

United Kingdom

Regulatory Policy Reform



TYPE OF TOOL
Plan



MAIN SECTOR
*Energy;
Water;
Telecoms*



INFRASTRUCTURE GOVERNANCE PILLARS
*Coherent, predictable and efficient
regulatory framework*

In a nutshell



OBJECTIVE: The Regulatory Policy reform aims to address the issues of strategic direction, review of duties, competition and transparency and consistency in economic regulation of the utilities sectors.



Agency in charge
Department for Business, Energy & Industrial Strategy



Levels of government
National and sub-national



Year of implementation
2022



Current status
Planning

Overview

The United Kingdom's framework of economic regulation has delivered significant benefits in the utilities sectors. It is based on the Government's Principles for Economic Regulation (2011), developed to maintain a focus on providing a stable, predictable, and transparent regulatory framework which facilitates efficient investment. These principles include accountability, focus, predictability, coherence, adaptability and efficiency. The government has recognised the need to update and strengthen the framework as it is increasingly facing emerging and long-term challenges that it was not designed to address. This includes reaching Net Zero, protecting and enhancing the environment, and increasing digitalisation. A reform of economic regulation as a critical enabler of infrastructure investment will help the country to build back fairer, faster, and greener, and help foster an enterprising and innovative economy which promotes growth. As a first step, the government has published the Economic Regulation Policy Paper in January 2022, which sets out the government's vision for modernising the economic regulation of the utilities sectors. The review of economic regulation of the energy, water and telecoms sectors is underway and will look into regulators' duties, how regulators can enhance competition and innovation and how respective regulatory appeals processes work. It will also consider how to encourage greater investment and how to enhance the consumer experience in these sectors. Over the course of 2023, the government will engage with departments, regulators, academics, businesses and other interested parties to help inform policy proposals and will also hold an open consultation on the proposals to seek any further views and ensure that the country's model of economic regulation fits the needs of the modern age.

REFERENCES:

- Department for Business, Energy & Industrial Strategy (2022), *Economic regulation policy*, <https://www.gov.uk/government/publications/economic-regulation-policy>