National Audit Office

REPORT

Regulating for growth

Department for Business & Trade, HM Treasury

SESSION 2024–2026
21 JANUARY 2026
HC 1595

We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and we help improve public services through our high-quality audits.

The National Audit Office (NAO) scrutinises public spending for Parliament and is independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2024, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £5.3 billion. This represents around £53 for every pound of our net expenditure.

National Audit Office

Regulating for growth

Department for Business & Trade, HM Treasury

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 19 January 2026

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

13 January 2026

HC 1595 | £10.00

Value for money reports

Our value for money reports examine government expenditure in order to form a judgement on whether value for money has been achieved. We also make recommendations to public bodies on how to improve public services.

016837 01/26 NAO

Contents

Key facts 4

Summary 5

Part One
Delivering a regulation Action Plan for growth 12

Part Two
Learning lessons from the past 24

Part Three
Changing to support long-term growth 37

Appendix One
Our audit approach 47

This report can be found on the National Audit Office website at www.nao.org.uk

If you need a version of this report in an alternative format for accessibility reasons, or any of the figures in a different format, contact the NAO at enquiries@nao.org.uk

The National Audit Office study team consisted of:

Andrea Jansson, Simran Nijjar and Callum Parris, under the direction of Anita Shah.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

020 7798 7400

www.nao.org.uk

@NAOorguk

Key facts

10

cross-government initiatives since 2005 designed to reduce the cost of regulation to support economic growth

£5.6bn

net annual reduction target for administrative burden on business over the current Parliament

64%

of regulators we surveyed expect innovation to be the greatest determinant of economic growth

16	regulators the Department for Business & Trade (DBT) and HM Treasury (HMT) define as key to economic growth[1]
2017	year that the Growth Duty legislation came into effect, which requires specified regulators to ‘have regard’ to promoting economic growth
71%	of regulators we surveyed that reported implementing the Growth Duty
78%	of regulators responding to our survey and implementing the Growth Duty found DBT’s 2024 Statutory Guidance helpful

1 When HMT published the Action Plan in March 2025, there were 17 key regulators. The Payment Systems Regulator has since been absorbed by the Financial Conduct Authority. In October 2025, the Office for Nuclear Regulation (ONR) was included in an update of key regulator pledges. The ONR is not included in this number.

Summary

Introduction

1 In March 2025 HM Treasury (HMT), published its '*New approach to ensure regulators and regulation support growth*' (the 'Action Plan'). The Action Plan outlines a strategy to encourage regulators and regulation to support innovation and economic growth, and a commitment to cut the administrative burden on business by 25% by the end of the Parliament.[2] The Action Plan makes clear that when regulation is designed and implemented well, it can be a tool to promote growth and investment. Conversely, if poorly designed or implemented, regulation can stifle productivity, investment and growth.

2 Regulation is often designed by individual departments and implemented by regulators. The Department for Business & Trade (DBT) leads on regulatory reform across government. HMT leads on growth and productivity policy. Sponsor departments can set expectations for regulators operating in their policy areas through their strategic steers. Regulators take account of their policy steer, while delivering their statutory duties.

3 The Action Plan builds on past initiatives such as the 2017 Growth Duty, which was introduced by DBT's predecessor. It is a statutory requirement for specified regulators to 'have regard' to promoting economic growth. Since 2005, there have been at least 10 cross-government initiatives designed to reduce the cost of regulation to support economic growth.

2 HM Treasury, New approach to ensure regulators and regulation support growth, March 2025 (viewed on 16 June 2025).

Scope of this report

4 The purpose of this report is to support DBT, HMT, regulators and sponsor departments in their pursuit of growth, as they embark on a new programme of work to deliver the Action Plan. It examines whether government and regulators are aligned in their understanding of how regulation can contribute to growth, and whether DBT and HMT are taking forward the learning from the Growth Duty and previous initiatives. At the time of publication, DBT and HMT are 10 months into the four-year programme. The report covers:

- DBT's and HMT's response to the Action Plan, progress to date, and the challenges to delivering the vision laid out in the Action Plan (Part One);
- lessons from related regulatory initiatives and the implementation of the Growth Duty, and how regulators are held to account (Part Two); and
- how regulators can support long-term growth, and examples of actions regulators are undertaking in the pursuit of growth (Part Three).

5 In this report we have audited DBT and HMT. We also conducted a survey of regulators subject to the Growth Duty, based on a list provided by DBT, with responses from 56 regulators. Survey responses were supplemented by interviews with both regulators and sponsor departments.

Key findings

Delivery of the Action Plan

6 The Action Plan intends to make regulators less risk averse, but DBT and HMT have not asked departments to articulate their risk appetites for regulators. Regulation requires balancing different objectives and risks, and managing the associated trade-offs. For example, a decision to relax affordability standards for mortgages to help more people purchase a home must accept a higher risk of home repossession and consumer distress. DBT and HMT have not yet articulated how regulation can enable growth in the context of balancing objectives with managing, and accepting, greater risk. Without this it is unclear how regulators and sponsor departments can align their strategy for growth and appetite for risk. Some regulators, such as the Financial Conduct Authority and Ofgem, are developing their own frameworks to articulate how their work contributes to multiple objectives, including growth. DBT and HMT have begun work to develop an analytical framework to illustrate how they expect regulation to contribute to growth. They are also working to ensure sponsor departments provide growth-oriented steers to the key regulators. Both of these measures could enable and inform a discussion between departments and regulators on risk appetite, though DBT and HMT have not asked departments to articulate their risk appetite (paragraphs 1.29 and 1.30).

7 **DBT and HMT set up a joint unit (the Unit) to drive the delivery of the Action Plan, but departments and regulators are responsible for delivery.** HMT is accountable for the Action Plan. The Unit is responsible for coordinating the Action Plan and ensuring the programme remains on track. Departments are responsible for delivering a number of actions in the plan, including working with regulators to reduce the administrative burden for businesses, and conducting Secretary of State performance reviews of regulators. Our survey suggests that sponsor departments are well placed to do this. Three-quarters (73%) of the 56 regulators responding to our survey agreed that their sponsor department understands how the regulator impacts growth (paragraphs 1.8 to 1.10, 1.12 and 1.14, and Figure 1).

8 **Regulators are making progress in delivering their pledges but it is too early to assess the impact for businesses or the contribution to growth.** There are 16 key regulators named in the Action Plan, responsible for delivering 60 pledges within 12 months.[3] Approximately half of the pledges were announced or were in place prior to the Action Plan. A number have already been delivered. For example, Ofcom has launched an online tool ('Map Your Mobile') which allows consumers to identify the quality of coverage they are likely to experience from different mobile providers in their area. In September 2025, the Prudential Regulation Authority (PRA) launched a consultation aimed at streamlining and reducing regulatory reporting from banking firms. The changes will come into effect on 31 December 2025 and the PRA estimates they will save banks an estimated £26 million annually (paragraph 1.20, Example 2 and Figure 1).

9 **The DBT-HMT Unit has not yet established a regular reporting cycle to maintain momentum to deliver the Action Plan, monitor outcomes and identify risks.** The Action Plan requires a number of actions and pledges to be delivered. Departments provided updates in April, July and October, but without a central monitoring plan shared with departments, requests from the Unit have appeared ad-hoc. The Unit is in the process of establishing a timely reporting cycle to monitor delivery of the Action Plan and identify risks. In October 2025, HMT published a detailed progress update including key performance indicators for the key regulators and corresponding performance. The Unit intends to update these quarterly, to ensure regulators are held to account to demonstrate improvements. It is too early to assess the impact the Action Plan is having for businesses and growth, but the Unit does not have a fully developed strategy to monitor and evaluate the impact of the actions on growth. It plans to use research such as the Business Perception Survey and impact analysis of reforms to do this (paragraphs 1.12, 1.14 to 1.17, 1.20 and 1.21).

3 There were originally 17 regulators identified by DBT and HMT, but since the Action Plan's publication the Payment Systems Regulator has been absorbed by the Financial Conduct Authority. In October 2025, the update on key regulator pledges included two new pledges for the Office for Nuclear Regulation and removed two pledges from Ofgem, one of which was included in the overall progress update.

10 **The DBT-HMT Unit must rely on departments to deliver the 25% administrative burden reduction, but departments do not have individual targets.** The Unit estimates that the 25% administrative burden reduction target equates to a net annual target of £5.6 billion by the end of the Parliament. Departments do not have individual targets. Departments will submit annual simplification plans to the Unit each Spring, but it is too early to know whether departmental plans to reduce the administrative target will sum to 25%. In October 2025, the Unit was establishing how it will monitor progress between iterations of plans and intends to monitor the high priority measures. The Unit has published, though not independently validated, £1.5 billion in gross administrative savings but concluded progress was 'off track' to deliver the 25% reduction (paragraphs 1.13 to 1.15 and 1.21).

11 **The administrative burden is only one part of the regulatory cost to business.** The administrative burden is a subset of the overall regulatory cost to business and narrower than what is currently used in government impact assessments. It is the additional expense incurred to demonstrate and report compliance with regulation. For example, when a landlord gets an Energy Performance Certificate (EPC), the administrative burden is the cost of generating the certificate. It does not include the costs associated with insulating premises to comply with regulatory requirements (paragraphs 1.22 to 1.24 and Figure 2).

12 **There is a risk that costs imposed by new legislation outweigh any decrease in administrative burden, and businesses do not notice a reduction.** The administrative burden reduction target is £5.6 billion. Businesses may find themselves subject to greater costs, even if departments and regulators succeed in generating administrative savings, as a result of new policy measures designed to benefit society. For example, in 2021, reforms to the energy efficiency requirements of homes were estimated to deliver a social benefit of £4.5 billion over 70 years, but cost business £4 billion over 10 years. The administrative burden target also has exclusions such as building safety regulations. Our 2016 report on the Business Impact Target (BIT) noted that the BIT also had exclusions such as the National Living Wage and Apprenticeship Levy. The report noted this may have undermined the programme's credibility with businesses, departments and other stakeholders (paragraphs 1.13, 1.25 to 1.26, 2.4 and 2.5).

