Charles Nancarrow: Good morning everybody, and welcome to the National Audit Office’s second annual Regulation Webinar. My name is Charles Nancarrow, and I'm Director of our value for money work on regulation.

Charles Nancarrow: The NAO has published a number of reports examining regulation across many different areas of public delivery. For example, our recent reports on the Energy sector, private renting and Pensions regulation. And we've also published other outputs, bringing together insights and learning from this work. For example, in our recent outputs on the principles of effective regulation, which I know a number of people on this call also had input into.

Charles Nancarrow: There are many contextual issues for regulation at the moment. But perhaps one of the most significant shifts in recent years is the fact that the UK now sits outside of the structures where previously much regulation was formulated and harmonised.

Charles Nancarrow: We recently published a study examining the early experience of several regulators, where EU exit presented a big shift in their responsibilities in particular chemicals, food safety and standards, competition and subsidy control.

Charles Nancarrow: And given the importance of this for regulators more generally, we decided that the theme for this year's Webinar should be regulation after EU exit. So, I’m absolutely delighted to welcome all of you to this year's event, and also to welcome a fantastic line up of speakers.

Charles Nancarrow: I'll just give you a quick outline of the way that the Webinar is going to run. After I've introduced it, we'll have opening remarks from the C&AG Gareth Davies.

Charles Nancarrow: Then, followed by a Chris Carr of the Brexit opportunities unit, and then an opportunity for quick Q&A. After that, with the two speakers, we'll take a short break,

Charles Nancarrow: and then afterwards Matthew Reese will be introducing the second panel when we'll be talking about regulating after EU exit, strategy, people and processes, and there'll be about an hour to hear from four different speakers, and again ask questions of speakers.

Charles Nancarrow: So just before I hand over to Gareth for our first panel, there's an opportunity to say to have, to post questions to our speakers today, so please can you put those in the chat? And at the end of each panel, I’ll put those together and put the questions to the speakers.

Charles Nancarrow: So, I hope you enjoy the webinar. I’ll now hand over to C&AG Gareth Davies for the opening remarks. He'll then be followed by Chris Carr, Director at the Brexit Opportunities Unit for the keynote presentation.

Charles Nancarrow: Thank you very much.

Gareth Davies: Thank you, Charles. Good morning, everybody. And thanks from me too, for joining the Webinar, and thanks very much to the speakers and panellists who've agreed to give up some of their time to take part. It's much appreciated too. My name is Gareth Davies. I'm the head of the National Audit Office.

Gareth Davies: Just a few words to set up the session this morning. I thought I’d start with just explaining for those of you who are not close to the National Audit Office, may be aware of us but not completely sure about our remit, the role we play, and obviously particularly focused on the role we play in regulation.

Gareth Davies: We're independent of government. We report publicly and to Parliament on value for money in public spend, and so

Gareth Davies: critically, that means as an independent body funded by Parliament, with no reporting lines to government,

Gareth Davies: that we have no role in commenting on policy. So the NAO has no view on the policy around regulation. Our remit is the execution of the Government-stated policy, how well public money is being used to regulate and whether regulation is achieving its stated objectives efficiently and effectively. And that's a really important distinction, because clearly this is a controversial area

Gareth Davies: we're seeing right now with it, with the new Prime Minister with a very clear and around the regulation. It's not for the NAO to hold a view on the policy merits, but it's our job to track how public money is being used to implement the agreed policy of government. And we report publicly. The Public Accounts Committee, as many of you will know, uses our reports and most of our reports. It holds sessions on in public, taking evidence from officials on the contents of those reports, and exploring the topics more broadly based on that.

Gareth Davies: And so the Public Accounts Committee will issue its own recommendations, separately from ours, obviously focused on the political scrutiny process, whereas ours is focused on the more technical audit process. So that's our role in the in the process of public scrutiny and accountability for public money. Why do we focus on regulation? Well, because it's central to what so much of government is trying to achieve. It's one of Government's key tools, obviously with many others as well.

Gareth Davies: But it's one of Government's key tools for achieving its policy objectives and even though regulators themselves may not be the biggest organisations across the public sector, they have huge influence on how large amounts of public money are spent regulating public services, for example. And also a huge impact on the wider economy.

Gareth Davies: So the kind of leverage that regulators exert is clearly significant, and therefore a kind of key topic of interest, for those looking to see how public money is being used.

Gareth Davies: So that's, that's our role in this area. Why is this, this is a timely moment for this Webinar. We have a look at a new administration setting out radically different policies for even the predecessor from the same party, and that extends to areas of regulation as well. It's too early to know the detail of that, but there's a clear aspiration here to tackle what's perceived as areas of over regulation.

Gareth Davies: And so a significant program of work for the NAO in prospect, ynderstanding how any changes in these policies are being implemented, and the effects that's having on outcomes and value for money. So that's our planning approach was, we keep track of policy changes, and understand where an intervention from the NAO is likely to be most useful. Clearly we have to be very selective. Like everybody else, we have highly limited resources.

Gareth Davies: And our remit covers all of public spending, so we have to be very selective in choosing the topics that we audit. And that's as you know, as you would expect, a process based on risks to value for money adequate coverage across the span of public spending and making sure that we don't leave significant areas unaudited for too long. So there's a lot of judgment involved there. But you'll see that our program every year includes at least one and sometimes more than one significant output related to regulation.

Gareth Davies: So why is regulation so important? Well, as I said, the impact it has across the economy and on public services is hugely significant. We've seen in, to you some specific examples just this year, the significance to the public of energy regulation, water supply regulation,

Gareth Davies: and the regulation of financial services, including, for example, pension funds, and in particular the British steel case, which I’ll come to in a second.

Gareth Davies: So this affects daily lives of individuals as well as those working in government and in public services, and is obviously of key interest when things go wrong. And you know the tragedy at Grenfell is still being investigated through the public inquiry.

Gareth Davies: That report not yet published, but will be a very significant piece of evidence around the effectiveness of regulation. And you know, in the in the desire to minimize the cost of regulation to minimize the drag on productivity and growth,

Gareth Davies: having examples of that, clear examples of when regulation has failed to achieve its core objectives, are going to be really important to understand risk appetite. to understand the objectives for regulators. So the Regulators are given a fair chance to have clear objectives, and to be held to account for their performance against those.

Gareth Davies: So recent examples we've been covered in, we've covered in our work. I've already mentioned some of the broad topics. But earlier this year we reported on the energy supply markets clearly a key topic of interest for everybody at the moment with the increasing in energy prices. But we look specifically at how Ofgem had gone about regulation of the supply market.

Gareth Davies: How we'd ended up in the position where so many suppliers had proved to be not resilient to the, to these significant changes in the market, and the tax, the bill payer, in that case bearing billions of pounds of costs of failed suppliers, and so obviously much to be learned from that case. This is, we're in extreme environment on energy prices, but that doesn't mean that it won't happen again, and really important, that we extract the learning from the failures in regulation in this, in this situation, even if the scenario we're dealing with is beyond the, what was regarded as likely scenarios for the future.

Gareth Davies: We've also looked at private renting in the last few months, an area where the previous administration to this one was quite heavily focused.

Gareth Davies: Growth in private renting very significant in recent years. More than four million people completely dependent on private renting, and a perception that whilst that works perfectly well for many people there are significant failures in regulation for vulnerable people, and the processes for enforcing renters rights, were in many cases not working effectively. So that's what our report covered,

Gareth Davies: and actually a lot of that's been picked up since then in the, in the proposals from Department for Levelling up, Housing and Communities, for strengthening renters ability to enforce their rights and plugging the gaps in regulation that we identified in that report.

Gareth Davies: And then I've already mentioned the British Steel Pension Fund. Clearly an area where you know a very specific case, but a really important one, where pensioners received inadequate advice from the supposedly regulated advisory market, leading to many of them, choosing to pull their funds from the occupational pension scheme for British Steel.

Gareth Davies: And it turns out that around about half of that advice was misconceived and shouldn't have been given, and so at the moment the regulator, the Financial Conduct Authority is in, it's working very hard to attempt to restore the position of those who've been adversely affected by that that failure in the advisory market. Again, many lessons to be learned, therefore, when people choose to exercise their pension freedoms, are they doing so on the basis of adequate advice?

Gareth Davies: And there've been all sorts of changes since the British Steel case to strengthen the requirements for advice, and to make it less likely that we find ourselves in this position in future. So what has all of these having common is, you know, very rich seam of learning, obviously

Gareth Davies: quite a lot of people adversely effected in ways in those cases, but important learning for regulators. So our reports in each of those cases have been taken by the Public Accounts Committee. The whole public hearings to extract the learning from those cases to seek assurance from the Regulators in each case that they are applying those lessons.

Gareth Davies: And taking evidence Government officials on how government policy is responding to those to those areas as well. So you know good examples of how the accountability process around regulation involving the Public Accounts Committee in this case is operating in practice.

Gareth Davies: We also heavily focused on the impact of EU exit on regulators. We reported separately on this topic, looking at the impact on three regulators in particular, including some of those you'll be hearing from today. Obviously a hugely significant event, EU exit for regulation. A big part of the case for leaving the EU was so that the UK could determine its own appetite for regulation, and set its requirements accordingly. And our report charted how Government had been approaching this topic since EU exit.

Gareth Davies: Initially, obviously the answer was cautiously, making sure that there was no sudden change in regulatory requirements. So a lot of reapplication of the previous EU regulatory approach, just to smooth the transition period. The point was that Regulators really did want government to state clearly it's future policy for regulation, so that those Regulators could adequately assess the task in front of them, which in many cases involved taking on entirely new functions, resourcing appropriately to be able to deliver those tasks.

Gareth Davies: And not making assumptions about future government appetite for regulation that turned out to be either overestimated, and therefore they'd been over-developed the framework, or underestimated, and leaving us under regulated in key areas, so making the point that actually the Regulators what they most needed was clarity on the future approach was our key finding. And obviously that's what I mean. I guess the new Administration would say it's now doing is starting to lay out policy in areas where the UK now has regulatory competence, having previously relied on EU arrangements, so very important areas across food, safety competition and markets regulation, and so on, where

that clarity is going to be required and then implemented.

