



Department for
Business & Trade

Smarter Regulation:

One Year On

May 2024



Foreword

The UK's departure from the European Union has meant we have gained a newfound freedom to set our own laws, win new trade deals and control our borders.

Critically, we also gained the ability to tailor regulations governing our most important economic sectors to fit our unique needs. Outside the EU we no longer need to accept the previous one size fits all approach to regulation. Nor do we have to accept challenges it has historically caused our economy and businesses. Instead, we can now capitalise on new opportunities to shape our rules, so they better fit our businesses' needs.

The Retained EU Law (Revocation and Reform) Act 2023 was a significant milestone in our journey to regulatory autonomy.

It gives the Government a host of new powers that allow the UK to determine its own regulatory future and to create the right regulation, more rapidly, to the benefit of our citizens.

The goal of our Smarter Regulation programme is simple: transforming the UK into the world's best regulated economy.

It aims to do this by reducing burdens on businesses and fostering an environment conducive to economic growth.

In short, the programme embodies our belief that regulation is necessary to ensure fair play and safeguard public interests. It should not stifle innovation or impede the growth potential of businesses. It must be proportionate, light-touch where possible, and avoid imposing complex, opaque and burdensome requirements where costs are inevitably passed on to consumers.

Our guiding principle is that the Government should not automatically default to regulate as the first option. Instead, we commit to exploring all available options, assessing the potential impacts thoroughly, and engaging with stakeholders to ensure that our regulatory interventions are informed, proportionate and effective.

Since the programme was launched a year ago, we have made dozens of announcements – setting out how we plan to change our regulatory system for the better.

Thanks to the Smarter Regulation programme we've introduced reforms which will save businesses up to £1 billion or up to 50 million hours per year.

We've reformed reporting requirements under the Working Time Regulations, freeing businesses from unnecessary bureaucracy whilst preserving workers' rights. We have also conducted the biggest overhaul in UK clinical trials regulations for over two decades. And we have revoked or reformed over 2,000 pieces of growth-hindering EU law, with 500 more to follow this year.

We intend to build on this work. That's why we're launching this next phase of our Smarter Regulation programme with a series of growth-spurring measures to make the UK one of the most agile, pro-business, pro-innovation economies on earth.

As we move forward, our focus is to remove or reform unsuitable regulations across many more economic sectors. This approach will give entrepreneurial businesses more opportunity to innovate, experiment, and capitalise on the UK's global leadership in areas like clean energy technologies, life sciences, and digital services.

However, it is clear that the Government cannot carry out this ambitious programme of change alone.

That is why in tandem with this paper, we are also publishing a White Paper, 'Delivering a Regulatory Environment for Innovation, Investment and Growth'. It sets out how we will work with regulators to ensure that they deliver a world class service.

Together, these documents will provide the basis for unleashing the potential of British businesses, so they can spread huge benefits across the UK long into the future.



The Rt Hon Kemi Badenoch MP

Secretary of State for Business and Trade, President of the Board of Trade, and Minister for Women and Equalities

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Executive Summary

1. This publication comes one year on from the inception of the Smarter Regulation programme – a programme designed to re-energise regulatory reform, capitalise on the benefits of Brexit, and promote growth in every part of the economy. Smarter regulation is about only using regulation where necessary, implementing it well, and ensuring its use is proportionate and future-proof. Through this lens, the Smarter Regulation programme across Government - led by the Department for Business and Trade - has three core pillars:
 - a. **Minimising regulatory burden and future-proofing regulations.** We are reforming the existing stock of regulation to cut red tape and ensure we support growth. This spans both reforms to Retained EU Law (REUL), as well as wider domestic regulations. Regulations that are not needed will be removed, while those that are needed must be proportionate, contemporary and forward-looking;
 - b. **Making regulation a last resort, not a first choice.** This means putting downward pressure on the flow of new regulation, with alternatives deployed wherever possible; and
 - c. **Ensuring a well-functioning landscape of regulators.** Regulators have a significant footprint on the economy, and as such it is essential that regulators work well for the UK. They should operate in an agile and outcome-driven fashion and help drive economic growth - while protecting consumers and ensuring that markets work as well as they can.
2. The Government understands that when businesses are tied up in red tape their ability to innovate or to focus on best serving their customers is hampered, limiting our national growth prospects. Prior to Brexit, deregulation focussed on removing red tape on existing industries, but we were often constrained by EU rules and unable to tailor our reforms to our economy. Now in the wake of Brexit, our ambitious Smarter Regulation programme has further capitalised on the benefits of Brexit to cut red tape and free businesses to innovate, invest and grow.
3. Last May we published 'Smarter Regulation to Grow the Economy', in which we outlined our principles for how we intend to regulate, including our plans to rid the statute book of unnecessary REUL and ensure that all regulations are optimised for the UK. This publication builds upon those aims and demonstrates our continued commitment to smarter regulation.

4. In this publication, we will set out what the Government has already done to support business and reform regulation. We will highlight what reforms are in progress, and how they can benefit all sectors of the economy. In particular, we are announcing 16 new policies and launching nine new publications, which are set out below.
5. So far, it is estimated that reforms introduced under the Smarter Regulation programme will reduce the burden on business by up to £1 billion per year. These reforms will save businesses up to 50 million hours per year by cutting unnecessary bureaucracy and form filling. The overall benefits to society are even bigger, at an estimated £6.3 billion. Changes to reporting requirements in legislation that implemented the Working Time Directive, reforms to REUL to support growth in the wine sector and reforms to improve price transparency and product information for consumers have all been particularly significant.
6. We have also delivered reforms to the Better Regulation Framework, which will put downward pressure on the flow of future regulations by increasing the consideration and use of alternatives to regulation and encouraging earlier and more consistent evaluation of whether implemented regulations are achieving their aims.
7. One year on, the momentum of our Smarter Regulation programme continues with the publication today of our White Paper on 'Delivering a Regulatory Environment For Innovation, Investment And Growth'. Businesses are increasingly telling us that the regulatory landscape is too complicated, slow and burdensome, with over 100 bodies involved in regulation and limited clarity on roles and responsibilities. The White Paper sets out how we will work with regulators to ensure that they deliver a world class service to consumers and businesses, and to help drive economic growth.

The Smarter Regulation programme: new Government reform publications

This publication marks the launch of nine new publications helping us to make further progress on smarter regulation:

- a. **Delivering a Regulatory Environment for Innovation, Investment and Growth**, a new White Paper focussed on supporting regulators to deliver a world-class service to consumers and businesses, and to help drive economic growth.
- b. **Non-financial Reporting Review: Simpler Corporate Reporting**, which proposes raising the corporate reporting threshold for medium-sized companies from 250 to 500 employees, which will make a further 2,000 large companies medium sized and exempting 41,000-43,000 medium-sized companies from producing a strategic report. This could save businesses around £150m per year.
- c. **Deregulating the Commercial Agents Regulations**, proposals to free businesses to negotiate contracts with one another without reference to outdated regulations that create legal ambiguity and confusion.
- d. **Employment Law Reform**, proposals to abolish the legal framework for European Works Councils and introduce reforms to the complex TUPE regulations. These will save businesses time and money, while continuing to protect workers' rights. The reforms could save businesses in the region of £5m.
- e. **Consultation on UK REACH**, proposals on an alternative model for UK REACH, which reduce the need for industry to access EU hazard data, improve data on 'use and exposure' and improve regulator powers, while ensuring high levels of protection for human health and the environment are maintained.
- f. **Alcohol Licensing – Consumption of Alcohol in Licensed Pavement Areas / Off-sales**, a consultation building on Covid easements to simplify how the sale of alcohol is licensed for consumption in pavement areas next to pubs and bars. This will support al fresco hospitality, including an option for providing take-away and delivery sales by default.

- g. **Measures Relating to the Land-based Gambling Sector: Consultation Response**, the Government's response to a consultation on reforming the land-based gambling industry. This outlines the Government's plans to support British community institutions, like seaside arcades, bingo halls and casinos, helping them to survive and grow following a difficult period post-pandemic.

- h. **A Long-term Strategy on Developing the GB Type Approval Scheme for Road Vehicles**, a vision to open our markets to new vehicles and support innovation. This sets out our key principles to support businesses across the automotive sector and ensure Great Britain has an agile system that keeps pace with technological developments and innovation in a dynamic and rapidly evolving global market.

