

Collaboration between Economic Regulators

Options for embedding joint working between economic
regulators



Contents

Collaboration between Economic Regulators.....	1
Options for embedding joint working between economic regulators	3
Economic regulation	3
Purpose of this consultation	4
How to respond	5
Confidentiality & Data Protection	5
Help with queries	6
Comments or complaints on the conduct of this consultation	6
Foreword from Parliamentary Under-Secretary of State for Employment Relations and Consumer Affairs.....	7
Chapter 1: Economic regulation and the UK Regulators Network.....	8
UK Regulators Network	9
Chapter 2: Potential benefits of joint working and cooperation	14
Consumer engagement, bills and affordability	14
Cross-sector infrastructure delivery.....	15
Sharing best practice	15
Chapter 3: Options for supporting and encouraging cooperation	17
Option 1: Monitor progress and work with the UKRN	18
Option 2: Guidance on cooperation.....	19
Option 3: Statutory duty to cooperate.....	21
Annex A: List of consultation questions	23
Annex B: List of Individuals/Organisations consulted	24
Annex C: Collaboration between Economic Regulators consultation response form.....	29
Annex D: Consultation Principles	33

Options for embedding joint working between economic regulators

Economic regulation

The term 'economic regulation' is usually used to describe the functions of the regulators established to oversee the main infrastructure industries in the UK, which provide essential services to consumers including energy, water, communications and transport. These regulators primarily promote competition, or replicate the conditions of competitive markets, through a 'toolkit' of regulatory powers which influence markets and prices and which are ultimately aimed at protecting consumer interests.

The regulators listed below are all members of the UK Regulators Network. For the purposes of this consultation, the 'regulators' are the following bodies:

- Civil Aviation Authority (CAA);
- Financial Conduct Authority (FCA), including the Payment Systems Regulator¹;
- Office of Communications (Ofcom);
- Office of Gas and Electricity Markets (Ofgem);
- Water Services Regulation Authority (Ofwat);
- Office of Rail Regulation (ORR);
- Northern Ireland Authority for Utility Regulation (UREGNI);
- Regulator for Health Services in England (Monitor);
- Water Industry Commission for Scotland (WICS)

The above bodies have together formed the UK Regulators Network (UKRN)² Throughout this document, the term 'regulators' should be taken to mean the above bodies, unless otherwise specified.

¹ Although it has competition and consumer protection functions, the FCA is not classed by HM Government as an economic regulator. The FCA will be responsible for oversight off a new Payment Systems Regulator, which will be an economic regulator.

² Monitor and WICS participate in the UKRN as observers

Purpose of this consultation

Government places a great deal of importance on the economic regulatory framework and the considerable benefits that result from the independence of regulators from Government.

To further strengthen the UK's model of independent economic regulation, the regulators have established a new UK Regulators' Network (UKRN) to replace and enhance the work of the previous Joint Regulators' Group (JRG). The Government believes that the UKRN marks a significant step forward from the JRG and could form the basis for very effective cooperation between the regulators on key issues. We believe that this could lead to greater efficiency and better outcomes for businesses, consumers and the economy.

This consultation seeks views on:

- 1) How closer co-operation between regulators could lead to better outcomes for business, consumers and the economy
- 2) Whether there are currently any barriers that inhibit more effective joint working
- 3) How Government might best support and encourage the UKRN, and more widely help to embed cooperation between the regulators.

How to respond

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

The consultation response form is available electronically on the consultation page:

<https://www.gov.uk/government/consultations/economic-regulators-encouraging-closer-cooperation>

The form can be submitted online, by email or by letter to:

UKRN Consultation
Competition and Consumer Policy Directorate
Department of Business, Innovation and Skills
3rd Floor – Victoria
1 Victoria Street
London
SW1H 0ET

Email: UKRNconsultation@bis.gsi.gov.uk

You may make printed copies of this document without seeking permission. Other versions of the document in Braille, other languages or audio-cassette are available on request.