Gareth Davies: So a lot more to come on regulation post EU exit from this morning's Webinar, obviously looking forward to hearing from the experts who are having to put this into practice themselves.

Gareth Davies: So a lot of activity since the change of Prime Minister, the Government’s reintroduced what's called the Brexit Freedoms bill, changed the status of retained EU law. So again, I’m sure we'll hear more about that this morning, aiming to remove around a billion pounds of costs of red tape in that process. Obviously, again, it’s really important we see the details. On the previous deregulation initiatives evolving, for example, the better regulation executive.

Gareth Davies: We've at the NAO reviewed progress against this target. How well understood the cost of regulation we're in the first place, and whether the whether the planned reductions in those costs have been achieved. I'm sure we'll be doing something similar in the current push for reducing the cost of regulation.

Gareth Davies: So I'm sure we'll hear a lot about what regulators are now doing to be able to meet this challenge clearly. They are going to be under pressure themselves as public bodies to demonstrate their own efficiency, whilst also implementing a new regulatory approaches.

Gareth Davies: Obviously several of them have been concerned about the impact of headcounts, reduction targets. And I think I mean government is unlikely to let up the pressure for efficiency, whether it's down to cost savings.

Gareth Davies: So again, we've huge body of evidence across government for previous attempts to reduce costs in that way, and we'll be making sure that's as available and useful as possible for those with that task in view.

Gareth Davies: It’s also obviously extremely important for us at the NAO to have a good take on the risk profile that this these changes across regulation leave across government, and we'll be updating our own risk assessments, and therefore our work programs as things become clearer. So really looking forward to hearing from the other speakers this morning and that point, I'll hand you back to Charles. Thank you.

Charles Nancarrow: Great. Thank you very much, Gareth. And can I hand over to Chris Carr for the keynote presentation?

Charles Nancarrow: Chris.

Chris Carr: Great. Thank you, Charles, and thank you, Gareth for setting the scene. My name is Chris Carr, I'm currently the director for Brexit Opportunities currently in the Cabinet Office, but shortly to move to BEIS with Minister Rees Mogg

Chris Carr: I've been in this role since April, and prior to that I spent several years as the director of the better regulation executive in BEIS. So it was very helpful that Gareth set the scene by talking about what regulation is for, and I don't need to cover that which is good. It was also helpful that he pointed out that it was one of the key elements of the case for leaving the European Union.

Chris Carr: That's what my job is essentially to deliver on the prospects and the opportunities of leaving the European Union. I'm just checking that everything is all right with the technology.

Chris Carr: I’m sure somebody will say, if you can't hear me, good. Thank you. So this webinar is being broadcast and recorded. So I’m going to make my best efforts to distinguish between what I talk about that is published government policy, and what is my personal opinion or speculation or recommendation.

Chris Carr: I definitely wouldn't want the two getting confused in either direction. So if there is any confusion at the end of my speech, please do ask clarificatory questions so that we can clear that up before we move on. I'm going to talk about three things.

Chris Carr: I'm going to talk about how we scrutinise regulatory proposals, what we call the flow of regulation, how we deal with new regulatory proposals, and how that will change from what it is now to the new post Brexit model. How we review and improve existing regulations, what we call the stock of regulation. And again, what we're doing about that post Brexit.

Chris Carr: And then, thirdly, the regulatory landscape the powers and duties and role of regulators, and that's a little more speculative. But I’ll try and cover that as well. Now all of these things are governed by five new principles that were published in January this year.

Chris Carr: So last year, when I was running the BRE, we published a consultation document on the future of the better regulation framework, the essentially the handbook that Government has to use to develop regulation and introduce new regulations and monitor it, and so on, and that publication ran over the summer and early autumn of 2021.

Chris Carr: On the 31st of January this year, Government published a document which you can find online called the Benefits of Brexit, which included the response to that consultation, and it set out five principles for regulation in the UK post-Brexit. The first principle is called a sovereign approach, which does what it says on the tin, making sure that we're regulating in the interests of the UK. A distinctive approach based on UK law, protected by independent UK regulators and designed to strengthen UK markets. So I think that's fairly clear.

Chris Carr: Second principle is about leading from the front, focusing on the future shaping and supporting the development of new technologies and creating new markets. We will use our new regulatory freedom to act quickly and nimbly, and we will pursue high quality regulation, because it leads to better markets and better outcomes.

Chris Carr: Third principle is about proportionality. Those of you who were paying attention in the last couple of years will be familiar with the task force for innovation, growth, and regulatory reform which reported in the summer of 2021 and they proposed that the precautionary principle which dominates regulatory policy making, excuse me, should be replaced with a proportionality principle where markets achieve the best outcomes, we'll let them move freely and dynamically, pursuing non-regulatory options where we can, and when strong rules are required to achieve the best outcomes, we'll act decisively to put them in place, and enforce them vigorously. So it's about getting the best of both worlds.

Chris Carr: The fourth principle is recognizing what works. Now some of you will know that this has been floating around in policymaking for some time, and I’m going to say a bit about this in terms of the review of the stock of regulation. We've got to get much, much better at analysing the outcomes of regulation, and that links back to what Gareth was saying about the NAO's role in essentially reviewing the government's deregulatory efforts, and whether the whether the scoring system is properly understood and effective.

Chris Carr: And then the final principle is about setting high standards at home and globally. This is not the race to the bottom. Britain is fairly widely recognized as a world leader in the quality of its regulatory systems and processes, and we want to maintain that using the other four principles above.

Chris Carr: Okay. So the first thing I’m going to talk about is the flow of new regulation, and what we're doing to change that. First of all, and we should, we should have been in this position already, but it's worth restating. We want to ensure that we only regulate when it's absolutely necessary. And the big change that's coming here, nd this is possibly the biggest change to the system, which was published in the January benefits of Brexit document, is to move the scrutiny of regulation earlier in the policy cycle.

Chris Carr: I don't know how many of you are familiar with the role of the regulatory Policy Committee, but it reviews regulatory proposals through a device called impact assessments, and it rates the impact assessments as red or green, and that helps Parliament when it's debating the regulatory measures, whether they are primary legislation or statutory instruments, and that system has been in place for ten plus years, twelve or thirteen years, and it's worked reasonably well, and

the policy community in the UK has got much better at understanding and creating regulatory impact assessments and understanding and quantifying those impacts.

Chris Carr: But it happens right at the end of the policy cycle when the legislation is about to be introduced to Parliament, and it doesn't allow much as it can. The scrutiny can lead to changes and improvements to the policy, it doesn't allow any fundamental rethinking of whether the approach is right in the first place. The only the only option for the department in that scenario is to pull the legislation they've been working on the start again. So the proposal that we have now is, and what we hope to be implementing soon, is to move that scrutiny process to the beginning of the policy cycle.

Chris Carr: What we call the options appraisal stage, before the option is developed and turned into legislation. And this has a number of ramifications which need dealing with. First of all, it has a direct impact on the transparency of the process, because when you have final stage assessments that, like we do at the moment,

Chris Carr: you can quite happily publish them; and unless there are, you know, very important aspects of national security or commercial confidentiality. The RPC will always publish its opinions of an impact assessment. You can't do that so easily at the beginning of the policy cycle, because before options have been put to ministers, and before the Cabinet has taken a collective decision to agree on a policy,

Chris Carr: it would be wrong to publish the details of the options that were presented to ministers, and therefore it would be wrong for any scrutiny body to publish its opinions on those options. So we're trading off essentially some of that transparency for the opportunity to have earlier challenge and influence on policy thinking before options are whittled down, and one is chosen and collectively agreed. It's still, of course, important to consult on the options and to develop the policy through consultation. But we are trying to bring forward the independent scrutiny. That's our first major change.

Chris Carr: The second important thing is that we are trying to be more holistic in our approach to scrutiny and impact assessment.

Chris Carr: I'm sure most of you will be familiar with the business impact target the current statutory regime for measuring the impact of regulation that is being repealed in the retained EU law revocation and Reform Bill, which I’ll come on to talk about shortly.

Chris Carr: It's being repealed because it doesn't work.

Chris Carr: It's a very poor metric and we know this because we have run it for seven or eight years. And it has had very significant adverse impact on policy making, because it only looks at one side of the equation. It only looks at the direct net costs of regulation. It nets off direct costs and direct benefits to the businesses involved, and of course that's not what regulation is for - regulation of businesses is to bring benefits to other parties, to consumers, or the environment, or employees, or suppliers, or whoever it is. So if you can't capture those benefits in the equation, then you're always going to get a warped picture of the net costs. So we are looking to replace the business impact target with a more holistic measure of the impact of regulation and get develop better understanding. And nobody else has done this, you know. Let me.

Chris Carr: Let me just say that that the bit was world leading when it was created, and it was followed assiduously by other countries who have belatedly adopted the one in one out and one in two out methodologies that were used in this country a few years ago. But those have been superseded now, and we are moving to a more holistic approach to scrutiny with a broader scorecard looking at a range of impact on trade, competition, innovation, equality, net zero, etc. Etc. And that that you need a better measure of the impact of regulation.

Chris Carr: And then the final piece of the jigsaw. And this is the sort of segue from talking about the flow of regulations. Talking about the stock is the far side of the feedback loop.

Chris Carr: The end of the policy cycle is about monitoring and evaluation, and making sure that you understand the impact of the changes that have been made, and that you feed those back into policy design when the next time a given policy is updated, and despite our stellar OECD rankings and our on paper excellent processes and theories for doing this we're very, very bad at it. I gave evidence to a Parliamentary Select Committee earlier this year, and I told them that about forty percent of post implementation reviews are actually completed. It's roughly that figure.

Chris Carr: We are very poor at evaluating the impact of our policies, and part of that is inevitable in the political cycle. The new is always more exciting than the old. And it's very difficult in a resource-constrained environment to persuade people to look backwards and spend work and time and money evaluating things, and every country in the world has this problem, but it's also because we haven't given the system teeth. There is no penalty for not producing a post- implementation review.