- i. **Proposal to lower the minimum age requirement to be a train driver in Great Britain from 20 to 18 years**. The Department for Transport has launched a public consultation on a proposal to lower the minimum age requirement to be a train driver in Great Britain from 20 to 18 years. By creating new career paths and opportunities for school leavers, this change could help attract new and diverse talent into the profession and support the reliability of services by increasing the pool of drivers in the rail industry.

New policy announcements

This paper also outlines a further 16 new policy reforms.

Area	Announcement	Detail
Infrastructure and Levelling Up	Building Regulations	<p>Part O of the Building Regulations 2010, which came into force in 2022, sets the standards for overheating in new residential buildings. We will clarify certain parts of the guidance on Part O to confirm that architectural features such as sash and dormer windows are not precluded under this legislation.</p>
	Energy Performance Certificates	<p>We will launch a consultation before summer recess on reforms to the Energy Performance Certificate (EPC) regime. This addresses long running concerns that EPCs measure the wrong things and responds to calls from the sector to improve EPC metrics to provide consumers with valuable information about the cost of running their properties, along with tailored recommendations for how to reduce their bills through the installation of insulation, heating system upgrades and renewables. The consultation will be followed by a full response and legislation when parliamentary time allows.</p>
	High Street Rental Auctions	<p>We are committed to making sure our town centres and high streets are vibrant places that contribute to supporting the local economy and community. We will implement the introduction of new powers for local authorities to enable High Street Rental Auctions, stepping in where vacancy rates are high and landlords are not taking sufficient action to let their properties.</p>

Energy	Battery Strategy: next steps	We are building on the UK battery strategy and the Department for Environment, Food and Rural Affairs will be issuing a further consultation on batteries regulations in the summer.
Healthcare	Removing barriers to research into controlled drugs	The Advisory Council on the Misuse of Drugs (ACMD) has made a set of recommendations on how to remove some potential barriers to research into controlled drugs. Research into controlled drugs should be streamlined as much as possible to ensure patients in the UK will have access to cutting edge treatments and medicines. The Home Office intends to publish a response to the ACMD shortly.
Agriculture, Food, Environment	Agri-food marketing standards	We will publish a Call for Evidence on the costs and benefits of the agri-food marketing standards we inherited from the EU.
	Streamlining the food product authorisation process	The Food Standards Agency will be streamlining the authorisation process for new food products to keep up with the pace of innovation in the food industry through new legislation this summer.
	Habitats Regulations Assessment guidance	Government guidance on the Habitats Regulations Assessment process will be updated in the summer. We are also considering ways to improve the availability of the evidence used for these assessments.

	<p>Assessment of marine protected areas</p>	<p>We intend to publish updated guidance and consult on options for legislative reform later this year. This work will help to speed up consent processes for offshore wind projects while protecting our marine environment to the highest standards.</p>
	<p>Species of Special Concern</p>	<p>In the coming months, legislation will be brought forward to remove ten species from the list of species of special concern which have been assessed to be unable to establish in GB under foreseeable climate conditions. This change will remove unnecessary restrictions on keepers, retailers, producers, importers, and exporters who may want to trade in or keep these species. We estimate that overall sales of these ten species could range between £1.8 million and £14.3 million over the next ten years.</p>
<p>Data, Science, Technology</p>	<p>UK Designs System</p>	<p>The Department for Science, Innovation and Technology are carrying out a review of the UK designs system. A consultation will be launched later this year to seek views on options for change, which we expect to reduce financial and administrative burdens on users and improve legal certainty for all interested parties. We expect legislative change will be needed to implement proposed changes.</p>
	<p>Engineering Biology Sandbox Fund</p>	<p>This funding will support ambitious new sandboxes across the engineering biology application areas. Sandboxes will test innovative regulatory approaches, improve regulator-industry engagement, and address key regulatory barriers to support the adoption of innovative technology. The winners of</p>

		round one will be announced by early summer.
Transport	The Driver Certificate of Professional Competence (DCPC)	The Department for Transport is bringing forward legislation today to: halve the minimum course length from seven hours down to three and a half hours; decouple e-learning from trainer-led courses; encourage more flexibility in end of module assessments; and introduce an accelerated pathway for returning drivers.
	Streetworks	The Department for Transport will shortly be publishing the outcome of the consultation 'Streetworks: fines and lane rental surplus funds'. We proposed requiring local authorities to use at least 50% of any surplus lane rental funds to repair potholes or resurfacing, fixing roads faster and helping to deal with a persistent complaint of motorists and the general public.
	Alleviation from slot usage rules at airports	We will bring forward legislation in this parliament to help airlines gain entry into the most congested airports and will enhance Justified Non-Utilisation of Slots to provide permanent provision for alleviation in case of any future pandemic or health emergency.
	Revoking inoperable retained EU transport law	Legislation to revoke inoperable REUL across shipping, roads, aviation, and vehicle standards is due to be laid in July 2024.

Retained EU Law (REUL)¹

1. As part of the Smarter Regulation programme, we remain committed to moving away from legacy EU rules and reforming our REUL so that all regulations are tailored to the UK economy and support the needs of UK businesses.
2. So far, we have revoked or reformed over 2000 pieces of REUL using primary legislation (including the REUL Act, the Financial Services and Markets Act, and the Procurement Act) and over 40 Statutory Instruments. On 22 January this year we published the first of a series of reports designed to keep Parliament up to speed on our reform progress. This exercise is a critical part of ensuring that EU regulations we inherited before Brexit only remain in force long-term where they are acceptable to our Parliament and optimised for the UK.
3. However, this is only the beginning of the Government's ambitious programme of reform. After 40 years living under EU laws, the REUL Act has given us the powers to revoke and reform our REUL to better suit the UK. In 2024 the Government's roadmap includes a further 500 revocations and reforms of REUL, including in policy areas such as product safety, clinical trials, carbon capture and metrology. Beyond that, we are on track to revoke or reform over half the stock of regulations we inherited from the EU by June 2026. The next REUL Report will be laid before Parliament in July and will provide a further update on the progress made.

Business & Industry

4. Our regulatory reform agenda places business and industry needs front and centre. Since the creation of the Department for Business and Trade, and the establishment of the Smarter Regulation programme, we have carried out extensive engagement across all sectors to understand more about how reforming our regulatory landscape can deliver tangible benefits for businesses.

¹ Note on terminology: the body of law known as "retained EU law" was renamed "assimilated law" on 1 January 2024 by section 5 of the Retained EU Law (Revocation and Reform) Act 2023. As this change in terminology occurred part way through the time period covered by this paper, we will use the "retained EU law" (REUL) terminology throughout for simplicity.

5. Over the last year we have begun to deliver on our promise to ease regulatory burdens and make the UK a great place to run a business. We have already implemented reforms which could save British businesses up to £1 billion a year. Reforms to retained EU employment law have reduced time-consuming reporting requirements and simplified annual leave and holiday pay calculations under the Working Time Regulations, as well as streamlined the regulations that apply when a business transfers to a new owner. These reforms do not impact existing workers' rights in the UK, which remain among the best in the world, but instead remove unnecessary bureaucracy around the implementation of those rights.
6. The Provision of Services Regulations 2009 provide a framework of rules for how services are regulated in the UK. These regulations could better meet the needs of UK businesses. This is why, in September 2023, the Department for Business and Trade consulted on a series of reforms to make sure these regulations better deliver to reduce administrative and regulatory burdens for businesses. Reforms being considered include making sure businesses can apply for licences all year round, providing clarity on when competent authorities can deviate from certain requirements of the regulations, and expanding the benefits of the regulations to non-UK businesses. A response to this consultation and confirmation of reform plans will be published in due course.
7. Our ambition is to digitise and streamline all of businesses' interactions with the Government, expanding and joining up our digital services so businesses can spend less time form-filling and more time serving their customers and generating profits. The development of the GOV.UK One Login is making a significant contribution to this, and we are improving digital services in a way that will support businesses and save time on administrative and process-heavy, but necessary, tasks. For example, the login could streamline and ease the process to secure a Disclosure and Barring Service 'basic check' and make it easier to apply for a vehicle operator licence online from the Driver Vehicle Standards Agency. The GOV.UK One Login also provides easier access to business-facing services such as licensing for international trade and UK market conformity assessment bodies for new products coming into the UK market. As more business-facing services onboard to One Login, the benefits of our digital streamlining programme will continue to expand.

