not read out the caution all over again, because you have heard it many times before.

We have been disappointed about the department's variable response in producing impact assessments. We have been looking at different parts of the impact assessment supply chain to identify where the problem might lie and which we now want to discuss with you, so, if I may, I will begin by asking you to describe your role overseeing this particular aspect of Whitehall.

Lord Callanan: Thank you, Chair. I am the lead Minister in BEIS responsible for better regulation. I work closely with my excellent team of officials in the BRE and the Regulatory Policy Committee, who I think you have already spoken to. The Government's current approach to regulation is set out in the better regulation framework, so all departments, when they bring forward new measures that will affect business, are expected to keep to the key principles: regulation that is transparent, accountable, proportional and consistent, and targeted only in cases where action is needed.

It is also worth making the point that although, of course, we all accept that we can do better, and we are currently reviewing the framework to see how we can improve it, in the UK we fare very well internationally. We are constantly being asked for advice by other countries wanting to improve their frameworks, and through the Agile Nations network we co-operate with a number of other countries to look at future regulation and how we can do so on a proportional and agile basis.

On the various OECD measures, a score table is drawn up every year in which the UK performs well.¹ We are towards the top two or three in the world, certainly among the developed nations doing this. So we are good at it, and we have a good reputation internationally, which of course helps to attract more inward investment into the country. But I entirely accept that we can always do more and can always improve. We are eagerly awaiting the committee's findings so that we can incorporate them in the future policy-making process.

Q1 **The Chair:** I would like you to dive in in more detail. Obviously in each department you have a link, and each department has a Minister responsible for SIs. How close do you get to them, and how they are performing?

Lord Callanan: We do not at ministerial level. Certainly the officials and others producing impact assessments are in constant touch with officials in the BRE and in the RPC in order to get guidance. It is a very iterative process. If an impact assessment is produced and sent to the RPC and it

¹ BEIS correction: the OECD score table is drawn up every three years.

does not think it is up to standard, it can send it back and suggest ways in which it can be improved or further work can be done on development.

Ultimately, it is a matter for Ministers in their particular department whether they produce an impact assessment or not, and the quality of it. It is up to Parliament to hold them responsible for that. I do what I can at my level to emphasise to them the importance of impact assessments and how vital they are to the process. I know from my time taking legislation particularly through this House how important Members regard the process as being.

The Chair: Have you, in your time, had a reason to identify an individual departmental SI Minister who has not done his or her stuff?

Lord Callanan: I do not recall any time we have had to do that.

The Chair: If we were unhappy about an IA, should we tell you about it so you can do some chasing?

Lord Callanan: It would be more important to tell the Minister responsible, but I would be happy to take it up on your behalf.

Q2 Lord Hutton of Furness: I want to understand your role across government and so on. It is interesting to hear—I think I have got this right—that you have not actually met with other Ministers at any point to discuss the process of formulating regulation, doing the impact assessments, and doing proper Explanatory Memorandums. There has never been a meeting between you and your counterparts across Whitehall to discuss that.

Lord Callanan: There are, of course, regular ministerial meetings and committees to discuss the process of regulations or individual departments, et cetera, but the principles of better regulation are set out in the better regulation framework and all departments are expected to adhere to them, and, to be fair, the vast majority do.

Lord Hutton of Furness: I do not want to be nitpicking, but my question was quite specific. I know that Ministers will meet other Ministers to discuss government business—that is absolutely fine—but, specifically, have you met other Ministers to go through the principles of better regulation as it extends to Explanatory Memorandums, doing proper impact assessments and post-implementation reviews? In your knowledge, have you had such a meeting?

Lord Callanan: No.

Lord Hutton of Furness: Okay, thank you.

The Chair: Finally, on this question, we do impact assessments for the private sector. Why do we not do them for the public sector?

Lord Callanan: I think that the public sector should do impact assessments. Every piece of regulation, if possible, should be accompanied by an impact assessment. Obviously we have the £5 million

threshold at the moment, but frankly, even below that, the very fact that the department has determined that the impact is below £5 million means that some basic analysis has been done and is therefore in the Explanatory Memorandum, and I see no reason why that should not be shared with Parliament.

Q3 Baroness Bakewell of Hardington Mandeville: Thank you, Minister, but in his letter, the Leader of the House of Commons, Mark Spencer, told us that it is government policy that "Parliament should be provided with the information it needs to scrutinise the legislation the government brings forward". You obviously feel that it should produce IA, so why do the Government not enforce the policy by preventing legislation from being laid without an impact assessment?