Chris Carr: I mean it’s a legal requirement under the small business enterprise and Employment Act, and theoretically departments can be judicially reviewed for not producing post-implementation reviews. But it. But it never happens, and we are redesigning the scrutiny system, so that if a post implementation review of the existing regulation has not been completed and published, or at least provided to the scrutineers, then that will affect the passage of any new regulations in that area.

Chris Carr: And therefore we're creating the feedback loop to require better evaluation.

Chris Carr: So these changes have been in development since the consultation response was published in January, and I am hopeful that they will shortly go live. We are obviously having had quite a busy summer with change of Prime Minister, change of monarch, et cetera, et cetera. Things are just settling down, but I'm going to move on to talk about the stock of existing regulation and the retained EU law bill.

Chris Carr: As that’s something, as Gareth said, we introduced that to Parliament a couple of weeks ago. So it will go through Parliament this session, and with luck and a following wind, we'll receive royal assent some time next year, and that is currently the focus of the review of regulations. Now I should say that there are many, many regulations in the UK that are not European, thousands of them, and you'll all be aware of previous such initiatives as the Red Tape Challenge and cutting red tape reviews, and so on. And I’m sure there will be more along those lines in future. But the current focus given my role as the director of Brexit opportunities and the government desire to realise the benefits of Brexit is to look at the regulations that we have inherited and retained on our departure from the EU, and there are about two and a half thousand of those. Many of them were directly effective EU regulations that were turned into UK laws by the withdrawal act, and many others were created under Section Two of the European community’s act as a way of implementing the EU directives.

Chris Carr: Those are going to be sunset by the retained EU law bill at the end of next year 2023, and we have done a review of what they cover. We've published a dashboard which you can find on gov.uk to show you all the pieces of retained EU law that we're aware of. We are aware that there may be some things that have slipped through the cracks. And indeed, since the dashboard was published, some helpful people have pointed out some additional things that we've missed, but we are aware of most of it, and we are going to update it by amending, repealing, or replacing RULE, ‘retained EU law’ the acronym, that is no longer fit for the UK.

Chris Carr: And this will be in keeping with the aim to create a pro-growth, high standards, regulatory framework that gives businesses the confidence to innovate, invest in the UK and create jobs.

Chris Carr: Now. Ah, we're going to have to do this at significant pace over the next fifteen months. We're going to have to work with departments to create plans for the reform of their retained EU law. It's not evenly spread across Whitehall. There are three departments with hundreds of pieces Defra, Transport and BEIS, and there are many departments with a few tens, or hardly any at all.

Chris Carr: Ah, so the bulk of the work will be concentrated in those three areas. There are, of course, a lot of issues to do with the Devolution settlements and the potential for divergence. And I’m happy to take questions on that and talk about that a little bit. But the fundamental aim of the retained EU Law Bill is to drive reforms by setting a sunset date for retained EU law, and causing every single piece to be reviewed.

Chris Carr: with the, through the lens of is this optimal for the UK. If we had never been members of the European Union, would we have ended up with this law governing the UK? And if we would, that's fine, there are powers in the bill to preserve it or restate it into UK law, and if we wouldn't, there are powers to simply repeal it, or to revoke and replace it with a new law that's tailor-made for the UK. Or of course there's a do-nothing option of just letting it sunset and expire.

Chris Carr: Of course the real job of work is doing that analysis, making those policy decisions about each of those laws, and of course, where they are not optimized for the UK working out what the optimal outcome is, and the bill has an extension clause in it that for those cases where we know that the rule is not optimized for the UK, and we want to reform it, but we don't have time to reform it by the end of next year, because it's you know it's a part of a bigger framework that needs quite a lot of consultation and engagement and policy development, then it can be extended for up to three years for that to take place.

Chris Carr: So that's the current approach to reviewing the stock of regulation. And I’m just in the interest of time going to move on to my final point about the regulatory landscape. Now we've got about eighty or ninety regulators in the UK. About fifty of which are very small

Chris Carr: and about thirty are significantly bigger. Every single one of them has their own governing legislation. They were all created at different times under different acts of Parliament by different ministers and different policy advisers.

Chris Carr: So the legal basis for regulation in the UK is what one might euphemistically call heterogeneous, and this is great, because each of them was designed to have the powers and duties that were felt to be right for that particular policy area at that particular time in history. But when you stand back and look at the whole thing, it's a little bit messy and a little bit incoherent and quite difficult for a government to set a strategic direction and ask regulators to follow it.

Chris Carr: Regulators have multiple, overlapping duties, and they have to make the best of, you know, do their own internal prioritization to follow that, and I’m sure our panel discussion will be talking about that later. The question is, can this landscape be improved by looking across the powers and duties and obligations of regulators, and the perhaps putting in place some horizontal consistency on the importance of growth, competition, innovation, net zero, whatever it is, and creating something that that essentially helps regulators collaborate, helps them, helps them communicate with each other and with their client businesses in a consistent way, and on a consistent footing. Now I should say that I’m not dealing here with any announced policy.

Chris Carr: But those of you who have read the recent Policy Exchange Report on reengineering regulation and other similar publications will know that this issue is out there and is being considered. The recently announced Review of Energy Regulation is a small step in this direction. Earlier on this year BEIS and the Treasury published a policy paper on reviewing economic regulations. So this issue of the sort of legal landscape and the overlapping and conflicting drivers and duties of regulators has been around for a while and been talked about for a while, and I personally think that's the sort of ripest, next area for reform.

Chris Carr: I know that the Treasury have already taken a big step with the consultation on the future framework for financial Services regulation and the new Financial Services Bill that's going to put that into effect. That was a key part sort of clearing up the landscape of duties and expectations was a big part of that.

Chris Carr: Okay, I think I'm just over time. So I’m going to pause there. Thank you all very much for listening and very happy to take questions. So I’ll hand back to Charles.

Charles Nancarrow: Great. thank you, Chris. And thank you Gareth, for some very interesting presentations which have actually prompted a number of questions from the attendees.

Charles Nancarrow: So I think actually most of them are to do with the sort of Brexit opportunities. So if I put them to you, Chris, is that alright? And I’m gonna do them in the order they came. So first of all we've got John Holmes, whose question was very much about should the focus shift to blue tape?

Charles Nancarrow: So that's really, I guess the requirements imposed by businesses rather than governments, but within a sort of you know, an area which is regulated. So should the focus shift to blue tape from red tape, any thoughts on that?

Chris Carr: Thank you. Yeah. Happy to do these in whatever order. Blue tape is a very interesting one. It's, there was some very good work done a few years ago by the Health and Safety Executive, that the difficulty is it's quite difficult to define what is the role of the state in discouraging or minimizing blue tape. Businesses have to be free to act in their own interests and do their own risk management and risk mitigation. And yes, some blue tape is excessive, because you know it's driven by the sort of legal profession, and the bean counters, and so on. But actually is it, is it for any government to say what's right and wrong in the world of blue tape?

Chris Carr: I think that's the fundamentally difficult question, whereas the classic red tape is that it is clearly the government's responsibility to make policy decisions about what to regulate, and then to deliver and design those regulations in the least burdensome way. So it's, it's essentially a much easier exam question. So I have, I have some sympathy with John's question, but I’m afraid I don't think I have a clear answer.

Charles Nancarrow: Great, thank you. And then a question from Philip Craig. It's what efforts are being made to harmonize simplifying coordinate rules? Particularly in sectors and industries where there are inconsistent or overlapping requirements.

Chris Carr: Harmonize, simplify and coordinate rules in which industry was that sorry?

Charles Nancarrow: It didn't specify the industry, but I guess it was just in any sectors where there are, you know, if there are overlapping requirements, I guess it's part of the general approach to calculation.

Chris Carr: Thank you. So that's partly what I was talking about in the last section. I ah sorry I had waffled for too long and slightly ran out of time, so I truncated that last bit. One of the problems is that whenever you design a regulator and deliver its underpinning legislation, you think primarily about the thing that that regulator is regulating, and what we've ended up with is a complicated landscape, particularly for disruptive businesses and new business models that operate at the margins of multiple different regulators. It's quite difficult, even with quite goodwill. It's difficult for regulators to cooperate to make life easier for businesses that are not clearly in one or the other sector or area, and that's where you get sets of overlapping and ah, unfortunately complex rules, and that is something we're to be honest in the early days of grappling with. We do have a fund called the Regulators Pioneer Fund to help Regulators approach those kind of questions and deal with innovators in a more joined up way. And we have some made some good progress with some projects there, but systematically, it's still quite difficult.

Chris Carr: And personally I think it's one of these things that needs to be addressed through a sort of landscape review to look at where those particular cases are, where there are overlapping and complex sets of rules that really could be simplified for people, and that hasn't been done yet.

Charles Nancarrow: Great. Thank you. Then we have a question from Richard Konet, which is, will the a scrutiny of regulation be reviewed in the development of the regulation or statutes and which is made the point he feels it's needed to ensure the risk assessment remains valid.

Chris Carr: If I've understood that question properly, then I think the answer is yes. When we, as with all good practice in policy, when we change something, we should review its impact, and when we change the better regulation framework and update it as trailed in January, we should be reviewing that six or twelve months later, and publishing a report on whether we feel the moving of scrutiny to earlier in the policy cycle has effective.

Chris Carr: Whether we feel the net impact on the flow of new regulations has been a positive one, etc. So yes, we should definitely do that.

Charles Nancarrow: Great, Thank you. And then from Heather Wakefield. What role do equality impact assessments play in the regulatory process?

Chris Carr: That's a really good question. They have to be done. They're a mandatory part of policy making. At the moment it is not within the remit of the RPC to take action on the content of an equality impact assessment or even, I think to note whether they haven't been done. But there is a a good question to be considered in the new system about when an equality impact assessment ought to be done, and what action should be taken upon it.

Chris Carr: It's something that's slightly more difficult to do at options appraisal stage because you need the data from a slightly more developed policy. But it could perhaps be looked at twice. It could be looked at early as to which option was likely to have greater equalities impacts, and then looked at in more detail later on. But that's definitely something to be factored into the details of the new framework.