8. The Government Digital Service is developing online identity verification services, working closely with Companies House to facilitate delivery of provisions set out in the Economic Crime and Corporate Transparency Act 2023 (ECTA), which mandate that directors and individuals with significant control over companies will need to verify their identities. This initiative brings broader benefits to businesses and the wider economy by helping reduce the abuse of UK corporates for criminal purposes such as fraud and money laundering and enhancing transparency regarding business ownership. It also supports the simplification of business and customer interaction with Companies House (CH). This will include further digitisation, such as making the filing of financial information with CH digitally and in a standardised international format compulsory, which should save Small and Medium sized Enterprises (SMEs) in particular time.
9. It will also be more efficient for CH to amend incorrect information faster and to display higher quality information in a more user-friendly way, as well as making it easier for people whose identities or addresses have been abused to have the record changed. Research shows that the value of CH public data benefits the economy by £1-3 billion each year. Increasing the quality of that data will boost its value. Benefits will accrue in the coming two to three years as the significant programme of secondary legislation to implement the ECTA is delivered.
10. It remains the Government's aim to create the best regulated economy possible: one which attracts investment, promotes the needs of small business, and allows our industries to thrive. Our regulatory reform agenda is the key driver for this, which is why we are today announcing several further changes which will improve things for businesses across the UK.
11. We are committed to reducing reporting burdens so businesses can focus on growing and delivering for their customers, particularly smaller and medium-sized businesses. Earlier this year we launched a review of non-financial reporting and on 18 March, the Prime Minister announced an ambitious package of deregulatory measures, focussed on SMEs, to make the UK's company reporting framework smarter, simpler, and better for business.

12. **Today, the Department for Business and Trade is launching a consultation on two proposals to reduce reporting requirements on medium-sized companies even further:**
 - a. Raising the medium-sized company employee threshold from 250 to 500 employees. This is something we can do because of our newfound Brexit freedoms. It would involve reclassifying a further 2,000 large companies as medium-sized so that they benefit from reduced reporting requirements, which the Government believes is a more appropriate level of reporting for firms which in many cases are family owned; and
 - b. Exempting medium-sized companies from producing a strategic report – an onerous and unnecessary requirement for many companies. This could benefit between 41,000 and 43,000 companies, saving up to £150 million, on top of the savings already announced.

13. Alongside the changes to legislation already announced, these consultation proposals to cut red tape and lower business costs for medium-sized companies demonstrate the Government's commitment to doing all it can to turbo-charge the SMEs that are the lifeblood of our local communities and drive the UK's economy.

14. **Today we are also launching a consultation on proposals to abolish the legal framework for European Works Councils** – a bureaucratic legacy of our membership of the EU. The reforms could save businesses in the region of £5m per year on aggregate. The consultation will be followed by a full response and legislation as soon as possible.

15. **A further consultation is being launched today containing proposals to deregulate the Commercial Agents Regulations 1993**, freeing businesses to negotiate contracts with one another without reference to outdated regulations that continue to create legal ambiguity and confusion.

16. Building on the work delivered already this year, we intend to continue to ease regulatory burdens for businesses through further reforms to employment law. **Today we are launching a further consultation containing new proposals to streamline regulations. These include proposals for further clarifications to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)** to ensure firms can be confident of their obligations during business transfers, leading to better outcomes for both businesses and employees.

17. Since 2021, chemicals made or imported to Great Britain have had to meet the requirements in the Registration, Evaluation, Authorisation and Restriction of Chemicals (UK REACH) Regulations. **Today we are launching a consultation on a UK REACH Alternative Transitional Registration model (ATRm) which aims to significantly reduce (by ~70%) the estimated £2 billion costs to GB businesses of transitioning from EU to UK REACH.** The proposal aims to achieve this by reducing the need for industry to access EU hazard data, improving data on 'use and exposure' and improving regulator powers, while ensuring high levels of protection of human health and the environment are maintained. The consultation also includes options to improve UK REACH, including revising the UK REACH restriction processes to ensure Government has the flexibility to act as quickly as possible where risks have been identified, and revising reporting processes (inherited from the EU) to minimise the burden on the Regulator (Health and Safety Executive). Following the consultation the Government will issue a response in due course.
18. Finally, we are aware of the need to ensure that businesses selling products can do so with the maximum clarity and ease. From online marketplaces to internet connected devices, the way we buy products has undergone significant changes recently. The UK's product safety framework has developed piecemeal, resulting in a mix of complex legislation, technical requirements and guidance. This landscape is burdensome and time consuming for businesses to navigate.
19. That is why in August 2023 the Office for Product Safety and Standards launched the Product Safety Review to consider how we can reform our regulations to ease business burdens and support economic growth whilst still protecting consumers to the highest standards. This review looked at ways to make the system more proportionate, so that businesses can innovate, expand and support job creation. The consultation closed in October and the Government will issue a response in due course.
20. We have also listened to businesses in specific sectors and made changes to support them through more pragmatic regulation where possible. For example, we laid an SI to update the Pressure Equipment (Safety) Regulations to help resolve supply chain issues that placed extra costs and administrative burdens on pressure equipment manufacturers without reducing safety standards.

21. **We also plan to lay legislation this summer that will enable businesses to benefit from reduced costs and burdens by providing the option to use digital methods for marking and labelling, which is estimated to save millions of pounds for business.**
22. These proposals take advantage of our new regulatory freedoms following Brexit, and have the potential to deliver simpler, clearer regulations which benefit businesses, workers, and the wider economy.

Infrastructure and Levelling Up

23. Our Levelling Up agenda is working to grow the economy, create jobs and support communities. Environmental assessments routinely run to many thousands of pages with important detail buried in swathes of appendices and ambiguous conclusions on the significance of an effect. The Levelling Up and Regeneration Act 2023 introduced the framework for a streamlined process of assessment centred on a new outcomes-based approach to environmental assessment – shifting from the EU concept of assessing the ‘likely significant effects’ of a plan or project to a more concrete focus on whether a plan or project supports the delivery of set environmental outcomes. These reforms will ensure the value and rigour of environmental assessment is retained whilst allowing us to push for better environmental outcomes.
24. Since 2021 the Levelling Up campaign has been backed by over £48 billion of Government funding and billions more from businesses, large and small. This is an example of Government and business working together successfully, for the benefit of everyone. Supporting delivery of these aims, the Government’s Smarter Regulation programme is ensuring regulations are streamlined and efficient so that local businesses can maximise their chance of success.
25. The Smarter Regulation programme is also considering where reforms are needed to ensure planning, building and infrastructure regulations are fit for purpose. We need to continue to ensure the highest safety standards and prevent tragedies, such as Grenfell, from ever being repeated. But we also need to make sure burdensome rules in the building industry are not preventing growth or the delivery of major or local new building projects across England and Wales.

26. As part of both the Smarter Regulation and Levelling Up agendas, we are looking to:
 - a. Improve the way that we regulate to support local housing businesses and landlords;
 - b. Create a world class housing industry; and
 - c. Protect the high streets which form the centre of our communities.

27. So far this year we have already consulted on proposals to increase flexibilities for homeowners to extend their properties, and for the installation of air source heat pumps and Electric Vehicle Charging Points.

28. Last summer the Government also consulted on a range of reforms to Permitted Development Rights (PDRs), including to support the change of use of hotels to residential and deliver on commitments in the Prime Minister's Anti-Social Behaviour Action Plan by providing additional flexibility for people to host local markets. Over the last 12 months we have also delivered significant reforms to PDRs by removing the need to make a planning application in certain circumstances:
 - a. Local authorities are able to install electric vehicle charging points more easily;
 - b. Local authorities have greater flexibility to allow the temporary use of land for film and television production;
 - c. Homeowners and businesses are able to install solar equipment in a wider range of settings and we have facilitated the development of solar canopies in off-street parking areas;
 - d. Supporting the demand for domestic holidays by allowing temporary recreational campsites for up to 60 days per year without the need for complex form filling and permissions;
 - e. Supporting this Government's commitment to deliver 20,000 modern prison places by permitting extensions to open prison buildings; and
 - f. Making it easier to convert office or retail buildings for residential use.

29. As the Prime Minister announced in February, we introduced new flexibilities in April to support farmers to diversify their business by permitting the change of use of agricultural buildings to a wider range of commercial uses, permitting larger agricultural buildings and extensions, and increasing the flexibility around the conversion of rural buildings to residential use.