Lord Callanan: The provision of impact assessments is enforced by the Cabinet Office under the application of collective agreement rules, which clearly indicates to policymakers and particular Ministers that they should produce an impact assessment. My firm view is that they should, but ultimately I do not have any powers to prevent legislation being laid. If it is not accompanied by it, I would expect Parliament to ask very stringent questions of the Minister responsible.

For any legislation I introduce, I certainly make sure there is an impact assessment. It would be very embarrassing in my particular case if there was not with BEIS legislation. For other departments, I do not have any powers to enforce it beyond cajoling and emphasising the importance of it, which officials do regularly. If a Cabinet Minister decides that they are going to introduce policy to Parliament without an impact assessment, and Parliament does not hold them to account for that, I have no way of forcing them to do so.

Baroness Bakewell of Hardington Mandeville: However, the Small Business, Enterprise and Employment Act 2015 requires that an impact assessment be produced in time for the business impact target annual report, so why are there no sanctions for departments that do not meet that?

Lord Callanan: As I said, it is the responsibility of the introducing Minister to produce one. He or she should produce one. Certainly, if I were the Minister introducing it, I would expect to get a pretty rough ride through certainly this House if I did not have one, but ultimately it is their decision to do one or not.

Baroness Bakewell of Hardington Mandeville: There is no enforcement of any sort or any sanctions against any department that does not meet that target.

Lord Callanan: There is no legal obligation to produce one.

The Chair: We were told that it did not matter if the impact assessment was six months later, because the legislation had gone in anyway, so why worry? Do you think that is a satisfactory answer?

Lord Callanan: No. To enable Parliament to do its job properly, legislation should be accompanied by a full impact assessment and should have been scrutinised by the RPC in advance. That is an essential part of the policy-making process.

Q4 **Lord Lisvane:** Minister, could we look for a moment at the situation that arises when a measure is estimated to impose less than £5 million in costs. I take it the £5 million is net. In a sense, that is rather handy—a bit of a get out of jail free card—because the department can say, “Well, it’s not going to cost more than £5 million, so we don’t need to do an IA”.

In answer to an earlier question, you talked about a basic assessment where the conclusion was that it would cost less than £5 million. Can you tell us a bit more about the validation of the judgment which then results in an IA being deemed unnecessary?

Lord Callanan: As I said, if a department has decided that the impact is worth less than £5 million, clearly some work has gone on to check whether that figure is right. I do not know whether we second-guess them against that target once the assessment has been arrived at. Perhaps Sarah can help with that.

Sarah Montgomery: I think that analysis is correct, although I would expect there to be internal processes in the department and sign-off of the assessment by economists to satisfy the Minister responsible that it is indeed below the threshold.

Lord Lisvane: You will not take it amiss if I say that that is touching faith in what is supposed to go on in the department. If I can draw on experience from a previous life, it is a little bit like a department deciding that a Bill is not going to spend enough money to require money cover.

Lord Callanan: Your experience is well known, Lord Lisvane, and I take your point. Fundamentally, because we have no statutory means of enforcing the writ of impact assessments, we are relying on peer pressure to encourage and cajole departments to do it. I would expect to get a rough ride, certainly in this House, trying to introduce legislation without it. I hope the same would apply to other Ministers as well.

Lord Lisvane: Given that you cannot cover the waterfront, is it worth doing a spot check from time to time?

Lord Callanan: I could certainly ask the RPC to have a look at doing that.

Lord Lisvane: The resilience, the credibility, of that £5 million judgment is an important part of the process.

Lord Callanan: I absolutely accept the point.

Q5 **Lord German:** We are trying to get at the level of co-ordination that there is across government and between departments and who take the role in sorting that out. The RPC tells us that it can improve an IA, but it cannot prevent it from being laid even if no changes are made. The PBL

Committee has explicitly told us that it does not consider any of the documents that lie behind an SI.

Should there be some form of a gateway for this legislation to prevent inappropriate legislation being laid, because at the moment it seems that this is all within a department. A department can continue even if it gets a bad RPC rating, and it could also mean that the PBL Committee has not looked at the documents to prove it anyway. Do you think this needs some form of central co-ordination to make for some uniformity across departments?