Charles Nancarrow: Great, thank you. And then So a question from Sophia Greason, which is about how is the Government going to ensure that the review of EU law retained EU Legislation involves the relevant stakeholders, public and business, who will be affected by the changes? So will, you know, the Brexit opportunities unit be ensuring that departments undertake consultation and put in place safeguards to avoid gaps in the statute book and any legal uncertainty.

Chris Carr: Yes, I mean that's, ah, that's a massive question. That's about three questions in one. But, yes, we will certainly be trying to ensure that that departments follow standard good practice and consult on changes. So, as I said, the first thing we need to do is to try and work out which of these pieces of retained EU law need to be changed, and which ones need to be unchanged. Where they need to be changed,

Chris Carr: we should then consult on the those changes absolutely, and that should involve stakeholders as usual. We should absolutely take care to safeguard against gaps in the statute book arising from the sunset. That's quite a big piece of work that we're kicking off now, because it's going to take us all the full fifteen months to do all the risk mitigation of that. We don't currently know exactly what the legal risks are. We're starting that work now, but we absolutely want to minimize legal uncertainty and protect against any oversight or gaps.

Charles Nancarrow: Great, Thank you. And Victoria Howes has actually left a comment. Which is that really good news around the business impact targets. Welcome the move to more rounded assessments, and Victoria feels it didn't work particularly well for regulators where the key driver was to keep the public safe. So that's a just a feedback comment. A very specific question from Peter Mackenzie Mid Lane, which is Are there any considerations of the EU retained Law Review that would affect defense policy?

Chris Carr: That's an interesting question. I'm I'll have to check with my team, but I’m not personally aware of any retained EU law in the area of defense, because it wasn't an EU competence. But I will double check that.

Charles Nancarrow: And then just another specific question from Michael Conroy Harris about what the rationale is to default to some sets rather than default to retain.

Chris Carr: Ah, that one I can answer, and that that is to do with the incentives for reform. If you default to retain it's quite difficult to persuade people that they need to consider reform. If you default to sunset, everybody is much, suddenly much more interested in having a look at what the laws are.

Charles Nancarrow: Great. Thank you. And then a question from Sarah Chambers on the regulatory landscape. Sarah’s glad that there's a greater appetite to simplify and make this more strategic.

Charles Nancarrow: But is this being applied to the legal services Sector? Sarah's made the comment that there's a plethora of Regulators in overlapping areas and calls from the CMA and others to review this as the market is not working well. But the Ministry of Justice says it's a very low priority. Will this be revisited soon?

Chris Carr: So that's a really interesting point. It's a good example of an area where the landscape is a bit messy and unhelpful. And personally I would welcome it being a part of a review of the landscape. I can't speak for ministers. As I said we, this is quite early days in in this particular area of thinking. And we haven't had any public statements from ministers either way yet. So I’m afraid I can't answer that.

Charles Nancarrow: Okay, Great. Thank you, Chris. So I think that takes us through most the questions that we've had in the chat, if I may ask a sort of final question, Chris, actually, you mentioned the moving the regulatory policy committee work to move it earlier, and you’ve talked about scrutiny and actually the role of the NAO plays within this so perhaps I could bring in Gareth here as well to think about You know the sort of evaluation that that the UK does, and how you see the NAO's position here? With regards to the new thinking,

Chris Carr: Well, thank you. I won't presume to comment on the role of the NAO, but I think that we should even after the business impact target, we should retain some sort of regular or annual review of

regulation in the UK. We should be reporting on even if we can't publish details of scrutiny at Options appraisal stage, we should be reporting on the effectiveness of the system as a whole. Whether the amount of regulation has gone up or down, whether the cost of the regulation has gone up or down. But importantly using the more holistic system, also talking about where the benefits of that regulation have landed.

Chris Carr: So yes, I do think we should be doing regular reviews.

Gareth Davies: Yeah, just to comment from the NAO perspective. I mean the stronger that framework from government, then the more we can rely on its operation. It sounds obvious, but it's a really important principle of our work. But you know where government is being, you know, active in in self review and transparency, then we can focus on other areas.

Gareth Davies: Quite often we find ourselves having to get involved, because there's been little review activity or the or transparent scrutiny. So that's a dynamic process that we obviously will stay in close touch and make sure we understand how it's how it's being developed.

Gareth Davies: While I've got the mic as it were, Charles, I thought, I’d just add one point to the comment from Chris earlier, which I strongly agreed with, and, in fact, just wanted to say that it is to pretty much every bit of government as well as regulation, which is your point about evaluation earlier on Chris. In fact, we feel so strongly about this we published a whole report on Government's approach to evaluation, and the evidence of what works as part of a process for improving delivery and policy over time.

Gareth Davies: So it's, as you say, a weak spot in governments around the world. But you know we have a keen not to accept it as a fact of life, but to push for, further improvement in that. Particularly working on the incentives. This is, you know, as with many things when people are under, you know, resource constraints and pressure for all sorts of priorities, what is it that will make them prioritize, actually learn from the past experience, applying genuine quality evidence to new policy areas. And being prepared to advise somebody very enthusiastic about a new idea that the evidence is stacked up against it. And that's something we’re obviously we’re encouraged by the developments in the Cabinet office with a stronger evaluation unit. That's been working there and keen to maximize the application of evaluation in regulation as part of that. So just kind of all power to your elbow on that on that front, Chris.

Chris Carr: Thank you.

Charles Nancarrow: Great. Well, That brings us to the close of the session, so can I just extend my gratitude, and thanks to Chris and Gareth on what was absolutely fascinating.

Charles Nancarrow: Lots of real food for thought there, and certainly the questions that have come out so I think, show the interest that everybody has in this area. So I'll close the session, as I say thank you to Chris and Gareth. There are a couple of extra questions that came in, but I’m sure They can just be answered in the chat if necessary.

Charles Nancarrow: So we've got a five minute break, and then we're coming back at twelve o'clock for the second panel, which will be introduced by Matthew Reese.

Charles Nancarrow: Thank you very much.

Matthew Rees: Right. I think it just coming up to twelve o'clock, so I'll recommend, so thanks everybody for joining the first part of our Webinar. We're now turning to the second part of our Webinar, which is a panel discussion, and I’m to introduce that the speakers in a minute. My name is Matthew Rees. So I head up the NAO’s commercial hub, and so it's a, we looked at the regulation area with Charles and Sarah. We also look after to corporate finance and commercial insights, and we've published those parts on those areas as well.

Matthew Rees: And if you've got any feedback on this seminar, actually you can drop us a line at commercialhub@nao.org.uk. Be very keen to review that and see how we adapt things for the future. So what I’ll do now, so just introduce the speakers in the order that they're going to talk, and the idea of this is to really develop the first two speakers contributions and the Q&A. So people on the launch definitely keep using the chat function with questions.

Matthew Rees: And so Sarah Pierce is a value for money auditor in our regulations team, and she worked with Charles on the on the study, on regulating after EU exit, and Rachel Merilie is senior director in the office of the internal market at the CMA competition markets authority and Sue Davis, from Which? heads up consume protection and food policy. And last, but not least, Joel Reland is a research associate at UK in a Changing Europe.

Matthew Rees: So he can bring a lot of interesting kind of topics to that. I've set them two quick points. But up to the speakers to really develop this, what really was just in the context of the current government, and looking forward, what do you see as the main challenges for opportunities for regulators now? And then thinking about that going back to the NAO’s report, the operational priorities and strategies that regulators required to address those. So that was the context.

Matthew Rees: But really looking forward to hearing from each of our speakers and keep the questions coming through the chat, and we'll come back to them at the end. So Sarah, over to you first, please.

Sarah Pearcey: Hello, everyone! I was just going to try and give you all a brief summary of our report. It's going to be really brief. I do urge you to go and read it on our website if you want more detail. But the report we published in May, followed on from a lot of work done before EU exit. Kind of looking at preparations across government, and what we wanted to do in this piece was really kind of look at

Sarah Pearcey: where were regulators now? And how had all the kind of preparations for day one and all of the uncertainty about what kind of what would actually happen? How would that resolved itself into kind of what was going on? And then where would might regulators be going? So, given the kind of a lot of the talk was around taking back control. And you know, changing regulation. What did that meant so far in practice? What might it mean in future for Regulators, and how they worked?

Sarah Pearcey: We looked at three regulators. I think everyone kind of knows. We looked at the competition and markets authority. We looked at the Food Standards Agency, and we looked at the health and safety, Executive and Health and Safety Executives regulation of chemicals. And we looked at those three.

Sarah Pearcey: because we'd all done work, we’d done work on all three kind of before EU exit, So we had a good basis, but also because they're actually three different regulators who look at different sectors and who regulate in different ways. And we thought if we found, if we looked at those three, and we found common issues or common challenges then that kind of probably part of provided us quite deeper insight into what was happening across more regulators, and hopefully we'll able to make recommendations that kind of really would speak to more regulators than just those three. In terms of kind of key findings, and where regulators were at, it kind of felt like regulators really met that day one challenge, the kind of the minimum viable product which was talked about a lot before we left. That was there, you know. There were things that needed to be up and running on day one, were up and running on day one. But there was still quite a lot of tail to move from that minimum product to a fully functioning regime.

Sarah Pearcey: and that that was gonna take a relatively long time kind of measurable in in years rather than in weeks or months. So we kind of had things like you know the CMA which I’m sure Rachel will talk about in more detail, but it needed the subsidy control act before the subsidy advice could be formally up and running, and that wasn't passed into law until April this year. You know Fsa's work on controls has been affected by the kind of repeated delays in introducing border controls. And so it's kind of this, pattern of you know, the minimum was there. But there's still a lot more to do.

Sarah Pearcey: We found three common operational challenges as to kind of where Regulators again were at the time being, and the first one was the workloads post EU exit had been really hard to predict beforehand.

Sarah Pearcey: And for at least two of the Regulators we looked at, those workloads were a lot bigger than they thought they were going to be. So, for example, the FSA had had a lot more applications for regulated food products that it was expecting, I think, something like three times the number it was expecting in 2020.