30. We are listening to industry, and we are committed to supporting our building and housing sectors. As part of this commitment, we are monitoring the impact of Part O of the Building Regulations. Part O, which came into force in 2022, sets the standards for overheating in new residential buildings. Industry has now had time to understand Part O and most housebuilders have had first-hand experience of applying it.
31. To understand their views and needs, we asked industry about their experience through a Call for Evidence on Part O as part of the recent Future Homes and Future Buildings Standards consultation, which closed at the end of March. We received over 3000 responses, and we are now carefully considering next steps to ensure we make improvements in the best interests of industry, homeowners and residents and to address concerns. We are committed to ensuring that regulation continues to deliver for the public and for businesses and will explore if any elements of Part O can be streamlined or need to be changed. **As part of this work, we will clarify certain parts of the Part O guidance to confirm that architectural features such as sash and dormer windows are not precluded under the 2022 legislation.**
32. **Today we can also announce we are going further to support our housing industry and will be launching a consultation before summer recess on reforms to the Energy Performance Certificate (EPC) regime.** Legislation on this regime was originally transposed from EU law in 2008 and no longer aligns with Government priorities on improving the quality of UK housing whilst supporting the transition to net zero. We intend to streamline and improve it. The consultation will outline possible reforms which could benefit businesses in the low carbon retrofit sector. These proposals would grant businesses greater opportunities to provide their products and services to people who have a reformed EPC, including those people looking to replace their heating system with low carbon alternatives. The consultation will be followed by a full response and legislation when parliamentary time allows.
33. These reforms will build on the work already delivered through our EPC Action Plan, to provide a wider range of information on a building's energy performance, allowing people to make more informed decisions when seeking to buy, rent and retrofit properties. This addresses long running concerns that EPCs measure the

wrong things and responds to calls from the sector to improve EPC metrics to provide consumers with valuable information about the cost of running their properties, along with tailored recommendations for how to reduce their bills through the installation of insulation, heating system upgrades and renewables.

34. As well as taking action across housing and planning to ensure that the regulatory environment is easier for landlords and small businesses to succeed, we are also committed to making sure our town centres and high streets are vibrant places that contribute to supporting the local economy and community.

35. **Following the passage of the Levelling-Up and Regeneration Act 2023, we will be bringing forward secondary legislation to implement the introduction of new powers for local authorities to enable High Street Rental Auctions.** High Street Rental Auctions will empower local authorities to step in where vacancy rates are high, and landlords are not taking sufficient action to let their properties. Whilst the Government has taken successful action to tackle high street vacancy, this will allow local authorities to take targeted action to go further. Secondary legislation to implement these changes will be laid before summer recess. This reform will help drive down vacancy rates, bringing a higher level of footfall into our town centres and high streets once more, bringing with it a host of economic and community benefits.

36. **To further support our local communities, the Department for Culture, Media and Sport has today published the Government's response to their consultation on reforming the land-based gambling industry.** This outlines the Government's plans to modernise the outdated and overly restrictive rules on gaming machines in arcades, bingo halls and casinos. We will also introduce measures to increase the flexibility of payments, allowing customers to use cashless payments and bringing the sector in line with current technology and payment norms. These deregulatory measures will support important British community institutions, like seaside arcades, helping them to survive and grow following a difficult period post-pandemic. Legislation to implement these measures will be laid in due course.

Energy

37. Through revisions to the energy National Policy Statements, the Smarter Regulation programme has already begun work to ensure our regulatory landscape supports the Government's priorities on energy security, reducing costs, and delivering on our net zero ambitions, all whilst creating new green jobs and promoting growth of new industries for the UK. These reforms set out the Government's policy for the delivery of energy infrastructure and provide the legal framework for planning decisions. Covering renewables, carbon capture and hydrogen, oil and gas pipelines and electricity networks, the updates are expected to significantly speed up the planning process so that low-carbon generation can be brought forward at the right time and in the right places, whilst protecting and enhancing the environment on land and sea, and ensuring local views are considered.
38. As our economy electrifies to deliver energy security and net zero, Britain's electricity network must undergo unprecedented expansion. The increasing shift towards electrification of transport, heating and industrial processes means a significant amount of additional grid capacity is required. To deliver this expansion in time, we need to significantly reduce the current end-to-end build time for transmission infrastructure.
39. Our Transmission Acceleration Action Plan accepts the recommendations from the Electricity Networks Commissioner, Nick Winser CBE, in his report which set out a programme of reform to speed up development of new infrastructure, to support delivering up to 50GW of offshore wind power by 2030 and 24GW of new nuclear by 2050. The plan sets out actions to halve the end-to-end build time of electricity transmission network infrastructure from 14 years to 7 years and is expected to increase investment by up to £15 billion over the next 10 years, support thousands of jobs and reduce energy bills for households across Great Britain.
40. The Connections Action Plan, published jointly with Ofgem, is overhauling the way new projects access the grid and will drastically reduce the time it takes viable projects to connect. Through our reforms, we aim to reduce the average delay a viable project faces to connect to the transmission network from five years to six months.

41. In December last year, the Government introduced changes to permitted development rights for solar equipment. These changes simplify planning processes for larger commercial rooftop installations and introduce a new permitted development right for solar canopies, enabling more solar installations to benefit from the flexibilities and planning freedoms permitted development rights offer. For non-domestic rooftop solar, we removed the 1MW cap so that there is no limit on the electricity generated by solar installations.
42. The Government has outlined plans to launch the Low Carbon Hydrogen Certification Scheme from 2025 to support the decarbonisation of the UK economy and aid ambitions to reach Net Zero by 2050. The scheme will enable further investment, innovation and growth in the UK Low Carbon Hydrogen sector to provide greater domestic energy security and the decarbonisation of the UK economy. Our commitment to future expansion of the scheme to include cross-border trade of hydrogen will also help to reduce barriers for UK producers planning to export, as well as allowing the UK to assess the emissions of imported hydrogen.
43. The previously published 'Civil Nuclear: Roadmap to 2050' also sets out our intention to streamline regulatory processes for the licensing of new nuclear plants; including the plan to maximise the value of overseas regulatory assessments of reactor designs that have been completed, potentially reducing the timescales for the completion of a Generic Design Assessment by up to 50%, while maintaining the highest safety and security standards.
44. The UK battery strategy also implements smarter regulation principles to bring together Government activity to achieve a globally competitive battery supply chain by 2030. The battery strategy was developed with the UK strategy taskforce, drawing on a Call for Evidence and engagement with businesses and stakeholders in 2023. This has led us to explore pro-growth regulation and industry standards to incentivise investment in the circular economy, aligning with international partners. This new approach allows us to further develop the regulations and support mechanisms to leverage growth in the sector, particularly to seize the economic opportunities of increased reuse, repair, repurposing, and recycling of industrial batteries. Through this strategy, the UK will: design and develop the batteries of the future; strengthen the resilience of UK manufacturing supply chains; and enable the development of a sustainable battery industry that could employ

100,000 people by 2040, with the majority likely to be located outside of London and the South East.

45. **Today, we can announce we are building on the UK battery strategy and that the Department for Environment, Food and Rural Affairs will be issuing a consultation on batteries regulations in the summer**, covering both the Waste Batteries and Accumulators Regulations 2009 and the Batteries and Accumulators (Placing on the Market) Regulations 2008. The Government intends to consult on a range of proposals that will strengthen the existing system of producer obligations in line with the polluter pays principle and help to ensure that the future batteries regulations are compatible with our circular economy objectives.

Consumers

46. The Smarter Regulation programme has had a tangible impact for businesses by easing regulatory burdens, but it is also putting British consumers front and centre. We have introduced reforms across a variety of sectors designed to improve the consumer experience without introducing complex new rules for industry.
47. In September 2023, the Department for Business and Trade launched a consultation on improving price transparency and product information for consumers. This included proposed reforms to the Price Marking Order, a piece of legislation that governs what information retailers need to provide on price labels. Following the analysis of responses, we indicated in January 2024 our intention to reform the Price Marking Order to improve information transparency for consumers. This will enable consumers to make informed choices on which products offer best value based on price. These reforms will help with the cost of living. We can confirm the Government plans to lay legislation to amend the Price Marking Order 2004 to ensure:
 - a. Clearer criteria for instore price labels;
 - b. Consistent measures for unit pricing of products; and
 - c. A clear definition of which types of promotional or loyalty schemes should be within scope of the Price Marking Order.
48. These reforms demonstrate how smarter regulation can help ensure consumers are well protected and have clear information but without imposing red tape and

stifling innovation. This remains an important aspect of our programme and we are committed to maintaining and enhancing consumer protections.