Lord Callanan: As we have made clear, we are currently reviewing the regulatory framework and will publish some proposals shortly. The key is to get into the process earlier to decide whether the regulation is actually required or whether there are alternative ways in which the policy ambition can be achieved from straight regulation. So, first, there should be early engagement with the RPC and BRE officials from departments to decide whether the regulation is required. Secondly, an iterative process in the production of the IA would be extremely useful.

Lord German: You mentioned the consultation, and the review that will lead to some more changes. This committee was not consulted, but we chose to give our views on this matter and, as you can imagine, one of them was that a piece of legislation should have the IA laid with it so Parliament can actually see the two pieces together. When you come to make the changes, I hope that perhaps you will reflect on our view on that matter.

I am still trying to understand this. All these powers and what goes forward are devolved to each department and you have no powers to co-ordinate or to intervene. You do not necessarily want, I suspect, to intervene without having some power behind you to do it. Would that be a fair reflection of where we are at the moment?

Lord Callanan: Yes, in terms of the reality of the situation. We rely on pressure and cajoling departments. I am not sure that a statutory power to intervene would help very much. We have to accept that it is the nature of government that there are always pieces of legislation that are brought in very quickly in response to emergencies. For example, the legislation during the pandemic was rushed through extremely quickly. In such circumstances, it would probably be unreasonable to ask for a detailed impact assessment to be produced that could take many months when the desire of both government and Parliament was to get on with things as quickly as possible to respond to that particular emergency.

The problem with a statutory power, of course, is that it is very inflexible; it exists as black or white. So a certain flexibility is required. I return to my earlier point that in most cases most departments do produce impact assessments. They vary in quality, but usually by the time the RPC has looked at them and gone back to the department, they normally come out in a good, fit state and are introduced alongside the legislation at the right time in order for Parliament to scrutinise it.

Lord German: The RPC told us that there was a significant difference between the quality of impact assessments between departments. Does it always need a piece of legislation to give some department or Minister the ability to scrutinise influence across departments? Does it have to be a piece of legislation, or could the Prime Minister turn around and say, "You're the man for the job, so get on with it".

Lord Callanan: That is the principle of collective responsibility that we have and why we have the regulation framework at the moment, which theoretically says that every department should produce an impact assessment with its legislation. But, ultimately, if a particular Secretary of State decides that he does not want to produce one, that is within his ability to do so.

Sarah Montgomery: I would like to add a point about the time the Better Regulation Executive and the RPC spend with government departments to support them in their thinking and training, and in the guidance and the documentation, to try to take a collaborative view to help them improve. As you say, the RPC spends time in the iterative process, and at the end of it the IAs are generally green rated, so we are trying to take that collaborative, collegiate approach with departments to increase their capability in respect of the impact assessments.

Q6 **Lord Hutton of Furness:** Would you agree that post-implementation reviews are a good way of establishing whether the original purpose and intent of regulations have been achieved and achieved in a proportionate way?

Lord Callanan: Yes.

Lord Hutton of Furness: Good.

Lord Callanan: Do you want me to expand on that?

Lord Hutton of Furness: No, I am very happy with a one-word answer. That is perfect. The Better Regulation Executive has told us that probably less than half of regulations that should be the subject of post-implementation reviews have had any kind of review at all. I wonder if you can explain why the figure is so low if it is such an important tool.

Lord Callanan: The figure I had was that, between 2016 and 2018, 72% of required PIRs had been completed on time, but this has dropped to below 30% in the last two years, given the pandemic and departments prioritising other work. We were good at it, but we have got slightly less good at it during the pandemic. Hopefully, departments will ramp up back to their previous better performance. Of course, in a number of cases, it is set out in statute that a PIR should be carried out. Again, in the review, we are looking to set up a scrutiny board that will keep track of when PIRs are required, will remind the department of the timescale perhaps a year in advance, and will support them through the process of implementing and coming up with the outcome of the review.

Lord Hutton of Furness: Do you have any idea when we might get back

to those pre-pandemic levels of post-implementation review?

Lord Callanan: Hopefully, departments have already started to ramp up again.

Sarah Montgomery: We are starting to see a bit of an uptick, but it is early days.

Lord Hutton of Furness: Sunset clauses in effect force a review, because there is a point when the regulations cease, so why have they fallen out of favour?

Lord Callanan: It depends on the individual legislation. Often, they are insisted on by Parliament. I have had many debates in this House on the importance of sunset clauses, and they certainly have not fallen out of favour as far as I am concerned. They are a good idea, and we should consider them where necessary, but this is usually a source of debate between Parliament and the Minister who is introducing the regulation.