Sarah Pearcey: For HSE, it had a whole set of companies that had imported chemicals from the EU who had never before had to register under the EU reach, because the, there's all the companies that imported from had, and they had, like 5,400 applications from those companies, which was sort of something they had not been able to predict beforehand. Slightly conversely, the CMA actually had a lot less merger activity than it thought it was going to in the first year, but that was probably due to Covid, and it's certainly seen that kind of ramp up since then. So all of that kind of uncertainty, you know the roles and responsibilities they're taking on, kind of the a primary message seems to be, ‘Yes, we do what we've got to do now, and it's probably more than we were expecting.’

Sarah Pearcey: The second kind of big operational challenge was skills and capacity. In a number of cases kind of regulators had had existing issues trying to access the skills they needed. And those were kind of being is that exacerbated by the increased workload, needing more people with those skills, and also by not potentially not being able to access kind of EU job seekers in the same way. I think that comes out in vets, particularly for the FSA.

Sarah Pearcey: But what we found was really interesting was a number of The Regulators were all taking different approaches to deal with that, but they were all really innovative and really quite thoughtful. So whether it was kind of taking people on earlier in their career and trying to train them and build their development in house. Whether it was kind of really rethinking, how jobs might work, and how they could make them more attractive to other people. Or whether it was just kind of really explaining what they did, and how it was as

Sarah Pearcey: interesting and different to what else might be out there. It felt like there was a lot of thoughtful activity going on there to think about how they can, how they can do what they need to do, and have the skills they need to have.

Sarah Pearcey: And the third kind of issues that struck us was about replacing EU systems, not just the kind of the process part that you know, day one up and running. But the EU systems is a kind of a means of gathering soft intelligence or a soft understanding of risk. Whether it be, you know, being able to look at across the kind of systems like Racif, and see what you know, what food alerts other countries were dealing with, how they were dealing with it. Whether it was kind of, you know, sharing confidential information early on kind of competitions and merges cases. And again, there's sort of some interesting, a lot of interesting work going on in terms of finding other data sources, or you know,

Sarah Pearcey: going out to other regulators and trying to share information, but it felt like that was maybe one of the hardest areas to really understand kind of what the impact was, or how to build something to replace it. That kind of quite soft risk based information.

Sarah Pearcey: The kind of the key recommendation we made around that for kind of for all Regulators was really now this was probably quite a good time to stop and work out where they were at, compared to where they plan to be post EU exit. So really think about what does our workload look like? Is it what we plan for? Is it not? And what does that mean in terms of kind of the capacity. How many people we need, what we, you know what they might need to do to prioritize how they think about risk, and how they think about the systems they need.

Sarah Pearcey: That kind of I think that's only been further built upon with the kind of a as a really common theme that's coming out in the public Accounts Committee session on the report, which was the kind of the likely, the impact of inflation on kind of spending review and the future kind of possible financial pressure, and what that would mean in terms of the kind of increase in workload, if the that given those rhetoric at the time about taking the Civil Service back to 2016. But regulators do not have 2016 responsibilities. They have an awful lot more. So that's kind of one area, I think, will be interesting for Regulators going forward.

Sarah Pearcey: Back when we reported, I think the kind of policy direct, you know, policy ambitions were clear. But directions weren't set, and it feels like it's really interesting to hear from Chris Carr from our point of view, as well to get that sense of how things are moving on,

Sarah Pearcey: But it was kind of clear, you know. We had the benefits of Brexit paper. It was clear that changing regulation or taking back control, was going to be a really big thing. but for both regulators and stakeholders there perhaps wasn't a lot of certainty yet about what that would mean, and what that would look like.

Sarah Pearcey: And that certainly felt like a kind of a key thing for everyone in the future to really try and set out what would be changing, and how.

Sarah Pearcey: And then we talked touch on a couple of areas,conscious of time. A couple of areas of other areas are really interesting to us that we touched on with and kind of the UK and international influencing. Now it sort of has its own remit to kind of go out internationally and sort of step out by itself on the world stage. How? What that might mean for kind of setting strategic direction for regulation on that kind of broad stage and setting standards in the future. And again, that felt like a really interesting story that was developing. The other 0ne, of course, is the internal market, which is an entirely new problem. Didn't exist under kind of harmonized EU legislation.

Sarah Pearcey: And I’m sure Rachel will talk a lot about that, because that's her job. But the kind of, there's a development of common frameworks and a lot of kind of sense that good relationships are being built yet, but they still need to kind of be tested in anger as to whether kind of the structures in place to keep the UK kind of working together were actually going to work. Going to stop there, Matthew.

Matthew Rees: Thank you very much, Sarah. So to hand over to Rachel Merelie now.

Rachel Merelie: Thanks. Thanks very much. Thank you, Sarah. Thank you, Matthew, and thank you for the opportunity to speak at this this Webinar. Yeah. My name is Rachel Merelie. I'm a senior director at the Competition and Markets authority with particular responsibility for the office of the internal market, and for the subsidy advice unit.

Rachel Merelie: So post Brexit The competition and markets authorities assumed substantial additional responsibilities, and both in relation to its traditional competition powers, but also in taking on three new functions.

Rachel Merelie: and like many of you, we've also had to be agile, respond to different priorities, some of which, you know couldn't be predicted like the pandemic, the rising cost of living and other things, and I’m sure everybody would agree that the challenging policy and economic environment shows no sign of abating.

Rachel Merelie: But I’m going to take the opportunity today to talk specifically about the two new functions I've been setting up at the CMA.

Rachel Merelie: That’s the Office of the Internal market, often known as the OIM, and another three-letter acronym, the Subsidy Advice Unit, SAU. And I’ll use those just to illustrate briefly some of the challenges and opportunities arising post-Brexit, and our key priorities in addressing those.

Rachel Merelie: so the office of the internal market has been established to give advice to the four governments of the UK on the effective operation of the UK's Internal Market and the subsidy Advice unit will, when we go, live, provide advice to public authorities on subsidies which are most likely to have distortive effects on competition and investment in the UK.

Rachel Merelie: Both functions are advisory in nature and are about supporting governments to consider the ecomonme effects of their policies and markets, including how effectively businesses can trade goods and services across the UK and how well subsidies have been assessed against the subsidy control principles.

Rachel Merelie: So just turning first to the OIM. It's an entirely new function within the CMA. It was officially launched just over a year ago as one element of the UK Internal Market Act, and one of the key challenges facing Regulators since Brexit has been the complicated and changing policy landscape that's emerged. The OIM’s had to take into account the actions of and the relationships between the four governments of the UK. These are dynamic and require careful handling.

Rachel Merelie: It's further complicated by so issues, such as the intergovernmental common frameworks, the Brexit Freedoms legislation, and the deregulatory agenda that we heard a lot of from Chris earlier and the Northern Ireland Protocol.

Rachel Merelie: These issues are not only complex, but continuing to change; and, as I think Gareth referred to earlier, not least with the new administration in Westminster.

Rachel Merelie: Our priority has been to build constructive relationships with officials across all four governments, as well as using the policy insight and experience the CMA already has across the nations to make sure we can operate effectively in this complex and changing environment.

Rachel Merelie: When we first launched the OIM it was officially at official level. We brought together experienced staff from across the CMA tools and professions, as well as recruiting externally. And that was a really important way of managing some of the challenges of getting resources in place. It was for BEIS to appoint our panel chair, Murdoch Mclennan, and he came in in April this year, and we're in the process of appointing an independent OIM panel.

Rachel Merelie: This panel will have an important role in maintaining OIM's independence and governance

Rachel Merelie: and we've already got the OIM panel chair engaging with key stakeholders, including holding constructive meetings with ministers across each of the four governments, and it's. This is one of the ways in which we demonstrate our even handed approach across the four nations, and it's really important in building our trust and credibility.

Rachel Merelie: It's also worth saying that we've received and accepted our first request for advice from the from the defra Secretary of State.

Rachel Merelie: We're currently gathering evidence and preparing a report on how the proposed banning of the sale of peat in England may impact the effective operation of the internal market. So this is our first sort of tangible request, and I think it's going to be really important to deliver this in a timely and robust way, and to demonstrate our sort of value add across the four nations.

Rachel Merelie: Another priority for us is to provide advice and reports, in as evidence based away as possible, we think this is vital. We pulled together the existing data on entry UK trade and likely areas of regulatory divergence in our overview of the UK Internal market which we published earlier this year in March.

Rachel Merelie: And the report’s set the scene for our ongoing, monitoring and reporting role, and is helping us to ah helping to establish us as an expert in the UK internal market, although obviously it's still very early days, and we're now preparing our first annual and five yearly statutory reports which need to be published by March 23,

Rachel Merelie: gathering evidence from a wide variety of sources on how the UK internal market is operating, including through our publicly available web form, through stakeholder engagement, including ah several round tables, as well as bespoke market research.

Rachel Merelie: More generally, we're also developing an OIM data strategy which aims to deliver a better evidence base for understanding how the internal market is working. And this demonstrates that we're responsive to the challenges facing the four governments and businesses, and that we're adding value by enhancing data on inter UK trade.

Rachel Merelie: I'll turn very briefly to the SAU conscious of time, but we've been busy getting ready for the commencement of our functions.

Rachel Merelie: One of the key challenges we found is explaining to stakeholders, who, of course, were very familiar with the EU State aid regime, a very different regime that BEIS has put in place for the UK, which gives the CMA and the SAU a very specific, advisory role only in relation to the most potentially distortive substances.

Rachel Merelie: Again, we're up with prioritizing, publishing clear guidance on our role and engaging with stakeholders

Rachel Merelie: and this as with the OIM, our role brings us close to governments across the UK. And we're learning from the OIM about how best to manage the relationships in an environment where governments may not always be aligned.

Rachel Merelie: it's been pretty exciting, actually, developing a new unit, designing its operations, and, as I say, we can use the lessons learned from the setting up of the OIM to assist us in establishing the SAU.