49. Our consumer focus also extends to product safety and ensuring consumers have access to a wide range of safe, quality products. We recently consulted on proposals for a new approach to the fire safety of domestic upholstered furniture to make sure regulations are up to standard. The Department for Business and Trade has also sought views on consumer protection rules for package holidays within the domestic UK market to make sure they are fit for purpose. The Call for Evidence explored how new rules could best support the growth of the British holiday sector whilst also offering cost-effective options to consumers. This Call for Evidence was vital to understand whether the same set of regulations should apply for both international and domestic package holidays or whether UK-based package holidays should benefit from more proportionate and flexible rules. We are considering responses and intend to respond this summer.
50. Improving the consumer experience is also about increasing the choices available and ensuring businesses have the flexibility they need to offer choice. British businesses have a long and proud history of using imperial measures and their use is strongly associated with our culture and language. We commonly refer to our walks in miles, our fuel economy in miles per gallon, and we buy our beer and milk in pints. Imperial units are key in our everyday shared experience. Over the last year we have been working to introduce new guidance to promote awareness of the current freedoms that exist to display imperial units, alongside a more prominent metric equivalent.
51. Additionally, we have introduced legislation to allow wine to once again be served in 'pint' size measures. Still and sparkling wine can now be sold in 200ml, 500ml and in pint size. This reform will not only increase consumer choice but will benefit and improve flexibility for over 900 vineyards and support a rapidly growing English and Welsh wine sector.
52. **Today, in order to provide vital ongoing support to the hospitality sector, we are launching a consultation to simplify processes involved in licensing the sale of alcohol for consumption in the pavement area adjacent to licensed premises.** This fulfils the Government's commitment, made in September 2023¹, to create a unified consent regime that includes licensing consent for the

consumption and sale of alcohol in the outside pavement area, before the current temporary provisions lapse next year.

53. We have identified new options to consult on which will allow businesses to continue to sell alcohol for consumption in an adjacent licensed pavement area with ease, whilst ensuring that licensing authorities and local residents continue to have a say about what happens in their area. The consultation closes on 11 July. The Government then intends to legislate to implement these reforms as soon as possible via a statutory instrument².
54. Smarter regulation is also about considering how regulation and the streamlining and digitisation of services can help businesses and customers across all sectors. The Government is not an exception to this. We have adopted these principles internally and the programme has included looking at how people interact with Government services. As set out above, the Government Digital Service has embarked on an ambitious project to deliver GOV.UK One Login – this streamlined verification service will improve not only business interactions with Government, but also increase the ease with which customers interact with a wide range of Government services. This reflects our ambition to digitise and streamline every aspect of citizens' engagement with the Government.
55. GOV.UK One Login users can already easily set up an account and verify their identity through a Smartphone app and access an increasing number of the Government's most used services. We intend to ensure the best and most streamlined experience for our customers, without compromising on safety and ensuring protections, and plan to onboard over 100 new services by 31 March 2025. These will include major services from HMRC, DWP, DVLA and Companies House. User testing of this additional phase has already begun.

Healthcare

56. Regulating in line with our smarter regulation principles will support the Government's ambitions to help increase the options for those looking to live healthier lives, whilst also supporting businesses to grow and innovate to deliver on these options.

² This will be via a legislative reform order under the Legislative and Regulatory Reform Act 2006.

57. Our newfound regulatory freedoms have allowed us to reform nutrition-related labelling, composition and standards. Legislation laid by the Department of Health and Social Care in February 2024 reduces the use of fines and other enforcement methods which are burdensome for business, and instead allows improvement notices to be used as a more proportionate first step to enforce the use of nutrition and health claims on food and drinks in England. This ensures we are continuing to protect consumer safety and public health by ensuring accurate nutritional information is provided and consumers can make informed choices about their diet, while maintaining the competitiveness of businesses in the sector and allowing businesses the time and flexibility to adjust to new requirements without being unnecessarily penalised.
58. Brexit has enabled the Medicines and Healthcare products Regulatory Agency (MHRA), as a sovereign regulator, to pursue an agile and responsive approach to regulation so that the UK remains a world-leading base for life sciences. Over the last year the MHRA has further advanced regulatory proposals to reform the UK's clinical trials regulatory framework. We are also planning innovative legislative changes which represent the biggest overhaul in UK clinical trials regulations in over 20 years. These proposals will not only support patients to access pioneering safe, new treatments faster, but will help bolster the attractiveness of the UK as a destination for ground-breaking trials. The Government intends to legislate on this as soon as possible.
59. In addition, the MHRA is bringing forward reforms to the regulation of medical devices in the UK that prioritise patient safety, give patients access to the medical devices they need and ensure the UK remains an attractive market for medical technology innovators.
60. The Department of Health and Social Care has also begun work to update the Ionising Radiation (Medical Exposure) Regulations 2017 to better reflect current healthcare delivery models and safeguard patient safety. These innovative reforms will allow the optional incorporation of artificial intelligence to assist operators with clinical evaluation. Improvements to the regulations will also safeguard patient safety while maximising the efficiencies provided by technological advancements, such as faster diagnosis and more personalised treatment. This is part of the Government's commitment to reduce waiting times and deliver better patient

outcomes. Legislation is currently being prepared and will be brought forward as soon as possible.

61. In December 2023, the Advisory Council on the Misuse of Drugs (ACMD) published their latest report titled 'Consideration of barriers to research part 2: Schedule 1 controlled drugs' and made a set of recommendations on how to remove some potential barriers to research into controlled drugs. The Home Office welcomes these recommendations and is considering the proposals to allow research more easily into Schedule 1 drugs. Under the smarter regulation reforms being considered, one of the recommendations would include facilitating university laboratories and NHS hospitals to more easily conduct clinical trials on controlled drugs that may prove to have medicinal value. Research into controlled drugs should be streamlined as much as possible to ensure patients in the UK will have access to cutting edge treatments and medicines. **The Home Office intends to publish a response to the ACMD shortly.**

Agriculture, Food, Environment

62. Over the last year the Smarter Regulation programme has also been targeting reform in areas of regulation inherited from the EU that have stifled innovation in the food and agricultural sectors.
63. The Department of Health and Social Care consulted at the end of 2023 on updating recommendations on labelling of alcohol free and low-alcohol (NoLo) drinks. It is currently in the process of analysing the responses on options to encourage more people to choose NoLo drinks and will be publishing its response soon. The aim of the consultation was to gather views and evidence on options for updating the voluntary guidance on labelling of NoLo products. This includes evidence from those in the alcohol industry on how these changes, if introduced, will affect their ability to increase availability of NoLo products and promote them as substitutes to alcohol drinks. The Department of Health and Social Care will be considering the impacts on businesses of any proposed changes to guidance alongside its primary aim of delivering improvements to public health.
64. In October last year the Department for Environment, Food, and Rural Affairs revoked multiple pieces of REUL relating to the marketing and production of wine products and by-products of wine making in England. This is now saving the

industry £22 million a year. Since then, the Department for Environment, Food and Rural Affairs has also launched a consultation on further legislative reforms for the wine industry that closed on 10 May. These latest proposals offer options to replace outdated EU rules with new light-touch regulations that will:

- a. Permit the production and marketing of no and low alcohol wine;
- b. Allow imported wine to be turned into sparkling wine; and
- c. Clarify wine labelling rules for consumers.

65. Once consultation responses have been reviewed, the Government will bring forward draft legislation to implement reforms later this year. Taking a smarter and more pragmatic approach to regulation will help unlock further growth in the UK's wine sector, reduce burdens for businesses in the sector and offer more choice for consumers. We will align our new wine labelling rules with the results of the wider Department of Health and Social Care consultation on the description of NoLo drinks, which are currently being reviewed.
66. **Using powers in the REUL Act 2023, the Department for the Environment, Food and Rural Affairs will also shortly be announcing proposals to streamline food and drink REUL to ensure we are taking our regulatory frameworks in a direction that best reflects UK priorities without impacting our world leading food standards.**
67. **We are also looking more widely at regulations across the food sector and will be publishing a Call for Evidence on the costs and benefits of the agri-food marketing standards we inherited from the EU.** The standards currently vary in form and content, reflecting the fact that they have developed in piecemeal fashion and over a substantial period of time, often reflecting different objectives such as supporting producer prices, facilitating trade or informing consumer choice.
68. Now we can make use of our Brexit freedoms, we need to develop a better understanding of what does and does not work for UK businesses and consumers. This Call for Evidence will seek sector views on marketing standards covering issues such as product descriptions and regulations governing labelling designed to highlight quality products, for example extra virgin olive oil or free-range poultry. This will be the first step in developing a solid sector-led evidence base for a prioritised legislative reform programme over the next year.

