

Collaboration between Economic Regulators

Options for embedding joint working between economic
regulators – Response form

A copy of this consultation can be found at:

<https://www.gov.uk/government/consultations/>

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The closing date for this consultation is

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

Organisation: easyJet

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
X	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:

We note that a forum for cooperation within the area of competition law exists through the UK Competition Network, with the aim of achieving more consistent and effective use of concurrent competition powers across all sectors. We also note that Memorandums of Understanding have been signed between the Competition and Markets Authority and concurrent sectoral regulators which establish a framework for collaboration, although we understand that these are not legally binding. We appreciate the benefits that these arrangements can bring.

In addition to the cooperation on applying competition powers, we welcome the commitment shown by the CEOs of the sector regulators in setting up the UK Regulators Network. We consider it particularly important that there is a published work programme, which is consulted on, and that its progress is regularly monitored.

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:

In respect of the Civil Aviation Authority, we see benefits in the sharing of best practice within the areas where the CAA is currently working. For example, we note that the CAA has recently published consultations on a number of key issues such as guidance on consumer enforcement, the application of its competition powers and the economic regulation of new (runway) capacity. The CAA is also consulting on guidance on economic licensing enforcement, which includes considering when co-regulation might be appropriate.

In this context, we welcome the inclusion of a project on market returns and cost of capital in the UKRN work programme.

Further, there may be benefits in sharing best practice on improving internal processes.

We consider that there are also potential benefits for sharing best practice at an EU level.

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:

It appears axiomatic that greater consistency of approach should foster greater regulatory certainty with consequent benefits for investors, regulated companies and 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. (Para 2.1 – 2.10)

Comments:

See answer to question 2.

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:

We believe it is important that regulators themselves can make a judgement with industry about what areas are particularly useful for cooperation. We understand however that prioritising delivery on core statutory duties may inhibit the extent of cross-sector collaboration, while differing regulatory duties and powers may result in a different balance between competing objectives.

In relation to establishing an appropriate programme of work, we note that some issues may be relevant to sub-groups of regulators and that the functioning of the UKRN should reflect that. We also note that the UKRN will consult with an external and independent panel of advisors on individual workstreams which we consider essential in ensuring that regulators' views are appropriately reviewed and challenged.

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:

We consider that it is not necessary at this point to set a statutory duty on regulators to cooperate. The UKRN has only recently been established and we consider that it is sensible to allow current arrangements to bed in and monitor their progress before moving to new measures.

Further we are not convinced by the option of providing guidance to regulators about cooperation. We believe that regulators should consult between themselves and with industry on the areas where cooperation would add the greatest benefit and cooperation procedures should be established only when the added value to regulators, consumers and customers are clear. This can be established through annual consultation. Option 1 provides an opportunity to review this arrangement in the future.

Option 3 – introducing a statutory duty on regulators to cooperate - may be difficult to define in law and enforceability may be difficult to guarantee. Imposing a statutory duty on regulators to cooperate may foster tick-box processes of cooperation which are costly and which bring few real benefits for customers or consumers whilst lacking the necessary flexibility to tackle ad hoc issues going beyond the requirements of the statutory framework. In light of this, we would recommend Option 1 with progress to be monitored.

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:

We limit our comments to Option 1. The UKRN's work programme should be consulted on and progress monitored. In relation to that programme, we note that some issues may only be relevant to certain groups of regulators and that the functioning of the UKRN should reflect that.

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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