Rachel Merelie: And we've also learned from other parts of the CMA and other bodies about how to work best, agile and flexibly, because actually the time scales for our SAU reviews we have to provide advice within thirty working days.

Rachel Merelie: That agility will be supported in part by a digitized portal through which requests to the SAU can be submitted.

Rachel Merelie: So in the time available, I've just focused on the challenges we're facing and our key priorities just in setting up those two new functions which are only part, of course, of the overall CMA's role. But I hope that's give you a bit of insight, and I’ll be happy to answer any questions you may have when we get on to that stage of the process.

Matthew Rees: Well, thanks very much Rachel, that’s very interesting, and those of you in the audience do put your questions into the chat. We've got one or two there, I think already. But um

Matthew Rees: feel free to post those ahead, and then once Sue and Joel have spoken we can come back to those. And so I’d like to hand over to Sue Davies, please.

Sue Davies: Thank you very much, Matthew. And good afternoon, Everyone. I wanted to talk about the challenges and opportunities for regulators, unsurprisingly coming from Which?, looking at this from a consumer protection point of view,

Sue Davies: I think that the NAO reports set out really clearly just the scale of the challenge that many of the Regulators that it included have been facing since we left EU exit, and how some of those are still bedding down. Particularly some of the upskilling and taking on of new resources, setting up new systems, where we've had, as Sarah mentioned complex authorization procedures being put in place within the FSA

Sue Davies: We’ve obviously had the CMA, as Rachel has been explaining, taking on huge chunks of new work that are really crucial. And also re-establishing some of those systems that are really crucial as you were saying, sort of soft intelligence, Sarah, which is really important I think in a global context just to understand and share intelligence with other regulators in different countries.

Sue Davies: I think that you know we're obviously having this discussion at a really key and crucial time, where, as others have said, we're just understanding what the new government's priorities are, and how those will be implemented.

Sue Davies: The publication of the Retained EU Law Bill, I think, also gives a really interesting perspective on this, which I’ll talk about in a moment in a bit more detail. But I think also need to see all of this against the backdrop of some wider challenges. Since we left the EU, obviously, we've gone through the pandemic which raised some fundamental challenges for the regulators that the NAO focused on, as well as some other consumer protection Regulators.

Sue Davies: We've seen from the Fsa's point of view, quite significant shifts in terms of some of the models in the way that food was provided. The raised challenges for food safety inspections.

Sue Davies: In terms of regulators like the Cma and the civil aviation authority, we've seen lots of people who were trying to enforce their consumer rights and it, and seeing lots of challenges in terms of how they could actually get refunds that they were entitled to, for example, various scams that that were started during the pandemic.

Sue Davies: But I think what's particularly significant now is obviously the cost of living crisis, and we do a regular consumer insight tracker. And that's just really, really worrying in terms of the sort of financial difficulty that people are facing, and how we're just seeing trends where more and more people are starting to have to cut back on essentials. So the September survey that we just completed, four in ten people were saying they were having to cut back on essentials, but a far larger number were already starting to have to miss payments for certain types of services, for example, and we saw that an increasing number of people are having to miss meals. So sixteen percent of people were saying that they are now skipping meals.

Sue Davies: So I think this this backdrop is dominating everything, obviously, politically, economically. But in people's day to day lives, and also raises some fundamental challenges for regulators that if we're seeing consumers trading down, as our research shows, as inevitably people are. But we're also seeing businesses dealing with increased costs as well, we need to make sure that we've got the right consumer protection framework in place. And I think We've seen a few weaknesses in terms of some of the powers and abilities of regulators in recent years.

Sue Davies: We've been very supportive of the government's proposals, or the previous government's proposals, to strengthen the CMA's power, so that it has stronger fining powers, for example, where it's been unable to enforce consumer rights legislation where people are entitled to particular refunds whether that's been cancelled weddings, cancelled holidays, and it's been, it's very difficult for them to actually enforce it as Rachel will say, where we've had things like secondary ticketing sales where it's taken years and years for them to take action, even when you've got very obvious breaches of consumer protection law.

Sue Davies: If you look at other regulators like the office for product, safety and standards, we've seen that it's got very limited ability to deal with some of the safety issues that we're seeing on online marketplaces. Yet we know that people are increasingly shopping on marketplaces, and don't understand that they don't have the same obligations as if you're going into a more traditional retailer. So we're seeing this constant sort of whack-a-mole situation of unsafe products being on sale, and then potentially coming down for a bit, going back on sale again.

Sue Davies: There's been new trends we've seen like rise of fake reviews that again have been very difficult to actually police, but have fundamental implications for the way that consumers, you know, are influenced, and the choices that they might be making.

Sue Davies: So I think it's a really important time to be, considering how we can strengthen some of these protections, and we had seen some positive commitments. We've been particularly focused on the digital markets, competition and Consumers bill that BEIS is intending to put forward or we're still expecting that to be put forward. But I think the context now of having the retained EU Law Bill at the same time as looking at how we're strengthening some of these protections, raises both opportunities and challenges, because we want to be making sure that we are scrutinizing this legislation, making sure that it's fit for purpose, and that we've got regulators that have the appropriate powers to police the types of markets that we're dealing with now, particularly increasingly digital markets where we've got, we see on the competition side, it's much more difficult for the CMA to intervene. And that’s negative not only for consumers, but also negative for responsible businesses and for innovation

Sue Davies: if there aren't the appropriate powers in place. So we need to make sure that if we have got the retained EU law bill now and the sunset clause at the end of next year, there are huge, as Chris Carr said, there are, you know, huge quantities of legislation that will have implications for consumer protection, from basic food Safety laws

Sue Davies: to rules around and unfair trading practices through to regulation on product safety. So we need to make sure that we review that in an evidence based way, and we make sure that we maintain what's really important and don't have any gaps that we'll leave consumers exposed, but also update that legislation in where it's appropriate.

Sue Davies: So I suppose just in terms of setting out what we would see some of the priorities – going back to the NAOs recommendations, I think that, making sure that regulators have a clear, long term strategy and clear objectives, is really important.

Sue Davies: And being able to take a proactive approach to think about and identify some of the risks that are coming up.

Sue Davies: As part of that we need to make sure that we still have a positive reform agenda, and I think what is really crucial is recognizing that consumer protection is absolutely central to sustainable economic growth and benefiting responsible businesses as well as consumers. If consumers are tied into contracts and can't get out of them, for example, if consumers are buying, products are what they're supposed to be, and getting ripped off, if they're subject to scams, that all feeds through and not only affects consumer confidence as a whole, but also impacts on competition and responsible businesses. So we need to make sure that we pursue that reform agenda and make sure that we've got regulators that have appropriate powers. I mentioned the CMA’s powers. We think that it's digital Markets unit needs to have strong powers to be able to effectively regulate digital markets, but also other regulators like civil aviation authority, need to have stronger powers to be able to hold airlines to account where we've seen obviously, huge amounts of turmoil over the last few months.

Sue Davies: Regulators, therefore, need to have the appropriate resources, skills, and toolkit, and the kind of intelligence systems that Sarah was talking about.

Sue Davies: But then, finally, I think we absolutely have to make sure that we have open and transparent processes for scrutiny of regulation, and particularly in the case of the retained EU Law Bill, we need to make sure that we have a very evidence based process that's open to scrutiny, so that we don't lose really important protections. But make sure that if we are reforming legislation, it's for the right reasons, and will deliver meaningful benefits for consumers as well as for businesses.

Sue Davies: So thank you. That's sort of a rapid overview from our perspective of some of the challenges and opportunities.

Matthew Rees: Well, thanks very much. It's really interesting to hear all of that consumer perspective on things. I think hopefully, that will prompt people's questions as well in the chat to do keep those coming. So I’d like to turn now to Joel to talk, please. Thanks.

Joel Reland: Thanks, Matthew. Yeah. So I work at UK in a Changing Europe, we’re a research organization based at King's College, London. And one of the kind of major pieces of work I do is tracking regulatory divergence. And you know how rules are changing after Brexit. So I’m going to try and give, I guess, slightly more kind of political overview of what we've seen in the last two years or so since Brexit, in terms of how regulation is changing, what the challenges and opportunities are stemming from there. And I think fundamentally the really big thing for Regulators right now is that government is, the big challenge is that Government is still incredibly eager. It is like a almost a child in a in a toy store in terms of the amount of regulation it wants to point at and change and do things with. We have the Brexit opportunities paper in January or February of this year, and it was 108 pages long. That's a vast amount of regulation which it wants to change, but it's the this child in the toy store, still maybe lacking the parent on its shoulder to say that, you know, Do you really need all these toys? You're not going to be able to play with them all where you're going to put them all.

Joel Reland: There's kind of a need to think about how regulation works in practice, and where regulators come into play. And this is already playing out. Government isn’t yet fully facing up to the reality of how much, when you take back control of regulation, that means taking back control of all the processes and bureaucracy that comes with it and it takes time to build up those systems that make new regulation function effectively.

Joel Reland: There's already been a few examples from the NAO Report, actually, which a particularly salient. One is the UKCA mark for manufacturing, for goods. To prove their kind of manufacturing standard is up scratch, which is used to be the EU-CE mark, it’s becoming a new British mark. This largely replicates what was done at EU level. But the process of just copying over the system into the UK is hugely, hugely intensive, because companies, businesses have to get products reauthorized, and we simply don't have the capacity in place to authorize those goods, which means that there have been delays to the deadline for UKCA marks, and so effectively. This is one small piece of regulatory change, and it's been pushed back by years. It's taking a long time, taking up business time to do all these things.

Joel Reland: And so yeah, it's effectively kind of grinding sort of very slowly forwards. But we're not having this, you know, sudden change of system. Another one would be chemicals, where the UK is taking on responsibility for chemicals regulation away from the EU.

Joel Reland: And again they have to get chemicals reapproved in a UK database. This is taking a long time. Deadlines have been delayed, and as a result, I think the any a report pointed out 25% of the Chemicals regulation division, 25% of its time is spent on staff training at the moment, because it's having to build up significant amounts of capacity. It's not even able to do those basic regulatory functions. It's still effectively creating itself to do those jobs that used to be done at EU level, and that means that the UK is not able to regulate as quickly as the EU is. There were ten restrictions which the EU wants to bring forward this year, which the UK won't be following, because I mean a large part of it is probably because it doesn't have the capacity to do all the restrictions that EU is doing.