69. The Food Standards Agency (FSA) remains committed to ensuring the safety of the food on our shelves; this includes new and innovative food products, balancing fast-paced technological advances and calls for rapid approval processes with protecting public health. Products such as food additives, flavourings, and novel foods must be authorised as safe before they can be placed on the market.
70. To support the regulatory process for new and novel foods – such as animal feed products containing methane inhibitors – **the FSA will be streamlining the authorisation process to keep up with the pace of innovation in the food industry. The FSA is currently consulting on two proposed reforms to make the current service more efficient.** These smarter regulation reforms will reduce the time between an application being approved and authorisation by three to six months. These reforms will be the first in a series of steps being taken, paving the way for comprehensive modernisation in the longer-term to ensure an effective, proportionate and sustainable service. This work will not reduce food safety or standards. **We intend to bring forward legislation before the summer to implement reforms.**
71. We are committed to meeting our environmental objectives across Government. But we are also aware that there are layers of regulation that were designed to safeguard our natural environment that have become unnecessarily bureaucratic in their implementation. By taking businesses and citizens' time up with processes rather than focusing on environmental improvement we risk hampering both our growth and environmental objectives.
72. The Habitats Regulations Assessment process provides important protections for our most valuable habitat sites, but we recognise that there are opportunities to improve the operation of the process. **The Department for Environment, Food and Rural Affairs recently ran a targeted survey to understand where improvements could be made to Government guidance, which will be updated in the summer. This updated guidance will provide improved clarity on the requirements of the assessment process to improve efficiency.** Alongside this, we are also considering ways in which we could improve the availability of the evidence and data that is used when carrying out Habitats Regulations Assessments and will set out more detail on this in due course.

73. We are also reviewing the assessment of marine protected areas (MPAs) as part of our Offshore Wind Environment Improvement Package. This work will help speed up consent processes for offshore wind projects while still protecting our marine environment to the highest standards. Developers and regulators will be able to take a more proportionate approach to assessments and when considering compensating for the effect of development on the marine environment. This reform is part of a package designed to support the Government to meet its ambition to accelerate offshore wind deployment to 50GW by 2030. **We intend to publish updated guidance and consult on options for legislative reform later this year.**
74. To further support the protection of certain species whilst supporting development projects, we are rolling out the Bat Earned Recognition (Bat ER) scheme nationwide. Bats are a protected species and must be considered in planning processes. Licences are required to undertake bat surveys and mitigation actions. The Bat ER scheme:
- a. Streamlines the licensing process through accrediting ecologists;
 - b. Reduces the time it takes to determine licences, increases the certainty of getting a licence, and increases the flexibility of working within the licence parameters;
 - c. Reduces costs for bat work across projects;
 - d. Raises professional standards in bat-related work; and
 - e. Improves the monitoring of outcomes for bat species.
75. After successful Pilot and Beta phases, Bat ER is being used nationwide with approximately 100 consultants accredited and over 700 sites where Bat ER has already been used. Natural England is currently rolling out further accreditations.
76. To further support businesses, **we can also announce today that we will be amending the list of Species of Special Concern - the invasive non-native species subject to the strictest controls.** By removing ten species, we will move away from an EU-inherited list and make sure it is appropriately tailored to the territory of Great Britain where these species have been assessed to be unable to establish under foreseeable climate conditions. This change will remove unnecessary restrictions on keepers, retailers, producers, importers, and exporters who may want to trade in or keep these species. We estimate that overall sales of these ten species could range between £1.8 million and £14.3 million over the next

ten years. Legislation to implement this change will be brought forward in the coming months.

Finance, Tax, Customs

77. The Chancellor has been clear that tax simplification is a key priority. Delivering on this commitment, by reducing business burdens over time, is key to our continuing support for small businesses.
78. Over the last six months, we have announced we will be abolishing the obligation to pay class 2 self-employed National Insurance contributions; we have expanded the cash basis – a simplified way for over four million smaller, growing traders to calculate their profits and pay their Income Tax – and announced a suite of metrics that will be used to track progress on further tax simplifications with a focus on reducing burdens for small businesses. We are also delivering further administrative reforms to make it easier for small businesses to meet their tax obligations including a systemic review of HMRC guidance and key forms for small businesses.
79. We have announced a suite of measures to streamline customs import and export processes, simplifying processes for traders and seeking to reduce the administrative burden on traders.
80. We will continue to go further to simplify our customs and tax procedures for businesses. The Chancellor has outlined his commitment to simplifying the tax system with a clear commitment to further work and progress on tax simplification ahead of every fiscal event.
81. Alongside our progress on tax simplification, we are also reforming the way that our financial services system operates. After Brexit, we need to ensure that our financial services are optimised for the UK. The Financial Services and Markets Act 2023 (FSMA) ensures that new rules can be set by the financial services regulators, operating within a framework set by Government and Parliament.

82. Using the powers in the FSMA, the Government has made or laid statutory instruments to replace, for example:
- a. The European Long-Term Investment Funds Regulation, as the fund structure it regulates is now obsolete with the UK's own Long Term Asset Fund, which is designed with industry to help unlock investment;
 - b. The Solvency II regulations which would reform the capital requirements for insurers in regulatory regime to create a regime tailored to the unique aspects of the UK's insurance market; and
 - c. The Prospectus Regulation with an entirely new framework for offers of securities to the public and admissions of securities trading on UK markets, delivering a simpler and more effective regime.
83. The Government published 'Building a Smarter Financial Services Regulatory Framework: Next Phase' in March 2024, which sets out the impact and progress of this programme so far, work underway and the Government's approach to the next phase of the programme.
84. When the UK left the EU in 2020, the Government wanted to create a simpler, more flexible commercial system that better meets our country's needs while remaining compliant with our international obligations.
85. This has resulted in the passing of the Procurement Act 2023, a new law that creates a new and improved set of regulations for a sector that spends around £300 billion a year. The Act provides a number of benefits to suppliers and buyers, including:
- a. Cutting red tape and supporting innovation;
 - b. Improving transparency by creating a fully open and transparent system, meaning everyone has access to public procurement data;
 - c. Faster competition processes for emergency buying, allowing buyers to meet urgent needs quickly and efficiently; and
 - d. Simplifying the process of working with the public sector, supporting more SMEs to bid for contracts.
86. The legislation received Royal Assent late last year - it is currently anticipated that new regulations delivering its benefits in full will take effect by October 2024.

Data, Science, Technology

87. Driving the UK's science and technology success story is all about having the skills for the future and investment in scale-up and sensible regulation. The Department for Science, Innovation and Technology is working with the Smarter Regulation programme to make sure there are no barriers to innovation and scientific advancement. The department has already hosted the first ever global AI Summit, setting us at the forefront of international work on these issues. But to make the most of the opportunities in this area, it is critical that we get the regulation right.
88. We are backing businesses to scale up by providing clearer and smarter guidelines on stakes for 'spinout' companies and strengthening pro-innovation regulation. Since the Smarter Regulation programme was established, the Department for Science, Innovation and Technology has launched regulatory sandboxes across the telecommunications, engineering biology, and space sectors to support a pro-innovation approach to regulation and encourage universal standards that attract investment while representing UK values and safeguarding citizens.
89. In the telecommunications arena, for example, we have initiated three different sandbox programmes aiming at significantly increasing the level of spectrum sharing. We have done so by partnering with industry and academia to explore the art of the possible for spectrum sharing, to boost access to spectrum and reduce regulatory burden. The space sector is exploring regulations that support exciting new missions that require rendezvous between servicing and client spacecraft. This will enable debris removal, life extension programmes and manufacturing and assembly in space, all vital space sustainability markets for the future. These regulatory sandboxes are a vital tool offering supervised real-life or simulated tests to trial new products, services, or business models to meet safety standards while also fostering creativity and technological advancement.
90. The smarter regulation programme is therefore already working to enhance innovation. We have already introduced some technical changes to our intellectual property law to make it more relevant for the UK and support innovation across the economy. The Design Right, Artist's Resale Right and Copyright (Amendment) Regulations 2023 were introduced to amend four pieces of REUL to ensure

regulations better align with the UK's world leading Intellectual Property framework. These reforms included changes to ensure royalties calculations are made in Pounds rather than in Euros and introduced requirements for a UK address to be provided by an intervener in a Copyright Tribunal case rather than one in the European Economic Area (EEA). This is just one example of our commitment to ensure the EU laws we inherited reflect the UK context, including our currency.