Learning lessons

13 **The 2005 and 2010 programmes successfully cut costs to business and prioritised high impact measures.** Historically, a small number of measures account for a significant proportion of savings or costs to businesses. DBT's predecessor reported that the Administrative Burden Reduction Programme achieved a 27% reduction between 2005 and 2010. In 2008 we found the Programme benefited from departments prioritising reductions in high-cost areas and issues that matter most to business. Similarly, the government estimated that it reduced regulatory costs to business by £10 billion between 2010 and 2015, and our 2016 report found that over 90% of the reduction in regulatory costs to business over this period was due to just 10 changes. Neither DBT nor HMT formally evaluated previous initiatives to understand why some programmes were more successful than others (paragraphs 1.27, 2.3 and 2.4).

14 **DBT has not systematically monitored regulators' implementation of the Growth Duty, cannot confirm whether the duty has had an impact on growth, and has been unable to share good practice or hold regulators to account.** DBT does not have a definitive list of which regulators are in scope of the Growth Duty and has no mandatory reporting arrangements in place to monitor implementation or outcomes. It conducted a round of voluntary reporting in 2024, but only 18 regulators responded, making it challenging to evaluate whether the legislation has had its intended impact. As a result, DBT cannot confirm which regulators have implemented the duty, or how, and has been unable to share good practice or hold regulators to account. DBT intends to reform the Growth Duty so that the legal framework is clearer and more focused. Since the introduction of the Growth Duty there has been limited Parliamentary scrutiny, with only four select committee hearings mentioning the Growth Duty (paragraphs 2.17 to 2.22 and Figures 5 and 7).

15 **Our survey found that the majority of regulators are changing how they operate as a result of the Growth Duty.** Nearly three-quarters (71%) of the 56 regulators we surveyed report taking specific actions to implement the Growth Duty.[4] Changes include updating impact assessments to consider growth, ensuring growth is a more prominent consideration in decision making, and publishing external reporting on implementation of the duty. For example, Ofgem told us that the Growth Duty contributed to the decision to accelerate an additional £28 billion investment in large strategic onshore electricity transmission projects, with the ambition of facilitating growth by enabling connections to meet new industrial demand. In 2024 the Information Commissioner's Office launched an online tool to help small businesses, and it has since been used by 6,000 businesses to generate privacy notices (paragraphs 2.10 to 2.13, 3.5, and Example 1).

4 We have not audited regulator actions or implementation. We therefore do not comment on the effectiveness of them.

16 Regulators find guidance and engagement with DBT and HMT helpful. The majority of regulators (78%) responding to our survey and implementing the Growth Duty found DBT's 2024 Statutory Guidance helpful, and overall nearly 70% agree it provides a clear definition of growth. Regulators we spoke to also confirmed engagement with DBT and HMT was helpful to understand the policy direction of the Action Plan. By October 2025, the Unit had issued guidance to aid consistent reporting of the administrative burden target and Secretary of State performance reviews (paragraphs 1.10 to 1.11, 1.14, 1.18 and 2.14 to 2.16).

17 Regulators tell us that innovation in the sectors they oversee will be the greatest driver of growth over the next decade. Nearly two-thirds (64%) of regulators responding to our survey expect innovation to be the greatest determinant of economic growth over the next 10 years, and 61% identified it as the main driver of growth that they contribute to. Responses to our survey suggest that regulators are supporting innovation in a number of ways, including reducing the costs of compliance, changing organisational design to support the sector, and reducing barriers to innovation in the sector (paragraphs 3.2 and 3.4, and Figure 9).

Conclusion on value for money

18 The Action Plan makes clear that regulation has a vital role in protecting individuals and the environment. It also sets a clear expectation that policy makers and regulators must support growth and innovation and become less risk-averse. In order to achieve the government's vision, DBT and HMT must articulate how regulation can support growth and manage risk simultaneously, and acknowledge the trade-offs regulators face. At present DBT and HMT are not helping departments articulate their risk appetite, which can make it challenging for regulators to operate in line with their sponsor department's expectations.

19 We found evidence that regulators are implementing changes in response to the Growth Duty, and the new Action Plan is stimulating further action. However, we cannot conclude whether this has had a material impact on growth, because DBT and HMT do not have the data. There are lessons that can be learned from how the Growth Duty and other historic initiatives were implemented. These include prioritising actions that have the greatest impact and implementing structured monitoring of both impact and outcomes. DBT and HMT must formalise an implementation plan around which departments and regulators can coalesce, with effective governance arrangements to monitor outcomes for growth and hold departments and regulators to account.

Recommendations

a DBT's and HMT's joint unit (the Unit) should develop an Action Plan implementation plan and monitoring arrangements by Spring 2026. This should include:

- milestones for regulators and departments that span the whole Action Plan, and a quarterly internal reporting cycle to report progress and risks;
- a reporting timetable to track progress, and flag risks in a timely manner; and
- arrangements for data validation, interim and final evaluation of the programme.

b The Unit should draw together a package of work that will help Secretaries of State and select committees hold regulators to account for delivery of commitments and more broadly contributions to the growth agenda, within six months. This should include:

- a risk-based framework that articulates how regulators contribute to growth, their trade-offs and levers;
- innovation and good practice to encourage growth identified through the cross-government regulators' working group; and
- an engagement plan to share the framework with select committees.

c In light of the government's commitment to strengthen the Growth Duty, DBT should:

- work with regulators to identify which regulators and regulatory functions are in scope of the Growth Duty, and set this out publicly; and
- review the monitoring framework.

d DBT and HMT should improve the monitoring of administrative burden to business by:

- amending the guidance for regulatory impact assessments conducted for new legislation and by regulators, to make sure future assessments distinguish the administrative burden from the overall cost to business; and
- identifying the regulatory actions with the greatest impact and support departments and regulators to deliver these.

Part One

Delivering a regulation Action Plan for growth

1.1 In March 2025 HM Treasury (HMT) published its '*New approach to ensure regulators and regulation support growth*' (the Action Plan) outlining a new strategy to encourage regulators to support innovation and economic growth. The Action Plan makes clear that, when regulation is designed and implemented well, it can be a tool to promote growth and investment.

1.2 Regulation can support economic growth as well as other policy objectives such as protecting consumers and the environment. Effective regulation can stabilise markets, promote competition, and build trust with both consumers and investors. Conversely, if poorly designed or implemented, regulation can stifle productivity, investment and growth.

1.3 Regulations and regulatory powers derive from legislation. Government departments are responsible for setting legislation to meet policy outcomes. Regulators are typically responsible for the implementation of legislation while delivering their statutory duties, and tend to act independently of government. The Department for Business & Trade (DBT) leads on policy design for regulatory reform across government, while HMT leads on growth and productivity. Where regulation allows, departments can also set out their expectations for regulators operating in their policy areas through strategic steers.

1.4 This chapter assesses early progress towards delivering the Action Plan and identifies the risks to achieving the intended policy outcomes. This chapter sets out:

- an overview of the Action Plan and responsibilities;
- the progress to date; and
- the challenges to delivering the Action Plan and its vision.

The Action Plan: overview and key responsibilities

1.5 The Action Plan outlines a vision for targeted, proportionate, transparent and predictable regulation that supports innovation and growth. It applies to all bodies exercising regulatory functions in the UK but includes targeted reviews and pledges made by a group of 16 regulators DBT and HMT identified as key to economic growth (key regulators).[5]

1.6 The Action Plan makes clear that realising its vision means ensuring regulation is proportionate and at a minimum cost for business. It sets out to strengthen regulator performance and capability, ensure robust accountability and make sure regulators' duties are clear so they are empowered to focus on what matters.

1.7 The Action Plan comprises four pillars: three 'actions' (tackling complexity, reducing uncertainty, challenging excessive risk aversion), and a collection of 60 pledges from regulators.[6] Each action covers multiple objectives, such as the delivery of a 25% reduction in administrative burden on business by the end of the Parliament. Some objectives apply to all regulators, while others are more targeted (**Figure 1** on pages 14 and 15).

1.8 HMT is accountable for delivering the Action Plan. DBT and HMT have set up a joint unit (the Unit) with responsibility for coordinating the Action Plan. This includes monitoring the progress of departments and regulators (Figure 1) in delivering each action and pledge, and ensuring the programme remains on track. The Unit reports directly to the Financial Secretary to the Treasury. DBT's regulation team continues to report progress to the Minister for Small Business and Economic Transformation on regulation policy more broadly.

1.9 Departments and regulators are responsible for delivering the actions within the Action Plan. The Unit expects each department to appoint a Senior Responsible Owner (SRO) to deliver the Action Plan and oversee regulator pledges in their policy areas. This includes developing a delivery plan to achieve the changes.

1.10 The results of our survey suggest sponsor departments are well placed to work with regulators to deliver the growth agenda. Of the 56 regulators responding to our survey, nearly three-quarters (73%) agreed that their sponsor department understood how they could impact growth. Nearly two-thirds (63%) of regulators responding to our survey consider their organisations to be supported by their sponsor departments.

5 The key regulators are as follows: Civil Aviation Authority; Competition and Markets Authority; Environment Agency; Financial Conduct Authority; Food Standards Agency; Health and Safety Executive; Information Commissioner's Office; Medicines and Healthcare products Regulatory Agency; Natural England; Ofcom; Ofgem; Office of Rail and Road; Ofwat; Prudential Regulation Authority; Payment Systems Regulator; The Pensions Regulator; National Institute for Health and Care Excellence. Eleven of these regulators are also in scope of the Growth Duty, and ten responded to our survey. The original number was 17, but since the Action Plan's publication the Payment Systems Regulator has been absorbed by the Financial Conduct Authority. In October 2025, the Office for Nuclear Regulation was included in an update of key regulator pledges. The scope of the Growth Duty and Action Plan is set out in Figure 5.

6 The October 2025 update also included 60 pledges from regulators, but this included two new pledges from the Office for Nuclear Regulation and removed two pledges from Ofgem.