Confidentiality & Data Protection

10. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

11. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Help with queries

Questions about the policy issues raised in the document can be addressed to:

Sean Browne
Competition and Consumer Policy Directorate
Department of Business, Innovation and Skills
3rd Floor , Bay 356
1 Victoria Street
London
SW1H 0ET
Tel: 020 7215 6769
Email: sean.browne@bis.gsi.gov.uk

Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Angela Rabess,
BIS Consultation Co-ordinator,
1 Victoria Street,
London
SW1H 0ET
Telephone John on 020 7215 1661
or e-mail to: angela.rabess@bis.gsi.gov.uk

The consultation principles are in Annex D.

Issued: 6 October 2014

Respond by: 1 December 2014

Foreword from Parliamentary Under-Secretary of State for Employment Relations and Consumer Affairs

The UK has developed a framework of independent economic regulation that is amongst the best in the world.

Economic regulation has aimed to emulate effective competition where this is possible in areas where 'natural monopolies' or similar structures exist. Where genuine competition is not feasible, independent economic regulation protects the interest of consumers today and in the future while ensuring that the UK has the infrastructure it needs to compete in the global race. Economic regulation has typically controlled prices that dominant companies can charge in order to promote efficiency and fairness for consumers, while providing businesses with a regulated return on their assets, so that they can secure the investment that is so important in driving growth and providing the networks and services on which we all depend.

In undertaking their work, regulators play a vital role, independently from Government, in ensuring that markets operate for the benefit of consumers, and provide the stability, transparency and predictability that enable long term investment in UK infrastructure.

Regulators have been established on a sector-specific basis, which allows them to build up real expertise and understanding of their sectors. This has been a successful model and the Government has no plans to move away from the general sector-specific approach to regulation. However, the Government believes that there are potential benefits to consumers, investors and the wider economy from regulators working together where they are dealing with common issues.

The regulators have recognised the benefits of joint working for some time, and have previously cooperated through the JRG. On 19 March the Chief Executives of each of the regulators established the UK Regulators Network (UKRN), which marked a step change by replacing the Joint Regulators Group (JRG) and providing a greatly strengthened mechanism for cooperation and joint working. The Government welcomes this initiative, which could bring significant potential benefits to consumers and regulated firms alike.

The purpose of this consultation is to seek views on areas where cooperation is likely to offer the most benefit, and on ways that the Government might help support and embed the UKRN in its efforts to strengthen joint working.



Jo Swinson MP

Chapter 1: Economic regulation and the UK Regulators Network

- 1.1 Since the privatisations of the 1980s and 1990s the UK has developed a framework of economic regulation that is established in legislation and independent of Government. This has resulted in a stable and transparent regulatory environment with a strong track record of objective, consistent and credible regulatory decision making, providing confidence to both consumers and investors.
- 1.2 The UK's system of independent economic regulation is a crucial element of the our mixed model of infrastructure investment, whereby responsibility for infrastructure investment is split between the public and private sectors. It ensures that in sectors where network effects or economies of scale limit effective competition, consumers' interests are promoted and investors have the confidence to deliver the infrastructure the UK economy needs.
- 1.3 For example, a recent World Economic Forum report³ highlighted the successful track record of the UK regulatory system in facilitating significant levels of investment, notably in the water and sewerage sector which has seen more than £116 billion of private investment between 1989 and 2013.
- 1.4 Reflecting the industries which they regulate, the regulators were established and are organised on a sector-specific basis. There is a separate regulator for each of the main essential infrastructure industries – energy, water, rail, aviation and communications. In addition, there is a regulator for Payment Systems (due to become fully operational in April 2015) and for health services in England. There are also regulators where responsibility for some industries has been devolved, in Scotland and in Northern Ireland. (A full list of these regulators can be found at the start of this consultation). Regulators were generally set up to regulate the companies which own and/or operate the infrastructure in these industries, to ensure that they could not abuse their monopoly positions.