91. After leaving the EU, the UK has new flexibilities and opportunities to define its domestic design regime. Designs can protect the shape, configuration, or appearance of the whole or part of a product. The design economy generated £97.4 billion in gross value added (GVA) to the UK in 2019, equivalent to 4.9% of total UK GVA. This demonstrates the importance of designs to the UK both now and in the future. We are carrying out a wide-ranging review of the UK designs system to ensure it works for and supports UK design businesses and consumers that use it.
92. **We will run a consultation later this year to seek users' views on options for change which we expect to reduce financial and administrative burdens on users and improve legal certainty for all interested parties.** The Government response will set out next steps and we expect legislative change will be needed to implement proposed changes.
93. Furthermore, the Intellectual Property Office is leading work across Government to better understand how the current framework for Standard Essential Patents (SEPs) promotes innovation, including whether it provides a fair balance to those involved in the licensing and implementing of SEPs, and to establish whether change is needed. Following a Call for Evidence, an SME-focussed questionnaire, and additional evidence-gathering, the Government is focussing on a suite of non-regulatory interventions before the possible commencement of a public technical consultation later in 2024/25.
94. A key non-regulatory intervention is the establishment of a SEPs Resource Hub. This will be a repository of tools, guidance and other material designed to help small and medium sized businesses navigate the SEPs ecosystem. Guidance may include signposting to dispute resolution procedures, information on patent pools and court processes. Launch of the Resource Hub is planned for May. There are

also non-regulatory workstreams involving increased international and Standard Development Organisation (SDO) engagement.

95. In engineering biology, the Department for Science, Innovation and Technology is concluding the first round of the Engineering Biology Sandbox Fund. This funding will support ambitious new sandboxes across the engineering biology application areas. Sandboxes will test innovative regulatory approaches, improve regulator-industry engagement, and address key regulatory barriers to support the adoption of innovative technology. **The winners of round one will be announced by early summer.**

96. Creating hotbeds for innovation remains a core objective of the Freeports programme, which aims to create thousands of high-quality jobs in some of our most disadvantaged communities. In the December [Freeport Delivery roadmap](#), DSIT committed to a number of actions to unlock the full potential of the programme, building on its ongoing support through Innovate UK and the Freeport Regulation Engagement Network (FREN). DSIT commitments included the following:
 - a. Confirming the mechanism for ensuring the design and implementation of innovation policy and funding is cognisant of Freeports and Investment Zones (IZs);
 - b. Exploring how DSIT can best support Freeports and IZs as part of future Spending Review planning;
 - c. Expanding the FREN to support businesses within IZs;
 - d. Working with DBT to widen the FREN's scope beyond regulatory innovation and to encompass broader regulatory barriers to business investment; and
 - e. Working with other Government departments to explore, and develop a plan for implementing, pro-innovation regulatory tools, such as regulatory sandboxes, within Freeports and IZs.

Transport

97. Over the last year, the Department for Transport has worked closely with the Department for Business and Trade to introduce smarter regulation reforms right across the transport sector. Regulatory reform can address issues such as driver shortages, but also increase efficiencies and keep pace with innovation and technological advances that have the potential to transform our transport networks.

98. Prior to the Smarter Regulation programme kicking off, the Department for Transport was already applying its principles – for example removing the Vnuk decision (retained EU case law). Vnuk extended the requirement for compulsory third-party motor insurance to vehicles used on private land, and not constructed for road use, unnecessarily extending the requirements beyond those set out in GB law, and possibly also extending to motorsports and agricultural machinery. This had led to a potentially large and excessive liability on the insurance industry, leading to potential increases in motorists' insurance premiums. In summer 2022 the Government backed a Private Members' Bill which repealed this retained EU case law.
99. The Driver Certificate of Professional Competence (DCPC) is a qualification that professional drivers of certain goods or passenger carrying vehicles must hold in addition to their driving licence. This was introduced by EU legislation. Last year the Department for Transport sought views on proposed changes to the DCPC for drivers in the United Kingdom. Following this consultation the Department for Transport announced that it would bring forward legislation to:
- a. Halve the minimum course length from seven hours down to three and a half hours;
 - b. Decouple e-learning from trainer-led courses;
 - c. Encourage more flexibility in end of module assessments; and
 - d. Introduce an accelerated pathway for returning drivers.
100. These changes will make the qualifications process more flexible, increase choice, reduce cost and time burdens and increase focus on the quality of knowledge obtained. **The Department for Transport is bringing forward legislation today to enable the implementation of these reforms.**
101. We understand that people want to know about proposed changes to the road network before they happen, they want to be able to express their views on proposed changes, and they want to know the rules once they are in place. To meet this need, we have included in the Automated Vehicles Bill a requirement for all Traffic Regulation Orders to be sent in a common digital format to a central publication platform, making that data easily accessible from one trusted source to organisations and people. This means navigation system applications and other in-vehicle systems will be informed about changes as soon as they are made. This

reform demonstrates how smarter regulation can improve access to local authority data, improve links to technology, and, in turn, improve outcomes for motorists.

102. The Department for Transport recently consulted (between 29 February and 25 April) on proposals to amend regulations for e-cycles, with the changes aimed at allowing a wider range of models and helping to make e-cycles an even more attractive and accessible choice for more people. Smarter regulation across this sector will contribute to delivering the Government's objectives for active travel. The Department for Transport is carefully considering the responses to the consultation and will announce a way forward shortly.
103. As part of the Plan for Drivers, we are committed to supporting motorists by improving road maintenance efficiency and ensuring timely repairs. The Government understands that businesses and consumers are not best served when potholes and delays prevent us from traveling effectively. **The Department for Transport will shortly be publishing the outcome of the consultation 'Streetworks: fines and lane rental surplus funds' which closed in March 2024.** We proposed requiring local authorities to use at least 50% of any surplus lane rental funds to repair potholes or resurfacing, fixing roads faster, and helping to deal with a persistent complaint of motorists and the general public. Lane rental empowers local authorities to manage utility works effectively and incentivises utility companies to avoid the busiest roads at the busiest times. Taken together these reforms could help to improve the way street-works are carried out, improving the lives of motorists and the public in general.
104. The Department for Transport also consulted on proposals to raise the level of fines for streetworks offences, such as working without a permit and to allow charges at weekends for works that overrun agreed durations. The reforms, if implemented, could benefit drivers and other road users, reducing congestion and providing up to £100m for essential road repairs over the next decade. This is an example of where smart regulation is really needed; to benefit our infrastructure and support our economy.
105. While the number of public chargepoints continues to increase at a rapid pace, this can still be accelerated further. Since announcing the Plan for Drivers, an ambitious plan that included measures to make it easier to install chargepoints by cutting red tape and providing financial support for new areas of the market, the

Government has launched an enhanced grant offering for state-funded schools and households without off-street parking.

106. The Government has also consulted on proposed changes to streetworks licensing and a further easing of planning permissions. These changes would enable chargepoint operators and landowners to install chargepoints quicker and more cheaply, reducing potential costs and timescales. We are currently considering responses and will publish full responses in due course.
107. We have supported the aviation sector in its recovery from the COVID-19 pandemic by providing temporary alleviation from slot usage rules at coordinated airports, preventing empty planes flying simply to retain slots. **We will bring forward legislation in this parliament to help airlines gain entry into the most congested airports** (by increasing the number of slots airlines can hold as new entrants from five to seven) and enhance Justified Non-Utilisation of Slots to **provide permanent provision for alleviation so that the rules are future-proofed in case of any future pandemic or health emergency.**
108. We have also consulted on longer-term options for reforming the airport slot allocation system to make it more efficient, transparent and dynamic – this could contribute to lower fares, more destinations, and other service innovations by airlines and airports. This consultation closed 8 March 2024. We will publish a full Government response and a plan to bring forward any necessary legislation when parliamentary time allows.
109. Having addressed historic issues inherited from the EU, we are also using smarter regulation principles to look to the future and to ensure our regulations in the transport sector are flexible and future-proof. The Future of Flight action plan, published in March this year, sets out a vision to support the UK future of flight industry in becoming a sustainable and thriving ecosystem. The plan provides a roadmap for drones and novel electric aircraft in the UK, detailing how technology once confined to the realm of sci-fi could transform our skies. This includes the pathway for the first piloted taxi flight by 2026 and regular services by 2028, regular drone deliveries across our skies by 2027 and demos of autonomous flying taxis without pilots on board by 2030 – transforming how people and goods are transported. PwC has estimated drone technology could boost the UK economy by £45 billion by the end of the decade. This plan demonstrates how smarter

regulation now will support the innovative industries of the future which will play a critical role in the lives of citizens and improve our public services.

