

# 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/xxxx>

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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 00/00/0000

Please return completed forms to:

UKRN Consultation  
Competition and Consumer Policy Directorate  
Department of Business, Innovation and Skills  
3<sup>rd</sup> Floor – Victoria  
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London  
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Alternatively you can email your response to

Email: UKRNconsultation@bis.gsi.gov.uk

### Your details

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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 welcome initiatives that improve cooperation between regulators to share best regulatory practice and thus strengthen the effectiveness and independence of regulators in order to deliver the most mutually beneficial conditions for consumers and investors. We have found some outputs of the JRG useful, for example the clarification of how regulatory outcomes like price controls should be represented in public cost benefit analyses. However, we agree that these outputs have been limited in number and rather technically focused. We therefore agree that there is scope for wider benefits to be delivered by a suitably formulated UKRN.

## 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 general, we observe regulators are already happy to learn lessons from other sectors rather than rejecting successes or repeating failures on a not-invented-here basis. The UKRN should be well placed to progress additional joint work on issues of common interest like consumer engagement, affordability and finance matters. However, each sector has its own challenges and history which means it is important that regulators can continue to draw their own conclusions from the joint work.

All regulators must perform their duties in a manner which is mindful of government policy objectives and consistent with provided government guidance. There may be benefit in joint work between regulators to share examples of how such policy information and guidance has led to changes in their approach and adaption of the use of the standard regulatory toolkit. As well as ensuring best practice regulation, such a resource may also be beneficial to government departments that need to issue such guidance.

**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:

We are aware that regulators have already recognised and built on best-practice across sectors. For example, Ofgem and Ofwat have sought to better engage stakeholders, incorporating experience from CAA practice, in order to produce effective investment and performance incentives for companies that deliver stakeholder needs.

For companies and their investors, consistency in regulation across sectors is important and helpful but the consistency and predictability of regulatory decision making within a sector across time is most relevant to facilitating the majority of investments and achieving the lowest costs. For this reason, our answer to Question 2 identifies that it is important for sector regulators to independently decide how the results of joint work is applied.

**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:

We suggest the UKRN would be a good forum for jointly commissioning and reviewing relevant research on consumer behaviours (behavioural economics).

### 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 think there are useful further steps that government can take to support and encourage useful cooperation between regulators. To maintain the regulatory independence that companies and investors value, a good approach would be for government to seek information and views from the UKRN as a body, asking in a way that is likely to encourage the involvement by senior officers of the sector regulators, but leaving the details and decisions on the nature of beneficial cooperation with the regulators themselves.

**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:

Given our views on Question 5, we support the developments from JRG listed in option 1 and we suggest that certain elements of guidance in option 2 would also be helpful especially if it encourages engagement and useful activity. We feel directing obligations to cooperate, option 3, would risk unwanted outcomes including low value activity and a reduction of discretion which is the basis for independent thought.

**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:

As suggested above, a useful way to encourage engagement by senior regulatory staff and their direction of resources for valuable outputs is for government to establish a suitable inquisitive audience for the UKRN's self-governing body.

**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:

We have not identified further options.

## 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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