³ http://www3.weforum.org/docs/WEF_II_InfrastructureInvestmentPolicyBlueprint_Report_2014.pdf

- 1.5 While there are common elements to their economic regulation roles, the regulators each have different statutory duties, particularly in relation to their competition duties. These statutory duties have also evolved over time to reflect the different priorities within each sector.
- 1.6 In April 2011, the Government published its Principles for Economic Regulation⁴, which reaffirmed the importance of independent economic regulation and the key principles under which the regulators⁵ needed to operate. In the Principles, the Government made a number of commitments including:
- Ensuring future changes preserve the independence of regulators
 - Having particular regard to the effect of investor confidence when assessing changes to the regulatory policy or regulatory frameworks; and
 - Not seeking to add objectives, responsibilities or duties to regulators' remits without detailed consideration of the impact on the overall framework, and consideration of cross-sector impacts and even then only when it is clear that the addition is the optimal way to achieve the outcome sought.

UK Regulators Network

- 1.7 Although established as sector specific bodies, it has been acknowledged for some time that cooperation between the regulators has the potential to bring benefits. The key driver behind the establishment of the Joint Regulators Group (JRG) in 2005 was to provide a structure to govern collaborative work between the regulators, enabling them to explore common issues and approaches.

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31623/11-795-principles-for-economic-regulation.pdf

⁵ As a non-economic regulator, the FCA is subject to statutory Principles of Good Regulation and the Regulators' Code, rather than the Principles of Economic Regulation.

1.8 In 2007, the House of Lords Select Committee on Regulation published a report which endorsed the benefits of cooperation and called for the JRG to be improved to deliver these benefits. In particular, the House of Lords report said:

The regulators all seem to believe in the principle of sharing best practice. They think that they have something to learn from each other and in evidence sessions there was mention of a core transferable skills set—“there is a core regulatory skill set which is transferable between different economic regulators”

Action is necessary to improve regulators’ joint working. There needs to be more structured and formal cooperation between the regulators if it is to be meaningful.

- 1.9 The JRG made important progress in highlighting the importance of developing a structure for joint working between the regulators. However, it also faced a number of limitations. It generally did not produce external outputs, have any meaningful engagement with external parties or make recommendations to change the internal or external arrangements of regulators in ways which would improve cooperation. At times the JRG also had limited senior level oversight from its members, and did not have separate resource to support its work.
- 1.10 Recognising that there was scope for further progress in this area, the Government therefore announced at Autumn Statement 2013, that it would undertake a study on the regulators⁶. On 19 March 2014, the Chief Executives for each of the regulators announced the creation of the UK Regulators Network (UKRN), which aims to improve co-ordination across regulators for the ultimate benefit of consumers. The UKRN not only replaces the JRG, but represents a step change and a significantly enhanced basis for cooperation and joint working.
- 1.11 At the launch of the UKRN, the regulators said that the UKRN will be a vehicle for co-operation that supports the separate independent regulatory frameworks of the individual regulators.⁷ It will allow regulators to work closer together on issues of cross-sector significance and to learn lessons across industries which help to improve regulation and the promotion of competition in order to secure better outcomes for consumers. The regulators, led by their CEOs, will collaborate closely to achieve the following objectives, which they will keep under review:
- *Coherent and consistent economic regulation across sectors*: regulators will give a clear joint view where cross-sector regulatory agreement or consistency is needed and will ensure that their actions deal effectively with cross-sector issues;

⁶ HM Treasury Autumn Statement 2013, page 58, para 1.220

⁷ For more information about the UKRN, see: www.ukrn.org.uk

- *Affordability and empowerment*: regulators will work to understand cross-sector issues related to affordability of services, and work on consumer empowerment to ensure that consumers in regulated markets have the information and other tools necessary to engage effectively in markets;
- *A positive environment for efficient investment*: regulators will work together to improve the environment for efficient investment in the UK's infrastructure;
- *Efficient regulation*: regulators will make better use of scarce expertise and resources in order to improve outcomes or reduce cost;
- *Promotion of competition in the interests of consumers*: regulators will work, including with the Competition and Markets Authority and through the UK Competition Network, to improve the use of competition and regulatory levers where appropriate, making markets work better to improve outcomes for consumers;
- *Better understanding of the effectiveness of economic regulation*: regulators will explain and make best use of economic regulation, helping to raise understanding of what independent economic regulation can achieve, when it works best and how they can improve.