Lord Hutton of Furness: There is no common methodology for post-implementation reviews, as there is with impact assessments, for example. Should there be?

Lord Callanan: Again, it would depend on the legislation concerned.

Lord Hutton of Furness: There is a general view—

Lord Callanan: Yes, we want to try to ensure a commonality of approach as much as possible. Again, that would be part of the purpose of introducing some sort of scrutiny mechanism and a unit sitting in the BRE that will keep an eye on the progress of the PIRs, remind departments a year in advance, and give them some guidance on the proper method of carrying out the review and the metrics they should use to measure the impact, et cetera. That will certainly help.

Q7

Lord Powell of Bayswater: Minister, you were telling us at the beginning how well the UK stands in international comparisons in this area, yet we have a system whereby the Better Regulation Executive is telling departments how to do impact assessments. But then the Regulatory Policy Committee finds that between a quarter and a third are just not fit for purpose at the initial review. This rather suggests that the system needs to be looked at and improved. Can we say that other countries are incredibly bad at this if we are so high?

Lord Callanan: Of course, we are always open to improvement. The figures that I think you are referring to are in the initial cut of the impact assessments, but that is the purpose of the BRE and the RPC: to go back to departments and say, "Actually, the initial regulatory impact assessment is not up to scratch. You need to improve it. You need to do some more work on it". Again, to be fair, most departments do that, and we usually end up with quite a good assessment that can then go to Parliament. That is part of the process.

Lord Powell of Bayswater: Can you share with us a bit of your thinking about how this could be improved in the context of the current review that is taking place? What are your thoughts on improving the situation?

Lord Callanan: As I said, it can always be improved, and the main way it can be improved is early engagement. Departments need to think about the policy problem they are looking to solve, what alternatives they have looked at, whether regulation is really the answer, whether there is some kind of guidance, code or working with businesses in the sector that could solve the problem for them short of the heavy hand of regulation. If the decision is made that regulation is required, then, again, it should be an iterative process asking to what extent they need to regulate. An early draft of the impact assessment that the BRE and the RPC can look at will help to improve the process and make it more transparent for Parliament when they finally get to scrutinise it.

Lord Powell of Bayswater: So we would we be justified in looking forward to some specific improvements in the next few months.

Lord Callanan: I think we will have some proposals that the committee will welcome.

Lord Powell of Bayswater: That is encouraging, thank you.

Q8 **The Earl of Lindsay:** Minister, you have twice mentioned the possibility of the better regulation framework engaging at an earlier stage. Certainly, the committee would welcome that, because too often we see impact assessments that appear to have been put together at a very late stage, well after the decision has been made and sometimes after the proposed regulation has actually started its parliamentary process. Can you go into more detail about how the better regulation framework would engage at an earlier stage and perhaps how that earlier engagement would ultimately help Parliament to better scrutinise a resulting statutory proposal?

Lord Callanan: I think the key word in your question is "early". We are currently engaging with officials—colleagues—across government to work up the proposals. For example, our current thinking is they should produce a short pro forma at a very early stage to indicate the extent of what the department is proposing to do. The independent scrutiny body can then look at it and guide the department further on what they would need to do to satisfy the requirements of Parliament, produce an impact assessment, talk to the RPC, et cetera. The whole process needs to be brought forward to look at whether we need to regulate in the first place, what alternatives there are, and some sort of short pro forma to help guide officials through the process of actually writing or producing a regulation, if that is what is required to be produced.

Sarah Montgomery: I was just reflecting on the earlier question about impact assessments. A lot of the conversations that tend to happen are because the impact assessment is dealing with novel, contentious and difficult issues. That is where the RPC adds its value. Hopefully, by having

those conversations earlier on in the process, you are doing that thinking together and you are more able to understand what the impacts might be of some of the trickier issues that may be coming across the table.

The Earl of Lindsay: Would that earlier stage engagement be a mandatory requirement? Departments have cheerfully ignored some of the current impact assessment procedures. Will they simply carry on ignoring the new requirements that you might introduce?

Lord Callanan: The vast majority have not cheerfully ignored the procedures. Examples can always be produced of departments that have, but the vast majority do not. Again, the word "mandatory" is difficult. Outside of statute, we can only help to cajole, to pressure, departments into doing it. Ultimately, the particular Secretary of State or Minister has to have the freedom to act as they see fit, subject, as always, to the will of Parliament.