110. As part of our REUL reforms, the Department for Transport has made legislation maintaining and clarifying protections relating to compensation and assistance for passengers in the event of denied boarding, cancellation, or long delay of flights.

111. **The Department for Transport will also be bringing forward legislation to revoke a tranche of REUL across the transport sector following Brexit.** Legislation to revoke inoperable REUL across shipping, roads, aviation, and vehicle standards is due to be laid in July 2024. This work contributes to the Government's ambition of either reforming or revoking over half of the total stock of REUL by June 2026.

112. **The Department for Transport has today launched a consultation on a proposal to lower the minimum age requirement to be a train driver in Great Britain from 20 to 18.** This reform would provide opportunities for younger people to enter the profession and help increase the pool and diversity of train drivers working in the industry in the future. This has widespread rail industry and trade union support, identified through a review of the train driving regulations whose findings were published in May 2023. Subject to consultation findings, the Government will lay legislation to introduce reforms. This proposal forms part of a wider package of potential reforms that the Department for Transport will be consulting on to build on the recommendations of the 2023 review.

113. Through The Railways (Revocation and Consequential Provision) Regulations 2024 and The Railways and Freight Transport etc. (Revocation) Regulations 2024 we revoked 35 pieces of rail REUL. This legislation included laws which had either expired or were no longer applicable following Brexit, as well as those which were viewed as being overly prescriptive, imposed unnecessary administrative burdens on the railway industry, or were simply redundant. The REUL Act provides us with the necessary powers to revoke and reform any REUL that remains on the statute book. Removing such legislation enabled the Department for Transport to streamline rail regulations to benefit the needs of the sector whilst ensuring the high standards on our railways were protected.

114. **We are publishing a Vision today setting out the Government’s strategy for opening our markets to new vehicles, such as autonomous vehicles, and to support innovation.** This strategy will play a key role in driving change, whether that is creating a safety assurance framework for autonomous vehicles or supporting the transition to electric vehicles.
115. The Vision sets out our key principles to support businesses across the automotive sector, through a combination of international standardisation, exploring equivalence with the approval processes in other countries, and leveraging our domestic legislation to ensure Great Britain has an agile system that keeps pace with technological developments and innovation in a dynamic and rapidly evolving global market.
116. Our aim is to develop a regulatory system that minimises administrative and regulatory burdens for industry, while maintaining safety and environmental standards, enabling savings and product choice for British consumers.
117. Work is already underway to bring forward regulations set out in the Vision. In February 2024, DfT laid legislation, The Road Vehicles (Type-Approval) (Amendment) Regulations 2024, listing the UNECE regulations we accept as alternatives for type approval, providing clarity to industry. Work is also underway to bring forward regulations covering cyber security and software updates on motor vehicles, hydrogen fuelled engines for machinery used on the road and automated lane keeping systems. We will work closely with businesses and interested groups to develop the policy options further through an extensive programme of stakeholder engagement, seeking to identify more opportunities for growth and future proofing standards to support innovation.

Regulatory Landscape

118. We are committed to ensuring that smarter regulation improves outcomes for businesses and consumers alike, fuelling economic growth, innovation and investment for the future. While the UK’s regulatory landscape is recognised internationally as a model of best practice, there is room for significant improvement to realise greater economic growth: over many decades, regulations and regulators have been introduced in a disjointed and burdensome way, unnecessarily constraining the innovative and entrepreneurial businesses that underpin our economy. 45% of businesses tell us that regulation is an obstacle to

growth and 33% of innovative businesses experience regulation as a limitation to implementing their innovations. A fundamental culture change is needed to overcome these challenges and deliver the best possible outcomes for society as a whole, including businesses and consumers.

119. **That is why today we have published a White paper on ‘Delivering a Regulatory Environment for Innovation, Investment and Growth: Working with Regulators to deliver a world-class service’.** This paper sets out the Government’s ambition to work with regulators to deliver a world-class service to consumers and businesses and to help drive economic growth: it responds to our recent consultation on strengthening economic regulation and the Call for Evidence on the regulatory landscape. The White Paper sets out a series of guiding principles of smarter regulation that we expect to see regulators and Government departments to act on, alongside measures to enhance the strategic dialogue between Government and regulators including through establishing a Regulators Council. It also includes reforms to make businesses lives easier, by publishing a ‘register of regulators’ to create a one-stop-shop of regulatory information.
120. To improve transparency and accountability, we are also launching the Growth Duty Performance Framework and encouraging regulators to share quantitative and qualitative data about their performance delivering growth. Government departments will also publish information on the total costs and benefits of the most significant regulation they introduce in their annual reports. Regulators must deliver on this service mindset, and we expect them to engage actively with the reforms outlined in the White Paper. Doing so will ensure a regulatory environment that supports our mission to make the UK the most attractive place in the world to start-up, grow a business and invest.
121. We will continue to promote the UK’s role as a global leader on good regulatory practices, building on our recognised leadership on Regulatory Impact Analysis (RIA), and ex post evaluation, where we are ranked first and second respectively under the Organisation for Economic Cooperation and Development’s (OECD) Indicators of Regulatory Policy and Governance (iREG) survey.
122. We will focus on learning from, and adopting, international best practice through close collaboration with our international partners such as Australia, Canada, New

Zealand, Singapore and the United States. This will build on existing work to further the international mutual recognition of qualifications through developing long-term plans for Memorandums of Understanding with trusted partners to speed up regulatory approval processes in key sectors such as healthcare and food, implement international best practice in the development of a professional designation for regulators, and build global consensus on best practice for the development of cost benefit models for regulators.

123. The Smarter Regulation programme will continue work to help businesses navigate the regulatory landscape to support a user-centred regulatory system in which businesses can easily find and understand which regulations they need to comply with to carry out a particular action – whether that is to bring a medical device to market, open a restaurant, build a bridge, provide financial services, or any other of the thousands of regulated business activities which are important for building an innovative, competitive and growing economy. Truly end-to-end digital services for businesses will bring down their costs of compliance with regulation, allowing them to focus on making profit.

Better Regulation Framework

124. In September 2023, the Government reformed the Better Regulation Framework to put an end to the expectation of Government departments that regulation is a first choice of solution to problems in the market. The reformed framework requires departments to provide evidence of thorough consideration of non-regulatory options before any regulatory solution to a policy issue becomes a serious possibility and before launching any consultation where regulation is a preferred option. Alternatives to regulation, such as standards and guidance, are often more flexible and quicker to introduce. They are also easier to adjust or remove when it becomes clear that they are no longer working effectively. The reformed framework makes sure that any regulation passing through it is aligned with the national interest, assessed through a broad set of criteria and metrics, including impacts on businesses, households, international trade, competition and innovation, and subjected to independent scrutiny earlier in the policy development process.
125. The Government is working to strengthen further accountability in the regulatory system for both regulators and Government departments. It is vital for growth, the nation's prosperity and the quality of people's lives that regulation is used only

where necessary and where it is used, that it is proportionate and future-proof. A stronger Better Regulation Framework will be central to this work. The measures announced in the Government's White Paper on 'Delivering a Regulatory Environment for Innovation, Investment and Growth' will assure the quality of regulation through the codification of scrutiny arrangements within Government, the creation of stronger incentives for the timely completion of post implementation reviews and greater oversight of departments' compliance with the framework. Measures in the White Paper will also encourage clearer reporting of regulators' activity to make sure that their contributions to growth and the wider economic impact of their actions is understood.

Department for Business and Trade

We are the UK's department for economic growth. We support businesses to invest, grow and export, creating jobs and opportunities across the country.

We are responsible for:

- Redrawing our rules to ensure businesses thrive, markets are competitive and consumers are protected.
- Securing investment from UK and international businesses.
- Advising, supporting, and promoting British businesses to grow and export.
- Opening up new markets for businesses by removing barriers and striking trade deals.
- Promoting free trade, economic security and resilient supply chains.

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