1.12 The Government particularly welcomes the additional steps taken by the regulators to cement their commitment to joint working. For example, as part of this renewed commitment:

- Chief Executives of the regulators are committed to being part of the UKRN and are part of a CEOs' group that meets regularly to discuss the UKRN's work;

- Each regulator has signed a Memorandum of Understanding with the UKRN to formalise and clarify its role.⁸
- The regulators are funding a secretariat which will service the UKRN and ensure that the work plan is taken forward;
- There will be a panel of external, independent expert advisors who can challenge the overall level of ambition of the group, and contribute to individual work streams;
- The UKRN will consult on its forward work plan and report on its success in delivering against this on an annual basis.

1.13 At Budget 2014, the Government said that, in concluding the study on economic regulation, it welcomed the creation of the UKRN and would consult on whether further measures would help support and embed its work.

1.14 The UKRN has now published its initial work programme, setting out detail of the projects it will carry out over the next twelve months.⁹

Question 1: Do you have any views or experiences on cooperation between regulators, particularly under the previous JRG regime and before the UKRN was established?

⁸ <http://www.ukrn.org.uk/wp-content/uploads/2014/05/UKRN-Memorandum-of-Understanding.pdf>

⁹ <http://www.ukrn.org.uk/wp-content/uploads/2014/05/UKRN-2014-15-work-programme.pdf>

Chapter 2: Potential benefits of joint working and cooperation

- 2.1 Although the regulators are sector specific and each sector has unique characteristics, the regulators perform similar core roles. This has been recognised from the very earliest days of economic regulation, for example, when the “RPI-X”¹⁰ approach was adopted by the regulators which followed in the footsteps of Office of Telecommunications – the first regulator of its type created when British Telecommunications was privatised in 1984. The Government therefore believes that there could be a number of areas where cooperation could lead to better outcomes, in addition to those already being achieved through sector-specific regulatory decision making.
- 2.2 In line with the Principles for Economic Regulation and the importance of independent regulation, the Government is clear that the regulators are best placed to determine the specific areas that should be the focus for further joint working. However, as part of this consultation, the Government is seeking examples of areas where closer co-operation is likely to promote efficiency or innovation and drive value-for-money for consumers. The remainder of this chapter seeks views on a number of areas where the Government believes that such co-operation may be particularly beneficial.
- 2.3 The Government believes that there could be a number of benefits of greater joint working between the regulators and that cooperation, where appropriate, could lead to better outcomes in addition to those already being achieved through sector-specific regulatory decision making.

Consumer engagement, bills and affordability

- 2.4 Regulators all interact with the businesses, individuals and households that are consumers in their sectors and Government believes many of the lessons learned in one sector may be relevant to other sectors. This sharing of experience, knowledge and best practice could help drive improvements for consumers in all economic regulated sectors. For example, sectors could learn from each other about engaging with consumers on understanding their bills, bill transparency and where possible promoting informed and active choices between suppliers.

The UKRN, in its recently published work plan, has stated that one of its initial projects will be to obtain a greater understanding of affordability pressures from utility bills for consumers across sectors. This should assist regulators in having regard to consumers, as required by their duties.

Cross-sector infrastructure delivery

- 2.5 The Government is committed to infrastructure investment and delivery, and believes that the UK's system of independent economic regulation is vital to ensuring the country has the infrastructure it needs to compete in the global race.
- 2.6 Developers have suggested that, within the current regulatory framework, unwieldy or inconsistent arrangements for accessing existing infrastructure assets can add to the time and cost of infrastructure delivery. For example, where a developer needs to cross or access a number of different assets across infrastructure sectors and negotiate bespoke arrangements for access and replacement costs in each case. A more streamlined process for addressing these issues could be one fruitful area of focus for future joint working.
- 2.7 The Government also believes that cooperation between regulators could help to address issues which might otherwise act as a deterrent to infrastructure investors, such as the actual or perceived complexity that may result from differences in licensing, codes and standards across different infrastructure sectors. In addition, better joint working could result in a stronger mechanism for looking at the issues around infrastructure resilience across different sectors, and provide scope for promoting greater innovation in infrastructure delivery.