The Earl of Lindsay: You have mentioned a couple of times that parliamentary displeasure might be sufficient motivation for departments to try to get it right, but, in our experience, that has not been the case and some departments are serial offenders, despite repeated displeasure from this committee.

Lord Callanan: I can only speak for myself in that if I had been involved in working through any regulatory proposal that was not accompanied by an impact assessment, I would be very reluctant to put it in front of Parliament. It would be the first question I would ask. However, ultimately you have to speak to other Ministers for their view on that.

The Earl of Lindsay: Would you acknowledge that when you bring forward any further reforms and measures from the better regulation framework consultation, it would be useful if you could look at the way in which compliance by those departments or parts of departments that have historically perhaps not been mindful of current expectations can be improved?

Lord Callanan: Sure. As I said earlier, we are always open to ideas on how we can get the laggards to perform as well as the better performers. Do you have any thoughts on this, Sarah?

Sarah Montgomery: No.

Q9

Viscount Hanworth: We have been concerned that the Small Business, Enterprise and Employment Act 2015 has had the effect of focusing impact assessments too narrowly on financial matters as guided by the nostrums of the Green Book and that this has been to the detriment of a broader analysis. What are your thoughts on this matter, and how could impact assessments be improved and given a wider scope?

Lord Callanan: In our view, the current business impact target is too narrowly focused, and we are certainly looking at how there is a better metric that can be used. Obviously, the costs impact on business is critically important, but so is the impact on consumers. To take an

example of some of the regulations coming from my department, the impact on CO₂ regulations is, of course, vital. We have a legally binding commitment to net zero in 2050. There are a number of different metrics that could be used to inform the rationale for a target, not just the precise impact on businesses, although that is and will remain of critical importance. We think the current target is too narrowly focused.

Viscount Hanworth: Do you think just enunciating different metrics will achieve this or is there some other form of encouragement that could be offered or indeed imposed upon them?

Lord Callanan: There are a range of different factors that we can look at. We want to retain some kind of target to focus everyone, but perhaps something more widely drawn with other measures in it.

Sarah Montgomery: Yes, at the moment we are looking at different approaches that you might take to balance the different issues that the Minister has outlined.

Viscount Hanworth: Can you give us any idea of your current thoughts?

Sarah Montgomery: Not at the moment, but I would be very happy to share them once they are more fully developed.

Viscount Hanworth: I see. I think I will leave it there; it is in an imperfect state.

Lord De Mauley: I have noticed in such impact assessments as are done that where the financial effects on business are considered they very often focus on what is, in effect, a tiny part of the real financial effect on business. They do not stand back and look at the overall financial effect on business, which is rather depressing. I wonder if it is because those who prepare them are relatively junior and could do with more training in understanding the private sector and how these regulations actually impact businesses and the real cost of doing so.

Lord Callanan: It is probably a good point. We are always keen to help officials in other departments to improve the quality of their impact assessments which is part of the work of the RPC and the BRE to help guide departments into producing better-quality impact assessments that consider a range of different metrics.

Q10 **Lord Rowlands:** Can we look forward to what next steps might be taken to implement the better regulation framework review. For example, do you anticipate the changes to the impact assessment process will be included, for example, in the Brexit freedoms Bill.

Lord Callanan: The short answer to that is yes. It goes back to the conversation we had earlier about the business impact target.

Lord Rowlands: So we will see clear changes in the forthcoming Bill.

Lord Callanan: The standard Government Minister answer is. "You'll have to wait for the publication of the Bill". We have made it clear that

we would like to do this, and we are confident that we will, but you will have to wait for the publication of the Bill.

Lord Rowlands: For example, there is a clear specific objective for this future Bill to cut £1 billion of European red tape. Presumably, the implementation of that policy or that objective will be through SIs. Therefore, will those SIs have accompanying impact assessments to prove this is how the £1 billion target will be reached?

Lord Callanan: You will have to wait for the publication of the Bill. It would be unfair of me to predict what Jacob Rees-Mogg will produce in his REUL Bill, although certainly the better regulation framework will apply to any regulations produced under that legislation in the same way it will apply to all other legislation.

Lord Rowlands: Presumably, your department and you have been involved in the preparation of this Bill, so it is not unreasonable to ask.