Joel Reland: And so, when we talk about deregulation or changing regulation, we need to be very frank about the fact that that means creating these new systems, and that is a major process. So we're still talking about regulation, but not talking about the role of regulators, and where that comes into being. And really that is a bit of a reality check on how much and how quickly you can change things. And I don't think Government yet has fully faced up to that fact.

Joel Reland: An additional challenge coming from that is, we now have the retained EU Law Bill which is going to take those issues that I just outlined before and amplify them by 100, because we've potentially got hundreds or thousands of pieces of regulation that ostensibly are meant to be revised or repealed in just over a year's time, which is a mammoth, mammoth undertaking. That's a huge amount of civil certain time into looking at where regulation is going to change.

Joel Reland: Looking into the details, what should be changed? What shouldn't be? And then, in cases where they decide that regulation is sub optimal, you need to design new regulation to take its place, unless you're happy to things just disappear off the statute book. But then there are big questions about, you know,

Joel Reland: are we going to be okay without any regulation in that place? And so there's a huge amount of due diligence and review work which you would normally expect on a normal Government Review cycle to take, possibly several years to carry out. And yet we're expecting to see thousands of regulations reviewed and kind of packed up within a year or so. So potentially you have the risk of yes, regulations just break from the Statute Book, or new regulation, which is not necessarily designed as well as it should be because the time hasn't been that to think through all the constant potential consequences of what practically happens when you move to a new system. And so this could pose a major challenge for Regulators in the coming years, if you have, gradually these problems playing out as we transition to lots of new UK specific regulations all at once.

Joel Reland: So yeah, effectively, there's, there's a big, a big challenge ahead, I think it's an open question as to whether this 2023 deadline will remain in practice or whether a lot of regulation, a lot of the decisions will be delayed to 2026. There is a clause in the retained EU Law Bill allowing to partners to do that. There are also potentially ways clause one brackets 2,

Joel Reland: which could, in theory, I think, allow departments to pass actual bits of, you know, a size which would effectively say, we're going to retain everything that's already on the Statute book, and effectively bypass the deadlines altogether, so that could be quite a lot of you know machinations around the system which mean 2023 isn't the true deadline. But nonetheless, I think it's the single biggest concern and challenge for Regulators at the moment.

Joel Reland: To look in a slightly more optimistic way, I would say, however, that kind of one challenge has been, yes, that we're trying to do so much all at once. And there's almost like a lack of clarity and focus on where the UK might best make use of its regulatory freedom. The Boris Johnson Government had a big emphasis on sovereignty, which I think to an extent meant taking back control of as much as possible, having as many new British systems as possible. Under Liz Truss there's clearly a tonal shift towards an emphasis on growth, and that might mean that we have a clearer set of principles and focus for government. Because I think that's been one big challenge of regulation is not knowing what kind of regulator the UK wants to be after Brexit. It's been about reforming regulation, but not necessarily stating clearly what we want to do with it. If there's a clear message that you know, growth enhancement is the emphasis of all regulatory reform that we do, that gives us slightly greater clarity of purpose.

Joel Reland: It might mean that uh, departments focus on fewer changes, but those which fundamentally align most centrally with what Government wants to do. So I would say that kind of creating a clear agenda for deregulation or re-regulation is something which everyone stands to benefit from regardless of what this principles are, just giving longer term targets and aspirations to work towards, will help clarify thinking across Whitehall and I’ll pose that.

Matthew Rees: Thanks to Joel, and thanks to all of the speakers and covered a whole range of topics there. So I was just looking through the questions, and I’m, I mean certainly welcome contributions from any of the panellist. But I’ll perhaps sort of direct questions to one, and then see who else wants to come in. So this is a question from John Holmes here, and it's probably more for Rachel actually, just to understand the level of coordination and co-working between the Devolved

administrations. Perhaps you could comment on how you see that developing please.

Rachel Merelie: Yeah, thank you, Matthew, and thank you, John, for the question. I mean in terms of the office of the internal market, we work across the four governments and it’s really important we have a, that we are even-handed in our approach to Westminster, to the Scottish Government, the Welsh Government, and the Northern Irish executive, so that that we put a great deal of focus on. One of the ways in which I think we helped to develop the sort of trust of all four nations, all for governments, is in making sure that our approach is as evidence-based as possible. And I referred to that a bit when I was when I was talking. We are focused on the kind of economic and technical impacts of any regulatory divergence and recognize that you know individual nations and governments may have particular reasons for a policy direction that go beyond the economic and the technical. But what we can comment on is the impact on trade, on barriers to trade, and the knock on effects of those across the UK. So that's I guess that's the way in which we are sort of,

we're developing our relationship with all four governments, but also making sure that they see that we have a particular lens, and that the wider policy considerations are something that they still obviously are able to take into account.

Matthew Rees: Thank you Rachel. So anybody else want to come in on that.

Matthew Rees: So it's up to the next question, it really picks up on of obviously the tragedy of Grenfell Tower. But Sue, you talk quite a lot about the consumer issues. So that's just wanted to really widen that to the trade offs. Really between where do you see consumers safety, consumer protection being either at risk or threatened by a deregulatory agenda. And how, how can Government get those balanced right for people?

Sue Davies: Yeah, I mean, I think it's all about how you design the regulation, and making sure that you've got appropriate regulation, and you have the right incentives and disincentives built within the system. And I think there's a danger of just assuming that regulation will be a burden, and therefore needs to be reduced. I think it was very positive that the Government is moving away from the business impact target, and it's simple counting approach, which I think was always flawed,

Sue Davies: and hopefully we will get something in place that does take into account the wider impacts of regulation and benefits for society. I think how you regulate is obviously going to depend very much on the different sectors that you're dealing with. And I think, but certainly yes, I think we can't just strip away sways of legislation, and not be clear about what the risks might be.

Sue Davies: I think what's also crucial is that even when we have regulation, we don't always have effective enforcement regimes in place, and I think we need to be careful with the EU Bill, as well, that the legislation that deals with some of the enforcement mechanisms relating to regulations are reviewed properly to make sure that we've got the appropriate systems in place as well. We see repeatedly that even when consumers have rights, when they need to fall back on those rights they're often on the Regulators either don't have the powers to enforce them, as I mentioned in relation to the CMA, or they're reliant on regulators like trading standards or environmental health And I think it's interesting on the food side, The Food Standards Agency, in its recent report on the status of food standards,

Sue Davies: One of its key risks that it identified was the decline in regulatory services at local authority level. That meant a lot of things that are supposed to be enforced like basic hygiene rules may not actually be able to happen. So I think it's about making sure that you've got the right regulation. But also you've got the right Enforcement system in place.

Matthew Rees: Yeah, thanks very much so. And perhaps to develop that theme and really bring Sarah and Joel into this, there is a couple of other questions really fit,one from Lindsey Demerol, one for Danny Maxson, and I guess the question that it raises in both of those is, you know, who regulates the regulator, and what do we see is the kind of interest of Parliament in really understanding how all of these systems are working.

Matthew Rees: Perhaps Sarah you can comment a little bit from our perspective. And then I come to Joel.

Sarah Pearcey: Yeah, absolutely. I think it's something we certainly think about quite widely. Our principles of effective regulation was a kind of really us setting out with a lot of regulations

Sarah Pearcey: what we thought was important, and the kind of the learning and the kind of you having the appropriate mechanisms in the right place is a really important part of that.

Sarah Pearcey: I think, from our point of view on the piece of work on regulating after EU exi was a little soon to kind of get, see what kind of all the escalation steps would be, and the kind of everything was aligned. But it it's definitely something we've reported on in the past, something we'll come back into that future is the kind of,

Sarah Pearcey: you can't just design regulation. You've got to make sure it works in practice and make sure that kind it has the impact you expect it to, and the right powers that are in place to really enforce as well.

Joel Reland: Yeah. So I think there's a an interesting question which is to come which hasn't really been settled yet. I think we're only just getting started on. How regulators kind of come together to resolve questions? An interesting example which is coming is AI regulation. So the UK is setting out is framework for AI, and there's kind of whereas the EU's approaches largely in quite a EU fashion about comprehensive definitions of AI exactly, what you can do, and you can't do with them. It's kind of overarching about having certain level of control. The UK is thinking about, perhaps more about how it can be slightly more flexible and adaptable with our system. So it can be updated as technology evolves, which makes the UK potentially a more attractive place for investment and development.

Joel Reland: And a central part of that thesis is that sectoral specific regulators will have control over how certain principles of regulation, as opposed to steadfast rules are imposed within their specific sector. So that might be data protection. It might be human rights, it might be manufacturing standards. And so there's a lot more flexibility in autonomy which is potentially a very positive thing, because your system is more rapidly evolving. The flip side of that is that regulators can potentially, sort of, their principles will rob up against one another of their interpreting things in slightly different ways. You might have replication of systems. You might have principles which simply don't align. And so regulators are going to need to be able to speak, find a forum to do that kind of stuff, and to make sure things are moving smoothly. And if this is a tendency that we're going to see across many more future facing areas in future, you know, in the coming months, years and decades, we're going to have to have fundamental systems for doing that, a bit like how the internal market now needs to be managed more, sort of fundamentally because we have different regulations in different parts of the UK. You need to iron out those creases. So these are really big and important questions which, if the UK is going to make a success of having its own UK specific regimes, and is giving more autonomy, more kind of yeah devolving powers down to sort of sector or specific regulators. They need to have that platform to come together and make it work effectively.

Matthew Rees: Excellent. Thanks. So just looking through the questions here, perhaps one I’ll start, and I’ll ask Rachel to comment on briefly, is, This is John Holmes referencing here delivery enforcement and compliance, and CMA has quite a remit across and across this to the enforcement of regulation. You know What do you see perhaps as the as the challenges now for resources and capabilities with the, in that kind of enforcement arena.