Sharing best practice

- 2.8 The regulators carry out [some similar roles in their different sectors – for example, several regulators carry out price/charge control regulation of monopoly networks; all have consumers' interests at the heart of their work; and all work to promote competition where it is possible within their sectors. Whilst some duplication is inevitable to manage sector specific issues, government feels that by learning from best practice across sectors, regulatory decisions can be underpinned by the best quality evidence and analysis available across the entire regulatory community. In some cases decisions could be made more quickly, or improved in other ways, through the learning shared across sectors.

2.9 Ultimately, Government considers that examples such as those above have the potential to improve many areas of the regulators work, such as:

- The speed and quality of regulatory decisions (through sharing best practice and pooling resources);
- The delivery of core duties on competition and protecting consumers (through agreeing common approaches where possible on areas such as affordability and empowerment);
- Improved investor confidence (through agreeing common methodologies on costs of capital and, where possible, finding solutions on cross-sector projects).

2.10 Government also believes that the regulatory system should continue to be sector-specific, and recognises that there will be a number of areas where joint working is therefore not appropriate, given the unique characteristics of each regulated sector. For that reason, co-operation should be focused on areas where a case can clearly be made for joint working in terms of improved outcomes for stakeholders within the relevant sectors, including investors, regulated companies, and consumers.

Question 2: Are there any specific areas where cooperation amongst the regulators could bring greater benefits and/or protections for consumers? Please provide any examples that you think will help demonstrate your argument.

Question 3: Is there evidence of areas where sharing best practice and developing more consistency between sectors would benefit investors, regulated companies and/or consumers?

Question 4: Are there specific areas where better cross-regulator cooperation could improve infrastructure delivery or incentivise the more efficient use of infrastructure assets or networks? Please provide any examples that you think will help demonstrate your argument.

Chapter 3: Options for supporting and encouraging cooperation

- 3.1 The Establishment of the UKRN already represents a step change in cooperation between regulators - for example, it has stronger senior level oversight, dedicated resource and a clear and transparent set of objectives and work programme. The Government is committed to supporting the UKRN, and ensuring that cooperation is embedded in a stronger and more enduring case than was the case with the JRG. It is therefore seeking views on the type of support Government should provide the UKRN (if any), and whether this should be in the form of a specific intervention or through business as usual working between Government and the regulators. The Government does not have a preferred option at this stage, and welcomes views on the approaches set out here, or on alternative suggestions made by respondents.
- 3.2 The Government also recognises that, as things stand, there is a risk that in some circumstances regulators may find themselves unable to agree and/or implement recommendations made by the UKRN without further Government action. This may be either because there is a legal barrier to doing so or because, in a resource-constrained environment, regulators are required to prioritise other areas where they have explicit statutory duties. The Government is therefore seeking views on what, if any, further support might be appropriate to address this risk, and whether any action is required at this stage.
- 3.3 In view of the above arguments, the Government considers that there are three possible options it could take at this stage to support cooperation. These are described below.

Option 1: Monitor progress of the UKRN and review effectiveness of the UKRN in 2015;

Option 2: Provide guidance to the regulators/UKRN on the Government's overall approach to cooperation;

Option 3: Introduce a statutory duty on regulators to cooperate.

Option 1: Monitor progress and work with the UKRN

3.4 The UKRN represents a step change from the JRG and is establishing new ways of working. It will take some time to be able to judge the success of these approaches fully, and the UKRN itself is likely to learn and adapt its approach over time. The principal changes which mark the UKRN out from the JRG are:

- A firm commitment of the Chief Executives from each regulator;
- A signed Memorandum of Understanding setting out the relationship between each regulator and the UKRN;
- A published work plan and a commitment to consult on future work plans each year;
- Funding contributions from each regulator to a dedicated secretariat and increased transparency and reporting of the UKRN's work;
- A panel of expert advisors made up of external independent members who can challenge the overall level of ambition of the group, and contribute to individual work streams.