Lord Callanan: Yes, but it is being led by Jacob Rees-Mogg and the Cabinet Office—

Lord Rowlands: I know that.

Lord Callanan: But we are involved in it.

Lord Rowlands: You are involved in it. May I slightly broaden the question in that case? A considerable concern has been echoed in this committee and other committees that this future Bill will just be full of Henry VIII powers, full of skeleton clauses and will limit the degree of parliamentary scrutiny even though this and other committees have been very anxious about those trends. Can you give me an assurance based on your involvement in the preparation of this Bill that our worries are not justified?

Lord Callanan: You are asking me to go down a road that I cannot do in advance of the publication of the Bill. Apart from anything else, I do not think it is completely drafted yet.

Lord Rowlands: Are you personally confident about our concerns? You are a part of the process.

Lord Callanan: I am not responsible for the introduction of that particular Bill. My department has some measures that we are introducing in it, but I think I will leave the overall attitude of the Bill, the number of secondary legislation powers that it will include and what form they will take for the Minister responsible to answer. I am sorry to avoid the question.

Baroness Watkins of Tavistock: What seems interesting to me is when we have an SI that is going to cost more than £5 million to implement, we are meant to have an impact assessment. The idea would be you put in an SI that might save £50 million, so would this not be the reverse? Do you think we are likely to get an indication of what is expected to be

saved by the new SI, because then we will be able to have a ready reckoner over a couple of years to identify whether we are anywhere near saving £1 billion?

Lord Callanan: As I said, the rules on better regulation will apply to any secondary legislation introduced with whatever powers Parliament grants the Minister responsible in that particular legislation when it comes forward and will apply the same as it does in all other cases.

Baroness Watkins of Tavistock: Yes, but my understanding, and I have only been on this committee for four years, is we tend to look at the costs rather than the savings. Will we identify those savings?

Lord Callanan: I am straying into an area which is not my ministerial responsibility, but a lot of the savings will result from reviewing existing regulations, many of which were imported at the time when we snapshotted EU regulation during a number of the many Brexit Bills which I was responsible for introducing, in which many Members participated. Part of the rationale for this legislation will be having an opportunity to look again at many of those regulations to see whether they are still fit for purpose and still required on the statute books in the UK and whether they could be modified or improved in any way. As I said, I will, however, leave the details of that legislation for the Minister responsible—who is, happily, not me.

The Chair: The financial regulators in the City, where I spent most of my life, really want to talk about culture and how firms think about their responsibilities more widely. I would really like to ask Sarah Montgomery about the culture she finds in the department. In other words, are they being driven to do what they have got to do or are there departments where the culture is positive and what Parliament is trying to do to get better law is part of their thinking?

Sarah Montgomery: Having been a policy official developing policy myself, I would say that a lot of us are driven by getting the right outcome and finding a solution, and appraisal of options is an essential part of that. The consultation process and impact assessments are all important tools in that process. Many of the departments that come to us want to engage with us positively and want to understand how they can improve. It goes back to my earlier point that some of these are difficult, novel and contentious issues that they are trying to grapple with, and a lot of their stakeholder engagement is trying to reflect that in what they come through. So I think everyone starts from a place of wanting to do the right thing and from goodwill and we generally have positive relationships with the government departments that we work with.

The Chair: Finally, we sent in, as part of our consultation, a wish list of three things we hoped would form part of the brave new world. First, "IAs must be laid at the same time as instruments so they are available for Parliamentary scrutiny". Secondly, "Either in the IA when one is required, or the EM when it is not, there should be a broader based analysis of the impacts of the legislation—not just the financial effects but a broader

consideration that will enable Parliament to weigh up the pros and cons of the policy". Thirdly, "There should be a greater emphasis on post-implementation reviews". These have all come up in our questions. I think you previously said that you thought we would not be displeased with what was coming out of the review. In the light of our wish list of three, are we going to be displeased or pleased?

Lord Callanan: I would not disagree with any of those. As those who have been Ministers will know, any government response has to go to write round and will also go to all other departments, so, unfortunately, it is not something that I and my officials can just dream up and produce. We have to go through the collaborative process of government. So I do not know what the final outcome will be, but, as broad principles, I would not disagree with any of those three.

The Chair: Thank you very much. Is there anything else you wish to tell us before we let you go?

Lord Callanan: I do not think so, Chair. Sarah?

Sarah Montgomery: Thank you.

The Chair: Thank you very much indeed for being so helpful.