Figure 1
Overview of the governance arrangements for the Action Plan

HM Treasury is accountable for the Action Plan but relies on the joint unit and departments for delivery

Objectives	Who is in scope	Who is responsible	Who is accountable	Deadline
Action 1: Tackle complexity				
Reduce administrative burden by 25%	Central government departments, regulators and public bodies funded from central government[2]	**Joint unit:** for monitoring and driving cross-government delivery **Central government:** for delivering departments' own contribution to the 25% target	HM Treasury	By end of Parliament
Streamline regulation, licensing and approvals	British Hallmarking Council, Companies House, Environment Agency, Financial Conduct Authority, Groceries Code Adjudicator, Office of the Regulator of Community Interest Companies, Payment Systems Regulator, Pubs Code Adjudicator	**Joint unit:** for monitoring and driving cross-government delivery **Sponsor departments:** for implementing collectively agreed actions	HM Treasury	2026
Action 2: Reduce uncertainty				
Implement departmental reviews of regulator duties and provide growth-focused strategic steers for regulators	All regulators[3]	**Joint unit:** for monitoring and driving cross-government delivery **Sponsor departments:** for implementing collectively agreed actions	HM Treasury	2026
Publish performance against, and review, authorisation targets	16 key regulators initially[4,5]	**Joint unit:** for monitoring delivery **Sponsor departments:** for monitoring actions and impact	HM Treasury	Quarterly
Action 3: Challenge risk aversion				
Improve accountability through Secretary of State performance reviews	16 key regulators[4]	**Joint unit:** for monitoring and driving cross-government delivery **Sponsor departments and regulators:** for implementing collectively agreed actions	HM Treasury	Bi-annual
Implement departmental reviews and initiatives to encourage innovation	Medicines and Healthcare products Regulatory Agency, Civil Aviation Authority, Ofcom	**Joint unit:** for monitoring and driving cross-government delivery **Sponsor departments:** for implementing collectively agreed actions	HM Treasury	2026

Figure 1 *continued*

Overview of the governance arrangements for the Action Plan

Objectives	Who is in scope	Who is responsible	Who is accountable	Deadline
Annex: Regulator pledges				
Drive pro-growth activity by key regulators	16 key regulators[3]	**Joint unit:** for monitoring delivery **Sponsor departments:** for monitoring actions and impact	HM Treasury	March 2026

Notes

1 This is a simplified version of the Action Plan. It is not an exhaustive list of the commitments and measures included in the plan. We set the deadline to 2026 as it is the latest deadline provided in the delivery plans submitted by departments at time of drafting. Regulator pledges are deliverable within 12 months after the March 2025 publication, and the administrative burden reduction target is due by the end of Parliament.

2 The administrative burden reduction covers all bodies controlled and financed by central government. This includes executive agencies, non-departmental public bodies, regulators and arms-length bodies for which departments have to account to Parliament. It includes regulators which are funded by levy/fees.

3 Action 2 covers multiple reviews, some of which are performed by named sponsor departments that have a smaller set of regulators in scope. Others are landscape reviews where the regulators in scope are not specified.

4 The 16 key regulators are: Civil Aviation Authority; Competition and Markets Authority; Environment Agency; Financial Conduct Authority (FCA); Food Standards Agency; Health and Safety Executive; Information Commissioner's Office; Medicines and Healthcare products Regulatory Agency; National Institute for Health and Care Excellence; Natural England; Ofcom; Ofgem; Office of Rail and Road; Ofwat; Prudential Regulation Authority; and The Pensions Regulator. There were originally 17 key regulators but since the Action Plan's publication the Payment Systems Regulator has been absorbed by the FCA. In October 2025, the Office for Nuclear Regulation was included in an update of regulator pledges.

5 The Unit intends to expand the performance reporting reforms to a wider group of regulators going forward, but the scope and timing is not agreed.

6 This figure is based on National Audit Office judgment rather than an existing matrix developed by HM Treasury or the Department for Business & Trade. At time of drafting this did not exist.

Source: National Audit Office review of Department for Business & Trade and HM Treasury governance and policy documents

1.11 Regulators do not have a consistent understanding of the different definitions of growth used by their sponsor departments, DBT and HMT. Of the regulators responding to our survey, 68% agree the statutory guidance on the Growth Duty provides a clear definition of growth. However, nearly half (48%) report that they do not know how their sponsor departments define growth.[7] Although eight of the nine key regulators in scope of the Growth Duty indicated they know how HMT defines growth, only half of the remaining regulators agreed.[8]

7 This represents the proportion of all respondents that responded to the survey, rather than to the specific question on sponsor departments' definitions, which was a non-mandatory question. One respondent opted not to respond to these questions. If this had been excluded from the base-size the proportions would have been 49%.

8 This represents the nine (out of 10) key regulators that responded to the question, which was non-mandatory.

Progress to date

1.12 Most departments submitted delivery plans for the Action Plan in April 2025, and reported on progress status in July. For the 28 out of 34 departmental actions agreed, 22 (79%) of the 28 were considered to be 'on track' or delivered. Departments did not provide status updates for the remaining six actions. DBT completed a review of progress based on updates and engagement with departments. Sponsor departments also provided progress updates for the 60 key regulator pledges, 87% of which are on track or delivered. In October 2025, the Unit commissioned a second round of reporting, though it did not track comparable data. Later in the same month the Unit publicly reported a detailed progress update of the Action Plan.

Action 1: Tackle complexity and the burden of regulation

1.13 The government intends to reduce the administrative burden to business by 25% over the course of the Parliament, which the Unit estimates translates into a £5.6 billion net annual reduction. The £5.6 billion target is based on the Unit's estimate of annual baseline administrative burden on businesses of £22.4 billion. The Unit took a pragmatic approach in calculating the baseline by using adjusted data from a similar previous exercise and recent data from the Business Perception Survey and Office for National Statistics wage data with the aim of minimising the cost and time it takes to complete original analysis.

1.14 Departments have not been allocated individual targets but will submit annual simplification plans to the Unit. It is too early to know if the plans will sum to the 25% target by the end of the Parliament. DBT's assessments in July and October 2025 both concluded progress was 'off track'. In October 2025, the Unit identified and published, but did not independently validate, £1.5 billion in gross administrative savings; this compares with the net target of £5.6 billion. Going forward, DBT and HMT will rely on departments to produce internal annual simplification plans (to be submitted from Spring 2026) and track progress against the plans. In practice, this means departments will need to work with regulators to gather information on progress. In October 2025, the Unit produced a template for these simplification plans, with guidance and a standardised calculator to estimate administrative savings and burdens, to support departments to do this.

1.15 Action 1 includes 16 initiatives in total. The administrative burden reduction is the headline commitment, but the action also speaks to streamlining the regulatory landscape, including reforming environmental permits and planning. Over half (eight) of the remaining 15 actions, predominantly relating to planning and licensing, were considered on track as at July 2025. One has been delivered: the Department for Environment, Food & Rural Affairs' reduction of fees associated with the import and use of certain chemical substances. The new fees came into effect on 1 April 2025.

Action 2: Reduce uncertainty across regulatory system

1.16 Five departments are required to undertake 12 targeted reviews. The reviews span streamlining regulators' duties and objectives; simplifying the landscape; and improving processes and legislation. In July 2025 departments provided delivery status updates to the Unit for 11 of these: 10 were 'on track' and one had been delivered. By October 2025, DBT did not have a comparable update, but a number of the reviews had been completed, including the systems review of the water sector and the targeted review of the Financial Conduct Authority.

1.17 The Action also covers authorisation targets and a commitment to publish the associated key performance indicators (KPIs). In October 2025, DBT published a list of KPIs, and corresponding performance, for the key regulators. It plans to update quarterly. DBT intends to expand KPI reporting to a wider group of regulators. DBT has not yet agreed which regulators will be in scope, or when this will happen.

Action 3: Challenge and shift risk aversion in the system

1.18 Secretaries of State for sponsor departments are now required to conduct bi-annual performance reviews for the key regulators and monitor performance with business through KPIs. The sponsor departments we met find the structure and focus provided through these reviews helpful. During the summer, DBT and HMT produced guidance that set the expectations for these reviews, which was also welcomed by sponsor departments. As of October 2025, nine out of 16 reviews have taken place.

1.19 The Action Plan also commits the Regulatory Innovation Office to work with sponsor departments and their regulators to support innovation in their sectors. Departments have reported to DBT that three out of these four innovation initiatives are on track.[9]

9 These departments were the Department for Business & Trade, the Department for Transport, the Department for Health & Social Care, and the Department for Science, Innovation & Technology.

Regulator pledges

1.20 The Action Plan includes 60 pledges, initially made by the 17 'key regulators', due to be completed by 31 March 2026.[10] By July 2025, all pledges had delivery plans in place and two have been delivered. For example, Ofcom has launched an online tool ('Map Your Mobile') which allows consumers to identify the quality of coverage they are likely to experience from different mobile providers in their area. Approximately half of the pledges are new, speed up, or expand existing activities. The remaining half were announced or were in place prior to the Action Plan. Nine out of 10 key regulators responding to our survey are willing to go further than their Action Plan pledges.[11] It is too early to assess the impact for businesses or the contribution to growth.

Challenges to delivering the Action Plan and its vision

Monitoring and escalation

1.21 DBT and HMT have set up a joint unit which is responsible for coordinating the Action Plan and holding departments accountable for delivery on behalf of HMT. There remain challenges to coordinating successful delivery of the Action Plan.

- It is not clear how the Unit will hold departments to account or maintain momentum over the course of the Parliament. The Unit has not established a regular and timely reporting cycle to monitor delivery of the Action Plan, validate data and identify risks, but it is in the process of doing so. Departments provide DBT with progress updates when asked, but, without a central monitoring plan shared with departments, requests from the Unit have appeared ad hoc. The October 2025 published update did not specify whether regulator pledges, ministers' reviews, or delivery of the 25% target are on track. Regular and consistent monitoring is essential to ensure accountability, in accordance with HMT Green Book guidance.

- Departments will submit annual simplification plans to the Unit. These will focus on the administrative reduction burden target. The Unit is in the process of establishing how it will monitor progress between iterations of annual reports and intends to monitor the high-priority measures.

- The Unit reports risk to the Growth Delivery Unit in HMT and the Industrial Strategy Permanent Secretary Delivery Group in DBT. It also has the option of escalating risks to the Permanent Secretary Business and Growth Group and to the Growth Mission Board. However, without regular reporting processes in place, it is not clear how the Unit will ensure the correct information is given to the right people at the right time to enable course correction.