3.5 Allowing these changes to bed in could allow Government to review the effectiveness of the new mechanism and assess the ability of regulators to cooperate under these arrangements. The UKRN is due to report after its first 12 months of operation on its work programme which has been recently published¹¹. This could be an appropriate point to review the suitability of the framework through which Government supports its work. If it becomes evident that the framework is inhibiting or not doing enough to encourage effective cooperation, Government could look again at whether there is a case for further action and respond in the appropriate way.

¹¹ <http://www.ukrn.org.uk/?p=113>

- 3.6 The Government expects that the UKRN will bring new and innovative ideas to the areas highlighted in its work programme and that it will therefore be well placed to identify barriers which the Government could help to remove; or to identify ways in which the Government could further support its work. Allowing the UKRN to bed in could therefore give time for any barriers or key issues to be identified through this route, potentially paving the way for a more targeted Government intervention.
- 3.7 The main drawback of this option is that, if Government does not take action now, there is a risk that further steps to realise the potential benefits of cooperation may not be achieved, particularly if regulators find themselves unable to implement decisions made by the UKRN.

Option 2: Guidance on cooperation

- 3.8 Government could issue guidance to the regulators encouraging greater joint working within the current statutory framework. This approach would give regulators more clarity on the Government's policy aims and outline where Government sees scope for cooperation without undermining the independence of the UKRN, or the regulators' sector specific statutory duties.
- 3.9 The benefits of this option are that it provides greater certainty to UKRN and interested parties on cooperation via a transparent public statement of the Government's position. It is also in line with the approach set out in the Principles for Economic Regulation, which says that the Government should provide its medium-term views on policy issues, clarifying the framework within which regulators make independent decisions.
- 3.10 The precise form and nature of the guidance could be discussed with the UKRN to decide what would be most helpful – and would naturally have to take into account the differing statutory regimes under which each individual regulator operates.
- 3.11 Government has previously provided guidance to regulators on outcomes it would like to see from the duties and functions that they have to fulfil. An example of this is the letter from the Secretary of State for Business, Innovation and Skills to the Ofcom Chair, sent in April 2011, ahead of the Postal Services Act 2011 receiving Royal Assent. The purpose of the Secretary of State's letter was to explain the Government's aims and objectives of the new Postal Services Act and to provide advice on how Ofcom, as the independent regulator, might consider its new primary duty to secure a universal postal service. A similar approach here might help to maintain regulators' focus on joint working.

3.12 Any guidance would not override existing regulatory objectives and the regulators' existing statutory duties would remain unchanged. However, it would provide regulators with a clear statement of the Government's strategic aims for cooperation, providing support for the UKRN.

3.13 The main drawback might be that, if not properly framed to provide the necessary clarity, the guidance proves to be ineffective or even counter-productive to the UKRN's objectives.

Option 3: Statutory duty to cooperate

- 3.14 A further option would be for Government to make the appropriate changes or additions to regulators' statutory duties to support joint working between them. The aim of a statutory change would be to ensure that regulators have a clear duty to cooperate where this is in the interests of consumers and regulated businesses in their sector.
- 3.15 The benefits of this option are that it would provide legal certainty to the UKRN and its constituent regulators on the value that the Government places on cooperation in relation to its other activities. It is also in line with the current model of regulation whereby duties and functions are established in legislation.
- 3.16 The Government envisages that a statutory duty to cooperate would allow each regulator the discretion to determine how far it considered cooperation to be beneficial in any particular case, and to balance this against its other duties (as is the case with their existing duties). Guidance would not carry the same emphasis in regulators' decision making processes.
- 3.17 Any statutory duty would have to be clear on what types of cooperation the Government is seeking to encourage, and which regulators it would apply to. The Government expects that a statutory duty would apply only to economic regulation functions, including regulation of monopoly networks through price/charge controls and wider regulation of markets to ensure good outcomes for consumers. It would not apply to non-economic regulation functions (for example, health and safety responsibilities) – these would be outside the scope of any statutory change. Any statutory duty would be drafted in such a way that it would not cut across or inhibit regulators' ability to deliver their non-economic functions. It would also not affect the existing concurrency arrangements for competition enforcement set out in the Enterprise and Regulatory Reform Act 2013.
- 3.18 The clearest case for cooperation might be between those regulators which carry out very similar forms of price control regulation: Ofgem, Ofcom, Ofwat, ORR and CAA. In principle, this might mean that a statutory duty could be introduced only for a subset of the regulators in the UKRN. If the Government were considering introducing a statutory duty, it would also look to work with the Scottish and Northern Ireland administrations to consider whether a similar approach might be appropriate for the devolved regulators - WICS and UREGNI.

