

European Scrutiny Committee

House of Commons London SW1A 0AA

Tel (020) 7219 3292 Email escom@parliament.uk Website www.parliament.uk/escom

From: Sir William Cash CH MP

24 May 2024

Rt Hon. Kemi Badenoch MP

Secretary of State for Business and Trade, Department for Business and Trade

1 Victoria Street

London SW1H 0ET

Retained EU law: the progress and mechanics of reform

Dear Kemi

Thank you for giving evidence to our inquiry '[Retained EU law: the progress and mechanics of reform](#)' on 13 March this year. Over the course of our inquiry, we received eight submissions of written evidence and took oral evidence from twelve witnesses. We are grateful to all of those who contributed to our inquiry. We have set out below our main areas of inquiry, including preliminary conclusions and tentative recommendations.

We note that, in broad terms, section 17 of the Retained EU Law (Revocation and Reform) Act 2023 requires the Government to publish and lay before Parliament a REUL status and planning report every six months until June 2026. We expect this to continue and our successor Committee to consider this document, as we did when you appeared before us on 13 March.

We hope that our successor Committee will further consider the issues we have considered in the next Parliament.

We heard evidence that responsibility for the REUL/assimilated law reform programme is divided between three Ministers in the Department for Business and Trade – the Secretary of State, a Minister of State and a Minister of State (Minister for Regulatory Reform). We believe that a dedicated Minister should be appointed in order to drive the reform programme forward and to ensure a consistency of approach across Whitehall.

We were told during our inquiry that locating policy responsibility in a 'line' department tended to indicate that the matter was lower down the list of Government priorities than those things that sit at the centre. We also heard that cross-departmental exercises benefit from central co-ordination and control. We believe that that the reform programme should be run from the

Cabinet Office with the authority of the Prime Minister to ensure that clear priorities are set and to achieve the most effective handling and co-ordination of the cross-cutting policy issues which the reform programme involves.

We heard evidence that a central philosophy of regulation which would allow the Government to drive towards common goals across different Departments was missing and that the reforms to date lacked coherence. We also heard that the impact of reform on the internal market and on Northern Ireland was often forgotten. We heard too that there were a number of ‘big ticket items’ still to be resolved and that these had not been prioritised above more technical revisions.

We heard that the Smarter Regulation principles are being applied to the reform of REUL/assimilated law. We are concerned that the application of Smarter Regulation principles may not provide a suitable framework for realising Brexit opportunities given the breadth of subject matter that retained EU law/assimilated law covers.

We heard evidence that one way to set priorities for reform was to identify whether a piece of assimilated law is restricting Government policy plans or would be in conflict with them. We would like to see Government pay particular attention to identifying assimilated law in the field of immigration and asylum and revoking it where it undermines Government policy.

We consider that the reform programme as a whole would benefit from clear prioritisation and a more coherent set of guiding principles and aims.

The Government first published a REUL ‘Dashboard’ in June 2022. As required by the Retained EU Law (Revocation and Reform) Act 2023, the Government published a Retained EU Law parliamentary report in January 2024, setting out progress made in revoking and reforming REUL and plans to revoke and reform assimilated law in subsequent reporting periods.

Having heard evidence as to the nature of the reform to date, we do not believe that the changes made so far are ambitious enough. Rather, they are overly concerned with ‘tidying up’ the statute book. We heard that the Government appears to be judging the success of the reform programme by the number of pieces of REUL/assimilated law that are revoked or amended but that one change can have a much more significant impact than 100.

Furthermore, the two May 2024 White Papers ([*Smarter Regulation: one year on*](#)’ and [*Smarter regulation: delivering a regulatory environment for innovation, investment and growth*](#)’), are about further consultation which is simply further delay and a failure to get the job done.

We acknowledge numbers are relevant but they do not tell the full story. We recommend that the Government should consider alternative metrics of success, for example the positive impact on the economy and competitiveness.

We heard evidence that the parliamentary report could be improved and have more utility if it contained more detailed information and analysis on the following matters: reforms made in devolved areas; a summary of any consultation and impact assessment carried out; the impact on regulatory divergence in the UK internal market; sectoral analysis of reform; and reforms made other than by using powers in the Retained EU Law (Revocation and Reform) Act 2023. For future REUL parliamentary reports, we would like to see the Government include information on these areas to give the public as full and clear a picture as possible of the reforms that have been achieved.

With every best wish for the future

CHAIR