10 When HMT published the Action Plan in March 2025, there were 17 key regulators. The Payment Systems Regulator has since been absorbed by the Financial Conduct Authority. In October 2025, the update on key regulator pledges included two new pledges for the Office for Nuclear Regulation, but removed two pledges from Ofgem, one of which was included in the overall progress update instead.

11 Regulators were asked if they had plans to "undertake any other activity as a result of the Regulatory Action Plan".

- It is not clear how the Unit will identify good practice within departments and regulators to share lessons that could support delivery of the Action Plan.
- It is too early to assess the impact the Action Plan is having for businesses and growth, but the Unit does not have a fully developed strategy to monitor and evaluate the impact of the actions on growth. HMT has done early analysis to assess the possible impacts of the administrative burden reduction target on GDP. Going forward, it plans to use research such as the Business Perception Survey and impact analysis of reforms to assess the level of savings delivered.

Reducing the burden on business

1.22 The administrative burden is a subset of the administrative costs, which are a subset of regulatory costs to business (**Figure 2** overleaf). Government guidance for Regulatory Impact Assessments requires departments to calculate the administrative costs and wider regulatory costs to business. It does not, at present, require departments to identify the administrative burden. For example, in 2024, DBT estimated the costs for employers associated with the Right to Guaranteed Hours policy within the forthcoming Employment Rights Bill regulations. It did not estimate the administrative burden, but expected administrative costs of the policy to be around £160 million annually. The total direct cost to business of the policy was expected to be £230 million annually, though DBT estimated that the overall costs to business could be up to £4.7 billion across the 10 year appraisal period.[12]

1.23 In June 2025, DBT and HMT shared guidance with departments on how to calculate the administrative burden**.** It is the expense incurred to demonstrate and report compliance with regulation. For example, when a landlord gets an Energy Performance Certificate, the administrative burden is the cost of generating the certificate. It does not include the costs associated with insulating premises to comply with regulatory requirements.

12 The total direct cost to business is also known as the ‘Equivalent Annualised Net Direct Cost to Business’ (EANDCB). This includes both administrative and compliance costs.

Figure 2

Different types of regulatory costs and benefits to business

There are different types of costs to business, which are balanced against savings and benefits

Regulatory costs to business

Financial costs: transfers of money to government. For example, through taxes.

Substantive compliance or 'policy' costs: the costs that are required to meet the policy objective. For example, insulating premises to comply with Energy Performance Certificate requirements.

Administrative costs: the costs to business to ensure, record and demonstrate compliance with regulations. The Department for Business & Trade breaks this down into:

1. Business-as-usual administrative costs: for example, financial reporting

2. Administrative burden: for example, additional cost caused by duplicated reporting requirements or delays

Benefits and savings to business

Direct benefits: for example, increased sales or savings through improved regulatory processes

Wider benefits: for example, cheaper borrowing costs as a result of increased confidence in the market

The cost to business used in Regulatory Impact Assessments[2]

Costs subject to Action Plan reduction target

Notes

1 Administrative costs and policy costs can overlap.

2 This is the Equivalent Annualised Net Direct Cost to Business (EANDCB) used in Regulatory Impact Assessments (RIAs). Since 2015 the EANDCB has been estimated in RIAs and is reviewed by the Regulatory Policy Committee. It was used to measure delivery of the Business Impact Target (BIT) which was abandoned in 2023. RIAs should contain an estimate of the EANDCB as well as Net Present Value (NPV) to business in accordance with the Better Regulation Framework. The NPV shows the present value of all benefits to business less the present value costs to business, including indirect costs.

3 The cost to business included within the bold line is also sometimes called 'compliance cost', referring to all costs of complying with regulation apart from financial costs. According to the UK Standard Cost Model produced for the Administrative Burden Reduction Programme, these are divided into 'substantive compliance costs' and 'administrative burdens'.

4 The Department for Business & Trade's and HM Treasury's joint unit estimated that the baseline administrative burden on business is £22.4 billion. Its baselining approach draws on existing evidence from the Administrative Burden Reduction Programme (running 2005 to 2010), timeseries data from the Business Perception Survey (BPS), and wage data from the Office for National Statistics. The joint unit used question B2 of the BPS to calculate this baseline, which is likely to capture wider regulatory costs to business rather than the administrative burden alone.

Source: National Audit Office review of the UK Standard Cost Model and HM Treasury and Department for Business & Trade guidance

1.24 DBT's definition of the administrative burden is not fully understood. Not all regulators or business trade bodies understand how the administrative burden is measured. This confusion could undermine the credibility of the Action Plan.

- In June 2025 departments submitted 672 measures likely to impact costs for businesses (positive and negative) over the Parliament. Just under one-third (29%) quantified the financial impact on business. Since not all departments could isolate the administrative burden, this financial impact includes alternative measures that cover wider compliance costs.[13]
- One-fifth (21%) of regulators responding to our survey stated that they knew their administrative baseline, but had interpreted this as the compliance burden on business or the regulators' own administrative costs, rather than the narrower definition of the administrative burden used by DBT and HMT.
- Industry representatives we spoke to have also interpreted the target as broader costs to business.

The Unit told us it expects departments and regulators to have a better understanding of the administrative burden definition by the time this report is published, as a result of the Unit's engagement and guidance.

1.25 The baseline administrative burden on business excludes some significant regulatory costs. For example, it excludes the administrative burden of building safety regulations, which the Ministry for Housing, Communities & Local Government estimates is between £1.1 billion and £1.7 billion.[14] These costs are excluded from the baseline and the target as the government has committed to reviewing the statutory guidance accompanying Building Regulations, as part of its response to the Grenfell Inquiry.

1.26 The administrative burden is a net target. There is a risk that, even if departments and regulators succeed in reducing the administrative burden, businesses do not perceive the benefit because of increased costs to business as a result of new policy measures. Based on data collected by DBT and HMT during summer 2025 from sponsor departments, we found that around two-thirds (65%) of the costed legislative measures were expected to generate a net cost to business rather than a reduction.

13 For example, our review found 10 measures where departments had used the EANDCB to quantify expected impact.
14 The Ministry for Housing, Communities & Local Government calculated this estimate in line with DBT and HMT's approach to estimating the administrative burden baseline. The methodology is described in the technical annex published alongside the progress update in October 2025.

Prioritisation

1.27 DBT and HMT will need to do more to ensure all the legislative changes are quantified in order to prioritise legislative changes that have the greatest impact. Historically, the burden of regulation has been driven by a small proportion of regulatory measures. We reviewed published impact assessments linked to related opinions produced by the Regulatory Policy Committee between 2020 and 2024.[15] Since 2020 around 100 published impact assessments reviewed by the Regulatory Policy Committee reported a costed impact on business from new legislation. They indicate an increase in the annual net direct cost (compliance and administration burden) to business of close to £3 billion (cash terms) over this period.

- A quarter (24%) of regulations reporting an increase in cost to business accounted for 80% of the rise in overall cost.
- One-third (28%) of regulations reporting a reduction in cost to business accounted for 80% of the overall saving. Three regulations delivered half (50%) of this saving.

1.28 In October 2025 DBT published a call for evidence from businesses, consumer groups and other stakeholders to identify regulations that are outdated, duplicative or disproportionate. This could support them in prioritising legislative changes.

Policy trade-offs

1.29 Regulation requires balancing different objectives and risks, and managing the associated trade-offs. The Financial Conduct Authority has highlighted that improving access to mortgages, for example by relaxing affordability standards, could help more people purchase a home. Improving access must be balanced with risks, for example, of increased house price inflation and higher rates of home repossession, which would cause consumer distress.

1.30 DBT and HMT do not have a high-level, structured analytical framework that articulates how regulation can enable growth, the trade-offs, or the risks. Without a framework, there is a risk that policy makers and regulators cannot have informed conversations about risk aversion.

- Some regulators have done work to develop analytical frameworks articulating how their work contributes to different, and sometimes competing, outcomes. For example, the Financial Conduct Authority has developed its own framework to articulate how its work contributes to the Secondary International Competitiveness and Growth objective alongside its primary duties. Ofgem is currently in the process of developing a framework.

15 Regulatory Policy Committee, *Summary of published RPC opinions and statements*, last updated September 2025.

- The Unit has begun work to develop an analytical framework illustrating how it expects regulation to contribute to growth in the short to long term, including trade-offs and risks.
- In November 2025, the Unit also commenced work to review the steers sponsor departments offer the key regulators on growth. It intends to support departmental steers where necessary to ensure they align with government objectives.
- Both the analytical framework and a sponsor steer on growth could enable and inform a discussion between departments and regulators on risks and trade-offs. The Unit has not asked departments to articulate their risk appetite.

Part Two

Learning lessons from the past

2.1 Since 2005, the government has implemented multiple initiatives to encourage both departments and regulators to enhance the efficiency and proportionality of regulation. This section of the report sets out:

- historic initiatives to reduce regulatory burden, and the lessons learned;
- the introduction and scope of the Growth Duty;
- how regulators have implemented the Growth Duty;
- how the Growth Duty has been monitored and evaluated; and
- Parliamentary scrutiny.

Historic initiatives aimed at reducing the regulatory burden

2.2 Since the Better Regulation Executive's (BRE's) inception in 2005, there have been at least 10 cross-government initiatives designed to reduce the cost of regulation to support economic growth. The government initially set up the BRE within the Cabinet Office to improve and simplify new and existing regulations. Today the unit is part of the Department for Business & Trade (DBT). These are detailed in **Figure 3**, and covered a range of objectives including:

- targeting a financial reduction in regulatory costs to business;
- preventing the introduction of new regulation unless existing regulation of equivalent or greater burden is removed; and
- introducing legislation to encourage regulators to act proportionately and be mindful of their impact on economic growth.