- 3.19 However, there may also be some potential risks to this approach. For example, any changes to regulators' statutory duties would have to ensure that it did not make fulfilling their duties unnecessarily complex, particularly when balanced against their existing duties. It would also be necessary to ensure that any such duty would not adversely impact regulatory stability, which is vital in ensuring the UK can continue to attract the infrastructure investment it requires.
- 3.20 Finally, the Government notes that there might be a risk in having only a subset of regulators in the UKRN covered by any statutory duty to cooperate. Although the regulators themselves are clear that they are all able to cooperate within their existing statutory frameworks, giving some regulators but not others a statutory duty to cooperate might risk create a 'two tier' arrangement within the UKRN.

Question 5: Do you believe that Government should take further steps to support and encourage cooperation between regulators? If so, what would be your favoured approach and what benefits do you think this would bring? Please include, if appropriate, any issues which you consider may inhibit cross-sector cooperation.

Question 6: Do you have any views on the advantages and/or disadvantages of each of the three options identified? Do you have a preferred option?

Question 7: What are your views on how best to implement each of the three options identified without becoming overly burdensome or impacting regulatory stability?

Question 8: Are there any other options which the Government has not identified in paragraph 3.3. If you identify any, what are the advantages and disadvantages of such options?

Annex A: List of consultation questions

Question 1: Do you have any views or experiences – on cooperation between regulators, particularly under the previous JRG regime and before the UKRN was established?

Question 2: Are there any specific areas where cooperation amongst the regulators could bring greater benefits and/or protections for consumers? Please provide any examples that you think will help demonstrate your argument.

Question 3: Is there evidence of areas where sharing best practice and developing more consistency between sectors would benefit investors, regulated companies and/or consumers?

Question 4: Are there specific areas where better cross-regulator cooperation could improve infrastructure delivery or incentivise the more efficient use of infrastructure assets or networks? Please provide any examples that you think will help demonstrate your argument.

Question 5: Do you believe that Government should take further steps to support and encourage cooperation between regulators? If so, what would be your favoured approach and what benefits do you think this would bring? Please include, if appropriate, any issues which you consider may inhibit cross-sector cooperation.

Question 6: Do you have any views on the advantages and / or disadvantages of each of the three options identified? Do you have a preferred option?

Question 7: What are your views on how best to implement each of the three options identified without becoming overly burdensome or impacting regulatory stability?

Question 8: Are there any other options which the Government has not identified in paragraph 3.3. If you identify any, what are the advantages and disadvantages of such options??

Annex B: List of Individuals/Organisations consulted

- Civil Aviation Authority (CAA);
- Financial Conduct Authority (FCA), including the Payment Systems Regulator;
- Office of Communications (Ofcom);
- Office of Gas and Electricity Markets (Ofgem);
- Water Services Regulation Authority (Ofwat);
- Office of Rail Regulation (ORR)
- Northern Ireland Authority for Utility Regulation (UREGNI);
- Regulator for Health Services in England (Monitor);
- Water Industry Commission for Scotland (WICS)
- Citizens Advice Beaurau
- Which?
- Uswitch
- Heathrow
- Gatwick
- Stanstead
- British Airways
- Virgin Atlantic
- BATA
- EasyJet
- NATS (formerly National Air Traffic Services)
- British Gas
- Co-op