Rachel Merelie: Ah, it's a big question, Matthew, and I think on the on the Enforcement sid, obviously I'm not the expert at the CMA, but I think you know we, I think, as Regulators we all face the challenges of making sure that we have appropriate resources in place to ah to be able to carry out an appropriate sort of program of work. And I think your I think the report that Sarah was ah worked on, you know, highlighted some of the recruitment issues, for example, that that regulators

Rachel Merelie: three Regulators you reported on faced. I think we're we, You know we are in a climate where, where, where recruitment can be quite challenging, given some of these the public sector, some of things are happening in the public sector. But we have been finding as I think there was also reference to some kind of creative ways of making sure that we either grow our own, or bring people in on secondment, or make sure that we have the appropriate people in place.

Rachel Merelie: I mentioned that for our new functions actually, I think it was at it was very helpful to be setting those up in the context of a wider organization, with some strong skill sets across a number of different disciplines and that that did allow us to kind of pull on existing resources. But of course we do have to have the necessary people and budgets in order to be able to deliver those. So I suppose I’d start there, and I’m sure others will want to comment further.

Matthew Rees: Yeah, and perhaps just picking up some of those things. Sue, that you mentioned this? I see a lot of pressures on consumers, particularly in lower income brackets. So to what extent do you feel that that the Regulators are actually responding appropriately to protect consumers in those positions, and that their existing powers effectively.

Sue Davies: I think we're only just starting to see some of the impacts and see the sorts of trends. And it's really important Regulators are just anticipating what sorts of risks we might se. I mean, obviously, the Food Standards Agency was a focus of the NAO report. We've previously seen that when we have food prices going up and we know that people are trading down, then that's usually a time when food fraud is rife.

Sue Davies: The Food Standards Agency has its national food crime unit. So it's really important that it's anticipating what the risks might be. But also the FSA has been making the case for it to have stronger powers for some time, so it's important to make sure that it can do what it needs to do.

Sue Davies: I think you know we're seeing Ofgem highlighting, you know, the need for energy companies to be treating consumers fairly. We're seeing lots of issues where consumers are subject to scams, that cuts across a whole range of different regulators.

Sue Davies: But as I was trying to emphasize, I think, just some of those basic consumer protections that we take for granted, consumers really need to rely on. Because people assume that wherever you're buying things from that you often do have the protections, and if regulatory resources are scarce and they can't actually enforce those regulations, then that's when people are increasingly vulnerable so,

Sue Davies: and I think I think a lot of this is, you know, it's still going to play out, so it's about anticipating whether it's going to be the biggest risk, and who are going to be the vulnerable consumers.

Matthew Rees: Great thanks, Sue And there's another question here, actually about international trade. So the question is, how much will negotiations with other countries if a new free trade agreement interact with the domestic regulatory work program. But Joel, perhaps, if you put sort of thoughts on how these various things interact, be useful to start with you.

Joel Reland: Yeah, absolutely. This is a really big area, and a way in which regulation can't exactly happen by the back door. But it's certainly, I think, an area where interest groups and regulators probably need to be inserting themselves in conversations early. If we look at what’s happened already with Australia and New Zealand.

Joel Reland: Kind of there's been, you know, there was a big concern about kind of lowering of animal welfare standards in terms of creating a trade agreement with Australia, because they have different and lower and welfare standards in terms of how they produce their kind of, you know,

Joel Reland: meat. And that's perhaps not so much the issue, but it is nonetheless, it's a big concern for farmers, because, whilst they are not lowering their standards, they are effectively exposed to greater competition from Australian businesses now, which do operate with lower standards, and, you know fundamentally gear their rearing of cattle and other kinds of meat products towards kind of major export markets, and they have these systems where they can do that kind of more, I guess efficiently, is a slightly blunt way of using it, but effectively, You know.

Joel Reland: You have animals in not such good conditions, and so you can produce it at greater intensity and say, your production costs are cheaper, and that makes it harder for British farmers to compete in the UK market, when you have more of these Australian goods coming in, so it's um.

Joel Reland: It's not so much the UK saying right, we're going to transplant Australian regulations onto our statute book, but nonetheless the consequences of that have an effect on kind of certain businesses in the UK. That could happen in other areas other than agriculture in the future. It could happen with genetically modified goods for example, I guess there is a form of agriculture. If you was to make a deal with, say Argentina, which has much kind of, has a very different approach to how it regulates GMO. Defra’s currently looking into re regulating gene edited goods, and potentially, that has some influence on again, how you how you construct your regulations. So yeah, these are kind of very rapidly moving things, and something which we constantly need to be paying attention to.

Matthew Rees: Thanks, Joel. And Rachel, just picking up that from the CMA's perspective. I mean, how do you see your work around subsidies being impacted by these major international jurisdictional themes?

Rachel Merelie: It's a good question, Matthew. We I mean. It's very early days, the sub, for the new domestic subsidy control regime, and of course, the SAU is not the policy owner of that, that sits very squarely with government. But certainly something that we'll need to keep an eye on.

Matthew Rees: Great, thanks Rachel. And if Sarah or Sue, if you have any thoughts on that, and to just to, we'll probably take one more question as well, and to draw this to but any other thoughts on that kind of international constraints and an opportunities point?

Sarah Pearcey: Yeah, I'd, I’d like to come in on that. I think it's, it is both a challenge and an opportunity. There's definitely a, when we spoke to the Regulators about what was going on, there's definitely an opportunity there in terms of some of the roles they're taking on being able to possibly improve some set regulatory standards internationally. So things like the FSA's working closely with Codex elementarius, which is the UN body that kind of sets food standards widely. So there's an opportunity there to actually

Sarah Pearcey: do more to improve standards. I think it's also an additional challenge in the, from the conversations we had, even just preparing for trade negotiations, or doing some of the work to kind of see through them and see things afterwards is an is an additional job for regulators. So if you've got a trade agreement, food is the area that comes up the most, but you know the food standards agency, as we set out in our report, is having to do more work to understand how food standards in other countries, that it, we might be setting up trade agreements with, or have set up trade agreements with, how those are regulated, and what assurance they can take that kind of food that might be coming in is up to the standard that's declared. So I think it's really interesting area for all the Regulators, I think, is one that will continue to kind of be a point of a lot of work and a lot of thought over time.

Sue Davies: Yeah, I mean, we've done a lot of consumer engagement around people's priorities for trade deals and the things that come out top of people's priorities are food standards and surprisingly environmental protection and data protection.

Sue Davies: And so they're all areas that are quite crucial to some of the trade deals that have been negotiated as Joel mentioned obviously Australia, big focus on food. But with the government's drive around digital trade as well, and what government has been saying about moving away from GDPR, then that’s really important that we have an effective regime so people can have confidence that their data is handled appropriately when they’re shopping overseas. But I think it also comes back to Sarah’s point as well about effective engagement within international standards bodies but also recognising when international standards are lower than the standards we’ve got at the moment because within trade deals they’re often a handy default and an assumption that international standards

Sue Davies: will set, you know, a high bar, when actually they're often the lowest common denominator. And so, as Sarah was saying, I think there's a big job in terms of regulators, really understanding what the implications are of the provisions that are going into trade deals when they're being negotiated, because they might come back to hit us further down the line, but where we have a lot of provisions relating to equivalent or mutual recognition, again, that's about really understanding the on the ground realities. We're negotiating with India at the moment. Very different situations, you know regionally as well. So how do we actually make sure that we're able to maintain the standards that people expect within the UK and obviously that that requires effective enforcement again, as well as making sure that the provisions are right.

Matthew Rees: Yeah. Well, that's good. We thank all of the speakers for such a wide ranging discussion at this point, and we're drawing to an end. Really, we've got to just about five minutes left in our session. So perhaps just one final question for you. Just quick fire, one top priority recommendation you have for government in terms of all the things that you've seen. What will it be? I'll put everybody on the spot. Joel, first pick on you.

Joel Reland: Okay, risk sounding like a broken record here, but narrow, narrow, the scope of reform. I think we have been looking now for a couple of years at everything we could change, create a defined set of principles that you want to work towards, and really weigh up, you know, where you have the clearest cost benefit analysis in favor of making that change, so that your reforms are coherent. They hang together across different regulators, and departments have ideas to work towards. Because I think at the moment there's a little bit too much confusion in in the pursuit of regulatory reform.

Sue Davies: Yeah, I would say, recognize how consumer protection is so central to sustainable economic growth. And not see it as a as a burden on businesses, but about how it's about making effective markets and competition work in the right way, which will benefit businesses as well as consumers.

Matthew Rees: Thanks Sue. Rachel, thoughts on this, if you're able to.

Rachel Merilie: Yes, of course. Yes, I mean, I think parochially, introduce the digital competition and Consumers Bill. We talked about the importance of having those strength and consumer Enforcement powers in particular, very keen for that to take place.

Matthew Rees: Very good. Thanks, Rachel. So, Sarah.

Sarah Pearcey: Yeah, I'd say, really um, understand. Get to grips with the risk you're trying to regulate against, and then design a regulatory system that, you know, put to place a regulation system that's actually going to manage that risk. I think it's that, kind of, put the thought into what really is the issue here, and how to resolve it.

Matthew Rees: Thanks, Sarah, thanks everybody.

Charles Nancarrow: Great, so thank you, Matthew. And I’ll just say thank you again to all the speakers. That's been an absolutely terrifically interesting session, and just shows the number of, you know, issues around that are interesting to discuss, and that that we can think about going forward.

Charles Nancarrow: I’m aware that I stand between everybody here and lunch. So really, just to say again, thank to everybody. We're keen to engage with many people on thinking about regulation, and you know, share the insights that you all have, and also from our work. So thank you for all the delegates for attending. Thank you to the speakers. A recording will be available shortly, so if there's anybody that you know that wanted to attend, or you want to watch a bit of this again, it will be available in a few days’ time.

Charles Nancarrow: That's it from me. So thank you to everybody. And do have a nice lunchtime.

Matthew Rees: Thanks, everybody.

Matthew Rees: Thanks, bye.