Figure 3

Cross-government initiatives aimed at reducing the regulatory burden on businesses, 2005 to 2024

There have been at least 10 cross-government initiatives to reduce the cost of regulation to support economic growth

Years active	Initiative introduced	Summary
2005–2010	The Administrative Burdens Reduction Programme	Aimed to reduce the administrative burden imposed by regulations on private and third sectors by 25% by 2010.
2011–2013	The One-in One-out policy (OIOO)	Required that every new regulation which imposes a financial burden on business is offset by equivalent reductions in regulatory burdens.
2011–2014	Red Tape Challenge	The Cabinet Office gathers views from the public and businesses to identify regulations that could be improved, simplified or scrapped.
2013–2016	The One-in Two-out policy	Extension of the OIOO policy. Required departments to assess the net cost to business for new regulatory measures and identify deregulatory measures of twice the value to business.
2014–	The Regulators Code	Requires regulators have regard to principles of transparency, accountability, proportionality and consistency. This builds on the statutory principles of regulation as detailed in the Legislative and Regulatory Reform Act 2006.
2014–	Small and Micro Business Assessments	Introduction into the impact assessment for large domestic regulatory proposals to ensure they include an assessment of the impacts on small and micro businesses.
2015–2023	The Business Impact Target	Set a target to reduce the total cost to business of regulation over a Parliament. The 2015–2017 Parliament had a reduction target of £10 billion. The 2017–2019 Parliament had a reduction target of £9 billion. The 2019 Parliament had a target to maintain the burden at the then current value.
2016–2017	The One-in Three-out policy	Further extension of the OIOO policy. This required departments to assess the net cost to business for new regulatory measures and identify deregulatory measures of three times the value to business.
2017–	The Growth Duty	The Growth Duty, laid in the Deregulation Act 2015, requires regulators to have regard to the desirability of promoting economic growth. The Economic Growth Order 2017 brings the duty into force, detailing the regulators and regulatory functions that are in scope. The Growth Duty was extended to Ofgem, Ofwat and Ofcom in 2024, at which point new guidance and the Growth Duty Performance Framework were introduced.
2025–	New approach to ensure regulators and regulation support growth (the Action Plan)	Policy paper committing to tackling the complexity of regulation, reducing uncertainty across the regulatory system and challenging excessive risk aversion among regulators. This includes a target of reducing the administrative burden of regulation on businesses by 25%.

Note

1 This list is not intended to be exhaustive.

Source: National Audit Office (NAO) review of Department for Business & Trade policy documentation and NAO reports

Lessons learned from historic initiatives

2.3 DBT and HM Treasury (HMT) have not formally evaluated previous initiatives to understand why some programmes were more successful than others. However, DBT did use insights from past initiatives and international policy interventions to help develop parts of the *New approach to ensure regulators and regulation support growth* (the Action Plan). For example, in order to minimise the cost and time it takes to complete original analysis, DBT adapted the methodology used in the 2005 exercise to calculate the 25% administrative burden reduction target.

2.4 Analysis from the Regulatory Policy Committee (RPC) and previous National Audit Office reports highlight the importance of prioritising changes with the greatest impact and being transparent over the scope of targets to ensure credibility.

- DBT's predecessor found the 2005 Administrative Burden Reduction Programme was successful in achieving a reduction in the administrative burden of regulation to business of 27% compared with a target of 25% over five years.[16] This translated into an annual net saving of £3.5 billion for business. Our 2008 report on the programme offers some insight as to a potential success factor, noting that departments were prioritising reductions in high-cost areas and issues that matter most to business.[17] We noted that the reported reductions in burdens should be treated with caution, due to inconsistencies in approaches to estimating savings, and a lack of external validation.
- During the 2010–2015 Parliament the government estimated that it reduced regulatory costs for businesses by £10 billion. In 2016 we reported the benefits of prioritisation, noting over 90% of this reduction was due to 10 changes, including reducing audit requirements for small companies, and streamlining the guidance relating to contaminated land.[18]
- Over the 2015–2017 Parliament, the RPC reported that the Business Impact Target (BIT) programme achieved a reduction of £6.6 billion against a £10 billion target. Our 2016 report on the programme concluded that the target did not reflect the regulatory costs businesses faced in practice, because there were significant exclusions such as the National Living Wage and Apprenticeship Levy which the Confederation of Business and Industry estimated cost business £24 billion over the Parliament. The report noted the extent of exclusions may have undermined the credibility of the Target with businesses, departments and other stakeholders.

16 The Action Plan has taken a different definition of administrative burden from the 2005 Administrative Burden Reduction Programme (ABRP), since it excludes business-as-usual costs, but also includes some costs that were out of scope in the ABRP, such as those resulting from unexpected delays or dealing with unclear guidance.
17 Comptroller and Auditor General, *The Administrative Burdens Reduction Programme*, 2008, Session 2007-08, HC 944, National Audit Office, October 2008.
18 Comptroller and Auditor General, *The Business Impact Target: cutting the cost of regulation*, Session 2016-17, HC 236, National Audit Office, June 2016.

2.5 From December 2019 to August 2023, new regulations increased net direct business costs by £17 billion annually, despite the previous government's goal to keep the regulatory burden unchanged during the course of the Parliament. The RPC reported on the costs of all regulations that contributed to the government missing its target. For example, the then Department for Levelling Up, Housing & Communities estimated changes in regulations to improve the energy efficiency of homes and reduce carbon emissions, which would provide a £4.5 billion social benefit over 70 years. The changes would also cost business £4 billion over 10 years.

The introduction of the Growth Duty

2.6 The most recent government initiative to minimise burdens on business was the Growth Duty. It requires regulators to consider the desirability of promoting economic growth alongside their statutory duties, and intervene only when necessary and act proportionately. The Growth Duty was introduced under the Deregulation Act 2015 and came into statutory effect on 29 March 2017. The duty was extended to the economic regulators Ofcom, Ofgem and Ofwat in 2024, following public consultation.

2.7 In 2024 DBT published revised guidance to accompany the Growth Duty. The guidance states that "regulators should have regard to medium and long-term growth by ensuring that key policy decisions and strategic choices are informed by drivers of growth and behaviours of smarter regulation". These are set out in the table below (**Figure 4**).

2.8 Alongside the guidance, DBT published a reporting framework in Spring 2024, to encourage regulators to report on actions that they have taken under the Growth Duty. Both the statutory guidance and performance framework recognise the diversity of the sectors regulators operate in, and are not prescriptive about the specific actions that regulators should take in response to the Growth Duty.

Figure 4
Overview of the drivers of economic growth and behaviours of smarter regulation

The Growth Duty Statutory Guidance outlines seven drivers of economic growth and seven behaviours of smarter regulation that regulators can exhibit

Drivers of economic growth	Behaviours of smarter regulation
1 Innovation	**1** Pro-innovation
2 Infrastructure and investment	**2** Skilled and capable
3 Competition	**3** Business aware
4 Skills	**4** Proportionate, efficient and responsive
5 Efficiency and productivity	**5** Collaborative
6 Trade	**6** Internationally aware
7 Environmental sustainability	**7** Consistent, transparent and accountable

Source: Growth Duty Statutory Guidance

Scope of the duty

2.9 The scope of the Growth Duty is complex, and DBT does not have a comprehensive list of which regulators are in scope. The Growth Duty applies to regulators that are named in, or exercise a regulatory function specified by, the Economic Growth (Regulatory Functions) Order 2017. However, some regulators have had their regulatory functions moved to other public bodies or been abolished altogether. As a result, DBT provided a list of 62 regulators it considered in scope of the duty, that we contacted. Ten responded to tell us they were not in scope of the duty, and one no longer existed. DBT agreed with two of these, but the rest remain unresolved (**Figure 5**).

Implementing the Growth Duty

2.10 Regulators have interpreted the objectives of the Growth Duty in a variety of ways. When asked what 'growth' means in the context of their sector, regulators highlighted considerations such as the need to maintain consumer confidence, the importance of proportionality, and regulators' role in supporting investment and innovation.

2.11 Out of the 56 regulators we surveyed, 71% reported doing something differently as a result of the Growth Duty being introduced (**Figure 6** on page 30).

- Nearly two-thirds (60%) report discussing the duty at their respective Board meetings. This includes eight of the 10 key Action Plan regulators we surveyed.
- Over a third of regulators report either: changing governance arrangements (38%), amending decision-making criteria (35%), starting new activity (35%) or introducing training (35%). Specific actions include introducing considerations of promoting growth to regulatory impact assessments or guidance documents.
- A third (33%) of regulators introduced external reporting on the Growth Duty. This includes regulators reporting on the impact of the duty on their activities in their annual reports and accounts. The Civil Aviation Authority has gone further by publishing a separate Growth Duty report annually since 2023 with updates on how it is exhibiting the behaviours of smarter regulation through its work.
- Over half (55%) of regulators report taking 'other' actions. These include revising their strategic objectives and developing tools for consumers, regulated entities or stakeholders. Notably, the Financial Reporting Council's latest strategy references the influence of the duty on its strategic objectives and has updated its purpose statement to reflect an increased focus on supporting economic growth.

  We have not evaluated the effectiveness of these changes.

Figure 5

Regulators in scope of the Growth Duty and Action Plan as of October 2025

The scope of the Growth Duty is not clear, and intersects with the key regulators in the Action Plan

Regulators the Department for Business & Trade considers to be in scope of the Growth Duty

- Animal and Plant Health Agency
- Animals in Science Regulation Unit
- The British Hallmarking Council and Assay Offices[2]
- Care Quality Commission
- Centre for Environment, Fisheries & Aquaculture Science (including Fish Health Inspectorate)
- Charity Commission for England and Wales
- Chief Land Registrar (Land Registry)
- Registrar of Companies (Companies House)
- Drinking Water Inspectorate
- Driver and Vehicle Licensing Agency
- Employment Agency Standards Inspectorate
- Financial Reporting Council
- Forestry Commission
- Gambling Commission
- Gangmasters and Labour Abuse Authority
- Groceries Code Adjudicator
- Historic Buildings and Monuments Commission for England
- HM Revenue & Customs[3]
- Human Fertilisation and Embryology Authority
- Insolvency Service
- Intellectual Property Office
- Marine Management Organisation
- Maritime and Coastguard Agency
- Mining Remediation Authority (previously the Coal Authority)
- National Highways
- Office for Product Safety and Standards
- Office for Nuclear Regulation
- Ofsted
- Office for Students
- Ofqual
- Office of the Regulator of Community Interest Companies
- Rural Payments Agency
- Security Industry Authority
- Sports Grounds Safety Authority
- Traffic Commissioners
- Vehicle Certification Agency
- Veterinary Medicines Directorate

Eight further regulators do not consider themselves to be in scope of the Growth Duty

Key Action Plan regulators

- Civil Aviation Authority
- Environment Agency
- Food Standards Authority
- Health and Safety Executive
- Information Commissioner's Office
- Medicines and Healthcare products Regulatory Agency
- Natural England
- Ofcom
- Ofgem
- Office of Rail and Road
- Ofwat
- National Institute for Health and Care Excellence
- The Pensions Regulator
- Competition and Markets Authority
- Prudential Regulation Authority[4]
- Financial Conduct Authority[4]
- Payment Systems Regulator

Notes

1 This is based on the Department for Business & Trade's (DBT's) list of regulators in scope of the Growth Duty and subsequent discussions with the department which resulted in the list being amended. Some regulators no longer existed, and some regulators challenged their inclusion when they were approached for the purpose of this report. Where DBT agreed a regulator is out of scope the regulator has been removed from the list presented.