List of Individuals/Organisations consulted continued

- DONG Energy
- EDF
- Ecotricity
- Electricity North West
- Energy Networks Association
- Energy UK
- E.ON UK
- First Utility
- Gazprom
- GDF Suez
- Good Energy
- National Grid
- Northern Gas Networks
- Northern Powergrid
- Opus Energy
- OVO Energy
- RWE npower
- Scotia Gas Networks and Southern Gas Networks
- Scottish Power
- Smartest Energy
- SP Energy Networks
- Spark
- SSE

List of Individuals/Organisations consulted continued

- SSE Power Distribution
- Total Gas and Power
- UK Power Networks
- Utilita
- Wales and West Utilities
- Western Power Distribution
- United Utilities Water Sales Ltd
- Severn Trent Water
- Yorkshire Water
- United Utilites
- Welsh Water
- South West Water
- Peel Water networks
- Anglian Water Business (National)
- Thames Water
- Cholderton & District
- Veolia Water Projects
- South East Water
- Dee Valley Water
- Northumbrian Water
- Bristol Water
- Albion Water
- Sembcorp Bournemouth Water

List of Individuals/Organisations consulted continued

- South Staffordshire Water
- Yorkshire Water
- Affinity Water
- Cambridge Water
- Southern Water
- Affinity Water
- Wessex Water
- Portsmouth Water
- Sutton & East Surrey Water
- Anglian Water
- Avon Valley Water
- Network Rail
- BT
- Openreach
- BskyB
- Everything Everywhere
- Hutchinson 3
- O2/Telefonica
- Three
- Vodafone
- Virgin Media
- Talk Talk
- Ernst & Young

List of Individuals/Organisations consulted continued

- KPMG
- Deloitte
- PWC

Annex C: Collaboration between Economic Regulators consultation response form.

A copy of this consultation can be found at:

<https://www.gov.uk/government/consultations/economic-regulators-encouraging-closer-cooperation>

Confidentiality and disclosure of responses

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 1 December 2014.

Please return completed forms to:

UKRN Consultation
Competition and Consumer Policy Directorate
Department of Business, Innovation and Skills
3rd Floor – Victoria
1 Victoria Street
London
SW1H 0ET

Alternatively you can email your response to

Email: UKRNconsultation@bis.gsi.gov.uk

Your details

Name:

Organisation (if applicable):

Job title (if applicable):

Address:

Telephone number:

Please tick the box below that best describes you as a respondent to this consultation

	Business representative organisation/trade body
	Central government
	Charity or social enterprise
	Individual
	Large business (over 250 staff)
	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Role of the UKRN

Question 1. Do you have any views or experiences – on cooperation between regulators, particularly under the previous JRG regime and before the UKRN was established? (para 1.7 – 1.14)

Comments:

Potential benefits of joint working and cooperation

Question 2. Are there any specific areas where cooperation amongst the regulators could bring greater benefits and/or protections for consumers? Please provide any examples that you think will help demonstrate your argument (Para 2.1 – 2.10)

Comments:

Question 3. Is there evidence of areas where sharing best practice and developing more consistency between sectors would benefit investors, regulated companies and/or consumers? (Para 2.1 – 2.10)

Comments:

Question 4. Are there specific areas where better cross-regulator cooperation could improve infrastructure delivery or incentivise the more efficient use of infrastructure assets or networks? Please provide any examples that you think will help demonstrate your argument. (Para 2.1 – 2.10)

Comments:

Options for supporting and encouraging cooperation

Question 5. Do you believe that Government should take further steps to support and encourage cooperation between regulators? If so, what would be your favoured approach and what benefits do you think this would bring? Please include, if appropriate, any issues which you consider may inhibit cross-sector cooperation. (Para 3.1 – 3.20)

Comments:

Question 6. Do you have any views on the advantages and / or disadvantages of each of the three options identified? Do you have a preferred option? (Para 3.1 – 3.20)

Comments:

Question 7. What are your views on how best to implement each of the three options identified without becoming overly burdensome or impacting regulatory stability? (Para 3.1 – 3.20)

Comments:

Question 8. Are there any other options which the Government has not identified in paragraph 3.3. If you identify any, what are the advantages and disadvantages of such options? (Para 3.1 – 3.20)

Comments:

Annex D: Consultation Principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

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