



Department for  
Business, Energy  
& Industrial Strategy

Rt Hon Grant Shapps MP  
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Darren Jones MP  
Chair of the Business, Energy and Industrial Strategy  
Committee  
House of Commons  
London  
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21 December 2022

Dear Darren,

Thank you for your letter of 28 November 2022 regarding the Regulatory Policy Committee's (RPC) Opinion and rating for the Retained EU Law (Revocation & Reform) Bill. Please accept my apologies for the delayed response.

While it is true that the RPC has decided to give the Impact Assessment (IA) for the Retained EU Law Bill a red rating, this reflects the limited information available at this stage to quantify potential impacts around how the enabling powers in the Bill will be used. This means that we have been unable to produce an equivalent annual net direct cost to business (EANDCB) as the Better Regulation Framework (BRF) stipulates. The RPC are effectively bound by the BRF and it is therefore not unexpected that they have red rated the IA.

Every effort has been made to qualitatively set out this uncertainty and the IA does discuss at length the detail of how retained EU law (REUL) is distributed by policy area, department and economic sector. Furthermore, while quantification of the impact on small and micro businesses is not possible, a quantified analysis based on the business demography of small, micro and medium sized firms is included and this provides an indication of the possible impact of the bill on these sized firms.

The RPC suggests that the analysis did not go far enough in looking at individual sectors or providing a rich enough analysis in terms of small and micro businesses. The IA does however devote a significant portion of analysis to setting out the allocation of micro, small and medium business by sector and REUL. While we accept there are many ways to disaggregate this data, the IA is explicit that the information provided is suggestive rather than causal.

The Government is committed to taking full advantage of the benefits of Brexit, which is why we are pushing ahead with our Retained EU Law Bill, which will end the special legal status of all REUL. This will allow us to ensure our laws and regulations best fit the needs of the country, removing needless bureaucracy in order to support jobs, whilst keeping important protections and safeguards.

As stated in the IA itself - proper and proportionate analysis will be undertaken by departments in relation to specific amendments to REUL. Efforts are also underway

to understand the potential impacts of sunseting. Where applicable, such as when REUL is a regulatory provision and is being amended significantly, we would expect departments to put their measures through the government's systems for regulatory scrutiny, such as the BRF. Where measures are being revoked, departments will be expected to undertake proportionate analytical appraisal. We are exploring the appropriate steps we can take to appraise the resulting impacts.

Efforts to monitor and evaluate the Bill post implementation will tie in with the REUL substance review which identifies each individual piece of REUL that each department is responsible for. The total number of pieces of REUL identified so far exceeds 2,400. Further to this the Brexit Opportunities Unit (BOU) will oversee ongoing efforts of departments to measure and monitor the costs of REUL to businesses and consumers and progress in reaching the target of removing £1bn worth of the costs of REUL to business - as set out in the *Benefits of Brexit* policy paper. Together this will allow the government to keep track of how much REUL has been amended, assimilated or sunset, and how much of the costs that REUL imposes on UK businesses and consumers has been removed.

Thank you again for taking the time to write. I hope you find this response useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

**RT HON GRANT SHAPPS MP**  
Secretary of State for Business, Energy & Industrial Strategy