2 The Assay offices cover the assay offices of Birmingham, Edinburgh, London and Sheffield.

3 HM Revenue & Customs exercises enforcement and supervisory functions on National Minimum Wage and Anti-Money Laundering Regulations.

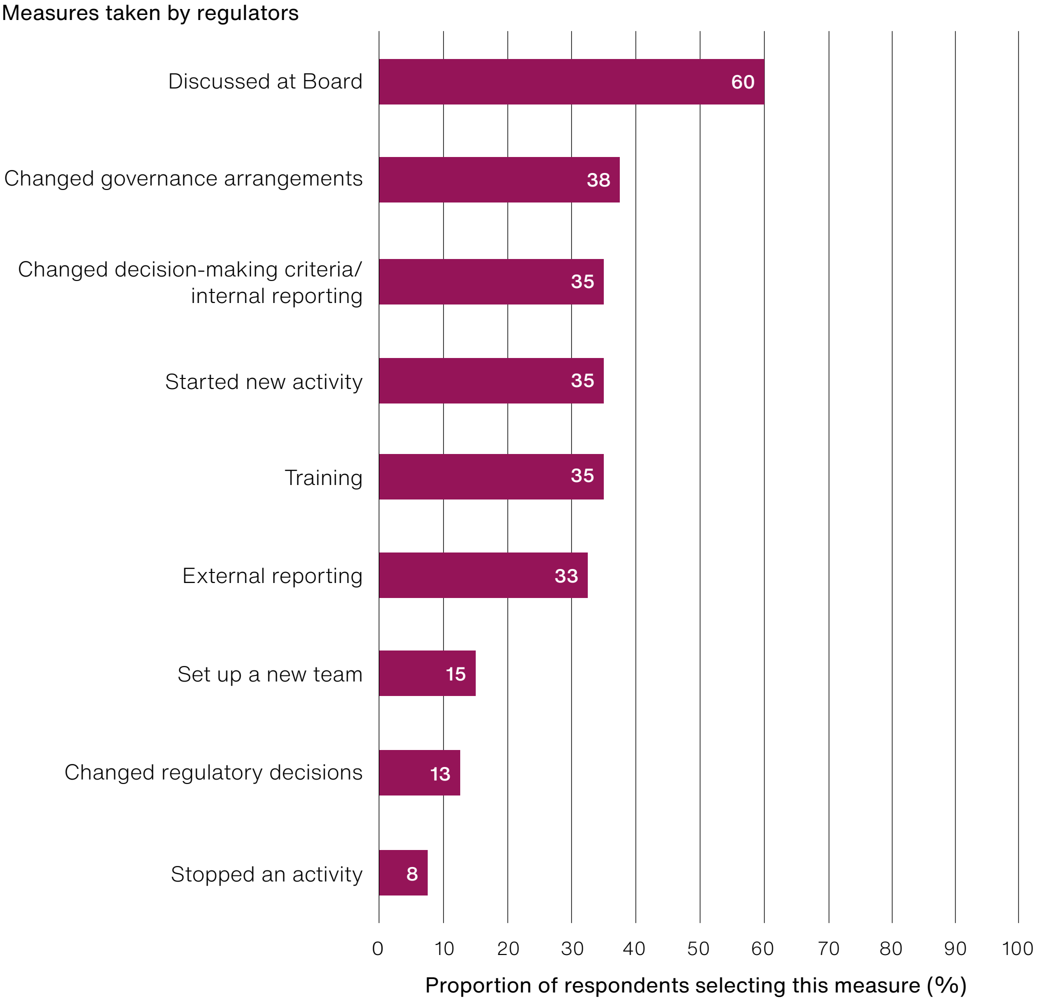
4 The Financial Conduct Authority and Prudential Regulation Authority are not in scope of the Growth Duty, but have a secondary competitiveness and growth objective set out in the Financial Services and Markets Act.

Source: National Audit Office (NAO) analysis of HM Treasury's Action Plan, Department for Business & Trade guidance, the Economic Growth (Regulatory Functions) Orders 2017, and responses to NAO's survey

Figure 6

Responses to the Growth Duty as reported by regulators

Of the regulators surveyed that are implementing the Growth Duty, 60% reported discussing it at board meetings



Notes

1 This represents the views of 40 regulators responding to this question in our survey, out of 56 respondents. Only regulators that responded that they had done something differently as a result of the Growth Duty were asked this question. The survey was conducted between July and August 2025.

2 Percentages will not sum up to 100% since respondents could select multiple options. They were not asked to rank their options.

3 The regulators surveyed were ones identified as in scope of the Growth Duty by the Department for Business & Trade at the outset of the study.

4 Regulators were asked “What have you done differently as a result of the Growth Duty since it was introduced?”

5 Regulators also had the opportunity to select the ‘other’ option, and provide additional detail via an open text box, which 55% selected. Some of these responses provided additional detail relating to the categories listed above, while others provided the areas of activity, such as revising strategic objectives or developing tools for consumers, regulated entities or stakeholders.

Source: National Audit Office analysis of survey responses

2.12 The key Action Plan regulators responding to our survey were more likely to report to have discussed the Growth Duty at their Board and changed governance arrangements as a result of the Growth Duty. Smaller regulators were more likely to introduce training and change internal reporting processes.

2.13 Over half (53%) of the 40 regulators that reported taking steps to implement the Growth Duty in our survey found that having the duty in legislation was helpful. The duty does not require regulators to specifically make decisions that promote economic growth. However, regulators told us that it has contributed towards a shift in culture towards one in which growth is a more prominent consideration, and they are empowered to make growth-orientated decisions. Ofgem told us that the Growth Duty contributed to the decision to accelerate an additional £28 billion investment in large strategic onshore electricity transmission projects, with the ambition of facilitating growth by enabling connections to meet new industrial demand.

2.14 The majority of regulators (78%) responding to our survey and implementing the Growth Duty found DBT's 2024 Statutory Guidance helpful. DBT used the 2023 consultation on extending the Growth Duty to the economic regulators to inform and refresh the guidance, which also provides greater clarity as to how DBT defines growth, and how DBT expects regulators to contribute to growth.

2.15 Regulators report resources and legislation as the top constraints to operationalising the Growth Duty. Regulators pointed to specific pieces of legislation that limit their capacity to promote economic growth which, if reformed, would allow them to act more proportionately or reprioritise work. For example, prior to 2025, each new food and feed product requiring market authorisation (such as novel foods) required legislation to be laid before it could be sold. To facilitate faster approvals the Food Standards Agency proposed changes to enable authorisations for use in Great Britain to come into effect following ministerial decision, and then be published in an online register instead of requiring legislation. This change required secondary legislation and occurred in 2025.

2.16 Regulators we surveyed that reported implementing the Growth Duty are also more likely to report feeling supported by DBT and HMT. Similarly, regulators and sponsor departments we spoke to said they found engagement with DBT and HMT could be helpful to understand policy direction, but some regulators would have welcomed more structured engagement from central government as the different areas of the Action Plan were being developed.

Monitoring and evaluating the Growth Duty

2.17 DBT has never required regulators to demonstrate their actions to implement the Growth Duty and has limited evidence of how regulators have responded to it. The Enterprise Act 2016 introduced the option for ministers to require that the regulators in scope of the Growth Duty publish annual performance reports against the duty, but the clause has not been activated. Between 2017 and 2023, DBT did not monitor how regulators responded to, or implemented, the Growth Duty.

2.18 In 2024, DBT introduced and published a voluntary Growth Duty Performance Framework to encourage reporting, improve transparency and accountability, and allow for good practice to be identified and shared. It provides a pro forma for regulators to complete, with a mixture of quantitative and qualitative questions, to monitor regulators' performance against the duty.

2.19 In 2024, just 18 of the 60 regulators DBT considers in scope of the Growth Duty, completed the performance framework return, making it challenging to evaluate whether the legislation has had its intended impact. In its review of these responses, DBT noted that there was significant variation in the level of detail provided, with quantitative information being particularly limited. The broad scope of the performance framework, and disparity in the sectors that regulators operate in, made it difficult to compare regulators' returns or establish how one regulator is meeting its obligations under the Growth Duty relative to others. DBT's review of returns did identify limited areas of good practice, but it is not clear how DBT used this information to inform its approach. As a result, DBT is currently reviewing the performance framework and intends to reform the Growth Duty so that the legal framework is clearer and more focussed.

2.20 A full timeline of DBT's activity pertaining to the Growth Duty is provided in **Figure 7** on pages 34 and 35.

Parliamentary scrutiny

2.21 Regulators can be held to account in a range of ways, including by Parliament, sponsor departments and other stakeholders. Parliamentary accountability includes scrutiny by select committees as part of inquiries and evidence sessions, debates, and oral and written questions.

