

**Notes ahead of the RPI strategy and governance group meeting on 26/03/2025,  
National Liberal Club (Lady Violet Room), 5.30pm (gathering from 5pm).**

**Organizational matters**

This will be the last meeting hosted by Catherine, who is moving on to the DHSC to become Head of the Better Regulation Unit there. We wish her well in the formidable tasks ahead and look forward to seeing her at future RPI events as a participant rather than as an organiser.

The Group is heavily focused on longer term strategic and governance issues, but these do sometimes intersect with more immediate, news cycle events. Now is such a time, with, for example, the publication by HMT last week of 'A new approach to ensure regulators and regulation support growth', the consolidation of the Payment Systems Regulator into the FCA, and the overhanging issues of Thames Water insolvency. Since some of us may be involved in one or more of these issues, the main discussion of this next meeting will be under the Chatham House Rule (as applied in the Hertford Seminars, where it has never been breeched in 33 years in operation!)

It is proposed to change the name of the Group to 'Strategy and Governance Forum', to emphasise its open nature. Gerald Ashley will lead a short discussion of this and other forward-looking organisational matters at the end of the main discussion.

**Main discussion**

The subject on the table will be the governance of bodies that might attract the label 'independent regulators'. We are still at the diagnostic stage of strategy development, so the focus will be on the original conceptual thinking underpinning the establishment of bodies such as Oftel, Ofgas and Offer and their governance structures, and on how these have evolved over time to land us with the current mess. Understanding this will lay the base for the later 'what is to be done' question. In this context, it might be noted that the general theme for this year's annual conference will be 'Regulation and Productivity Growth' (Lady Margaret Hall, Oxford, 15 and 16 September). It is hoped that the Group's thinking will feed directly into the more comprehensive deliberations at that event.

To kick things off, here are some thoughts on aspects of the evolutionary pathways from the 1980s to date:

Dynamic, 'macro' incentive structures benchmarked on the characteristics of dynamically competitive markets -> much more intrusive micro structures.

'Hard headed intellectualism' and an entrepreneurial ethos -> bureaucratic managerialism (an shift in organizational culture).

Light -> heavy 'legalism'.

Simplicity -> complexity in regulatory structures.

Directors General (with focused, individual responsibility) -> Boards with responsibility much more 'collectively smeared'). "It's the best job I've ever had. I get paid, get to influence public policy, and bear no individual responsibility."

Narrow, highly focused delegated duties and powers -> much wider sets of duties and powers.

Smaller regulatory bodies -> much larger 'conglomerate regulators'.

A relatively well defined division of labour (e.g. between managers, regulators and ministers) -> a situation of which it might be said that "everyone wants to do someone else's job").

These are just starting thoughts, with apologies for the lateness ('retirement' turns out to be a very busy period of life).

GY

25/03/25