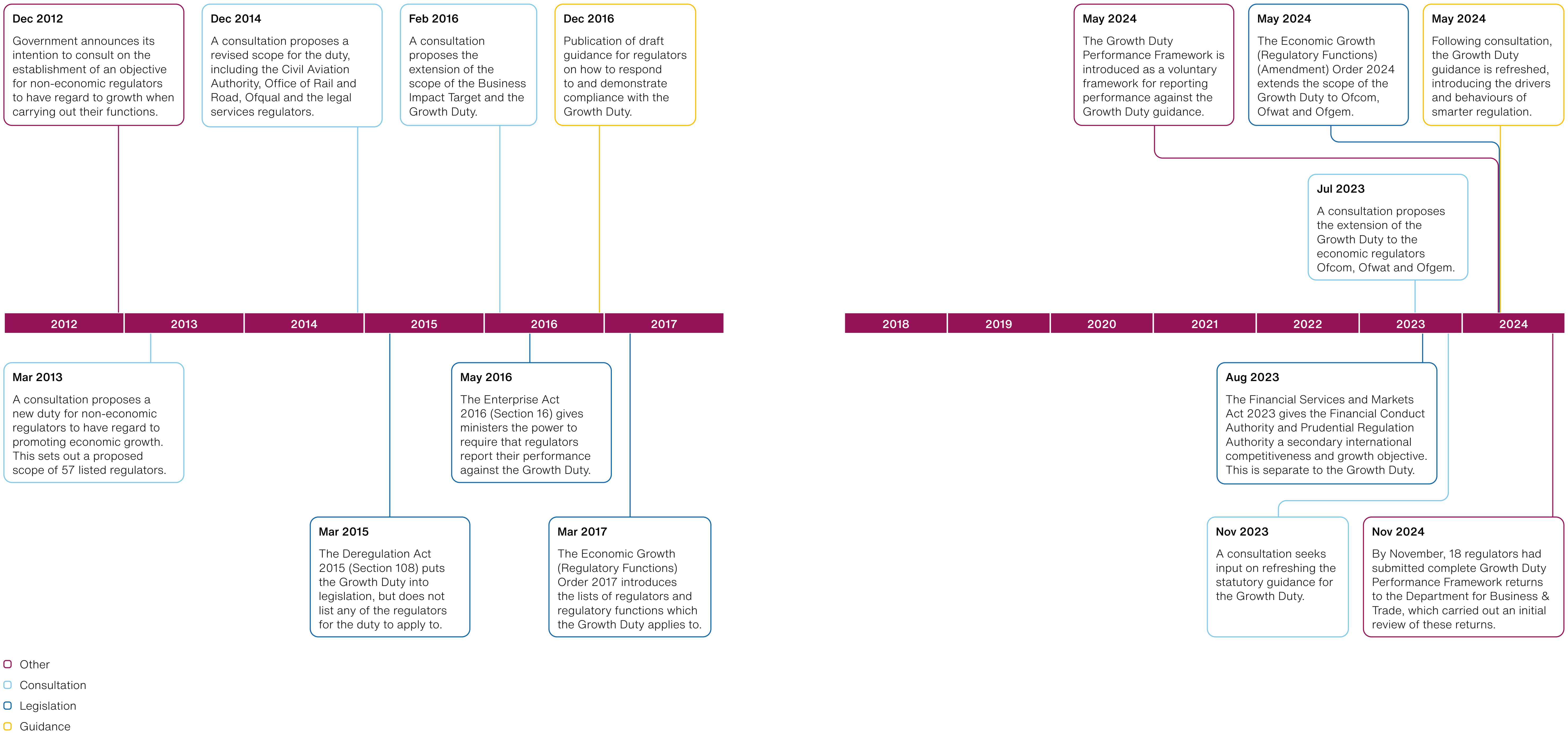
2.22 Select committees have rarely scrutinised regulator performance pertaining to economic growth or the Growth Duty. Between 2013 and December 2025 just 8% of hearings attended by regulators mentioned economic growth, and only four hearings have covered the Growth Duty itself.[19] During this period regulators in scope of the Growth Duty or mentioned in the Action Plan, appeared in front of select committees 1,084 times.[20] A few regulators have dominated the number of appearances. Five regulators accounted for over one third (38%) of the 1,084 appearances. HM Revenue & Customs and the Financial Conduct Authority both appeared 109 times. The next three regulators most scrutinised were Ofsted, Environment Agency, and Ofcom, who collectively appeared 199 times (**Figure 8** on page 36).[21]

19 The earliest dated hearing available to extract took place on 15 January 2013.
20 This, and the analysis of the Hansard data in this report, includes HM Revenues & Customs (HMRC). HMRC exercises enforcement and supervisory functions covering National Minimum Wage and Anti-Money Laundering, respectively, that are in scope of the Growth Duty. It exercises many other functions that are not regulatory in nature and appears in front of committees to cover all of these. This analysis does not attempt to distinguish between these appearances. Note also that not all regulators have existed for the duration of the period covered. See methodological appendix for detail.
21 Ofsted has not appeared in a hearing mentioning economic growth or the Growth Duty.

Figure 7

Timeline of Growth Duty consultations, legislation, guidance and reporting, 2012 to 2024

After the Growth Duty became active in 2017, there was limited action before plans to extend the duty to economic regulators in 2024

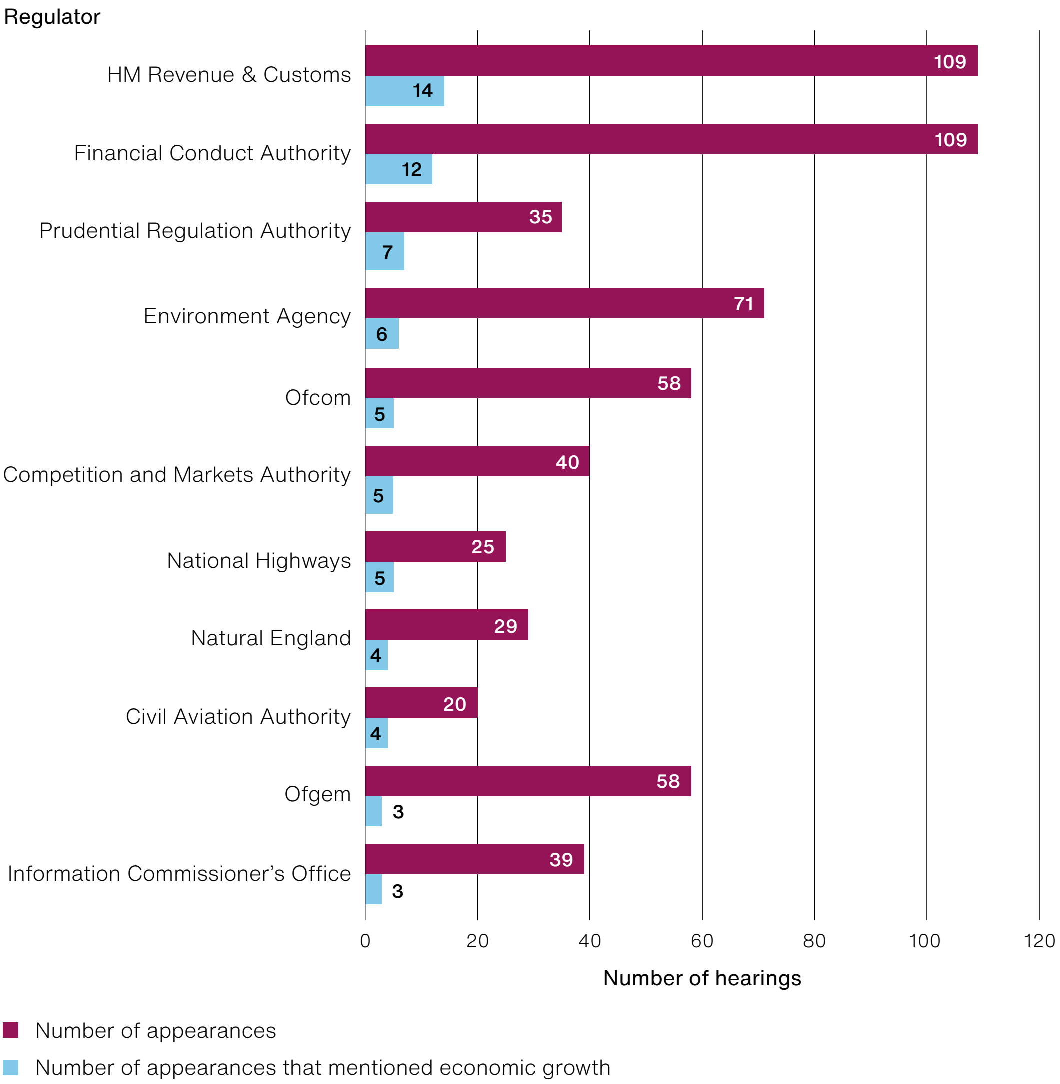


Source: National Audit Office analysis of Department for Business & Trade and HM Treasury policy documentation

Figure 8

Regulators with most frequent appearances before select committees since 2013

Nine of the key regulators identified in the Action Plan are among the top 11 most frequently appearing regulators based on hearings mentioning economic growth



Notes

1 This is based on transcripts available for 1,084 select committee appearances by regulators in scope of the Growth Duty or named in the Action Plan as key regulators, extracted as at 1 December 2025. Regulators are ranked in order of 'economic growth' mentions rather than overall appearances. If overall appearances had been used instead to rank the regulators, then Ofsted and Care Quality Commission (CQC) would have replaced National Highways and the Civil Aviation Authority. Neither Ofsted nor CQC have appeared in any hearing where economic growth was mentioned.

2 Appearances represent the regulator as an organisation. Where several witnesses attend a hearing on behalf of one regulator, this counts as one appearance.

3 Regulators are responsible for functions beyond those listed in the Economic Growth (Regulatory Functions) Order 2017. This means that the appearances will include ones where regulators are questioned on functions beyond those it exercises that fall in scope of the Growth Duty.

4 See methodological appendix for full detail on the textual analysis and sensitivity testing.

Source: National Audit Office analysis of UK Parliament select committee data and transcripts

Part Three

Changing to support long-term growth

3.1 Regulators recognise that they have a role in supporting economic growth, and responses to our survey indicate that a number of them are changing their actions and activities as a result. This section sets out:

- the role regulators tell us they can play in contributing to growth in the next 10 years;
- how regulators can support economic growth through innovation; and
- government support of innovation.

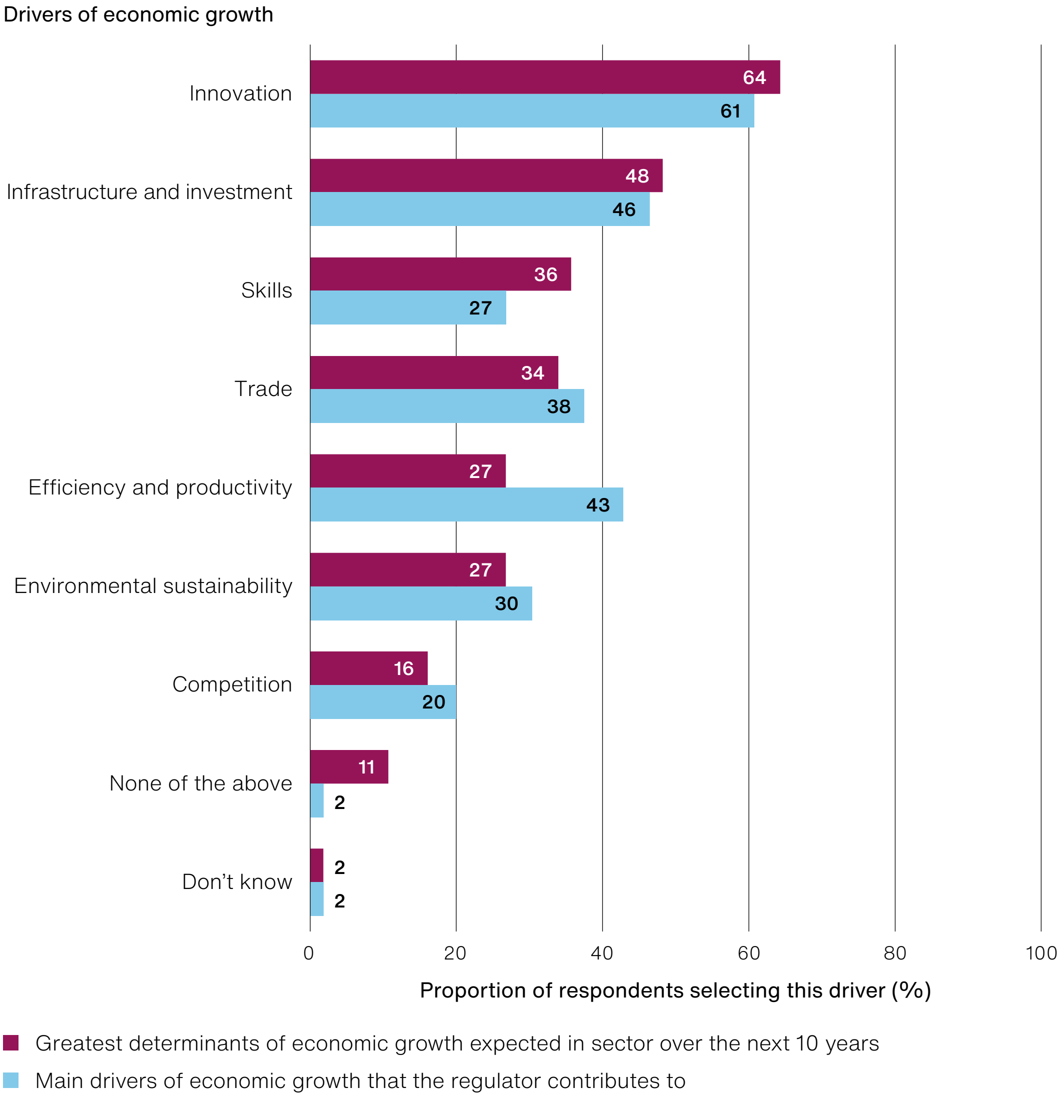
The role of regulators in growth

3.2 Across the seven growth drivers listed in the 2024 Growth Duty guidance, regulators expect innovation to be the greatest determinant of economic growth over the next 10 years. Innovation is also the most common driver that regulators report contributing to. Infrastructure and investment also ranked highly (**Figure 9** overleaf).

3.3 Regulators told us that they believe they also contributed to economic growth in a number of ways not captured by the drivers detailed in the guidance. These include facilitating trust and reputation of their sector, and enforcing and setting standards.

Figure 9
Drivers of growth according to regulators

Nearly two-thirds (64%) of regulators responding to our survey expect innovation to be the greatest determinant of economic growth



Notes

1 This represents the views of 56 regulators responding to these questions in our survey. The regulators surveyed were those identified as in scope of the Growth Duty by the Department for Business & Trade. The survey was conducted between July and August 2025.

2 The figure is ranked by the greatest determinants of economic growth expected in sector, not the main drivers of economic growth that the regulator contributes to.

3 Percentages will not sum up to 100% as respondents could select up to three options. They were not asked to rank their options.

4 Figure shows responses to the following survey questions: "What do you think will be the biggest determinants of economic growth in your sector over the next 10 years?"; and "Which are the main drivers of economic growth (as listed in the Growth Duty guidance) you contribute to?"

Source: National Audit Office analysis of survey responses

Supporting growth through innovation

3.4 Responses to our survey suggest that regulators are supporting innovation in their sectors in a number of ways, including the following:

- **Reducing the costs of compliance on business:** The regulator innovates to reduce duplication and improves systems of data collection. This reduces the burden on business to comply with regulation. For example, streamlining of forms or digitising compliance processes (**Examples 1 and 2** on pages 40 and 41).
- **Changing the organisational design of the regulator to support the sector:** The regulator innovates to improve internal process. This increases the efficiency of the regulator and improves response times experienced by business. For example, speeding up authorisation processes or using risk-based approaches (**Examples 3 and 4** on pages 42 and 43).
- **Reducing barriers to innovation in the sector:** The regulator develops approaches and programmes to support innovation in regulated sectors by reducing barriers or offering incentives to innovate. For example, providing regulatory sandboxes or innovation funding (**Examples 5 and 6** on pages 44 and 45).

The following examples showcase innovation across each of these categories. We have not independently evaluated the effectiveness of these changes and therefore rely on information provided by the regulators themselves.

Innovation to reduce the compliance costs on business

3.5 Regulators can innovate in how they collect data to reduce the financial burden of compliance and navigating regulation. The examples in this section highlight how regulators are developing tools and reforming the way in which they share information.

Example 1:
Reducing the cost of compliance

Information Commissioner's Office (ICO): automated privacy notices

BACKGROUND

In accordance with UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, companies that hold personal data need to produce a privacy notice on their website.[1] A privacy notice should set out why the business is processing personal data, how long the data will be kept, and who it will be shared with.

Challenge	For some businesses, producing a privacy notice can be complex. They risk fines if they do not comply but may also overestimate what is required ('gold plating'), leading to unnecessary time and expense.
Action	In August 2024, the ICO launched a Privacy Notice Generator (PNG) tool on its website to help organisations generate a bespoke privacy notice. The tool is designed for sole traders and start-ups, small and medium-sized businesses, and charities to help them make sure they comply with the law.
Impact	Between August 2024 and March 2025, approximately 8,500 visitors generated a privacy notice through the tool, 6,000 of which were generated by businesses. ICO research estimates that the PNG tool has realised £2.93 million in savings for business during 2024-25, and will generate a total of £15.85 million value to UK businesses by 2028-29.[2]
Intended policy outcome	Reduced administrative burden on businesses to comply with the law.

Notes

1 Businesses that hold personal data vary in characteristics, but this includes any small business or group that has information about people such as their names and email addresses.

2 This represents the saving realised from having to spend less time on developing privacy notices compared with previously.

Source: National Audit Office synthesis of Information Commissioner's Office reporting

Example 2: Reducing administration costs

Prudential Regulation Authority (PRA): Future Banking Data consultation

BACKGROUND

The PRA took over responsibilities from European Union (EU) institutions following the UK's departure from the EU. This means it is obtaining the powers to reform legacy UK and EU reporting rules that are being transferred to the PRA by HM Treasury.

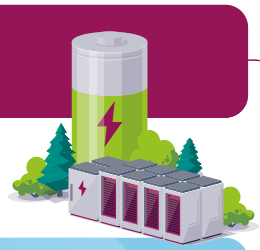
Challenge	The PRA identified that some inherited reporting requirements are not necessary for its supervisory work and received industry feedback highlighting that some reporting is overlapping and complex, resulting in excessive costs for banks.
Action	In September 2025, the PRA launched a first Future Banking Data consultation which includes proposals to delete 37 individual reporting templates for banks that do not materially contribute to the PRA's supervisory and policy work. This includes 34 financial reporting templates, which represents a tenth of all regulatory reporting templates. The PRA is planning further work with industry aimed at further reductions in the future.
Impact	Simplification of reporting requirements for banks, while ensuring their safety and soundness, will reduce the administration cost by lowering reporting burdens (to aid international competitiveness and growth). The PRA estimates the initial changes will reduce the reporting burden for banks by approximately £26 million annually. It plans to implement the changes resulting from this consultation from 31 December 2025.
Intended policy outcome	Improved international competitiveness of the UK banking sector.

Source: National Audit Office synthesis of Prudential Regulation Authority policy documentation

Innovation to increase organisational efficiency of the regulator

3.6 Regulators can innovate through organisational change to increase their operating efficiency, enabling them to regulate their sectors more effectively and minimise delays. The examples in this section highlight ways in which regulators can take steps to speed up decision-making and the processing of authorisations.

Example 3: Provision of new services to support competition and innovation



Ofgem: Innovation Hub

BACKGROUND

In order to accelerate the UK's transition to a net-zero energy system, the UK gas and electricity sector needs to undergo a fundamental transformation which requires new technologies, innovative approaches, and significant investment.

Challenge	Existing regulations were set up over 30 years ago and have evolved with the market. Regulatory complexity can present barriers for firms and individuals who want to introduce new solutions to the market.
Action	In 2016, Ofgem set up the Innovation Hub to promote innovation in the energy sector, comprising a dedicated team to support innovators that want to trial or launch new products, services, methodologies, or business models.[1,2] The Hub offers services including network innovation funding, regulatory sandboxes, and free guidance to innovators uncertain how new products or services are regulated. The Innovation Hub has awarded 274 network-led projects £300 million of innovation funding since 2021 through the Strategic Innovation Fund (SIF) and has provided guidance to nearly 600 innovators through its feedback service.
Impact	UK Research and Innovation estimated that the SIF funding rounds will generate £5.9 billion in financial benefits to consumers, and reduced carbon emissions by 12.2 $MtCO_2e$.[3] Examples of firms the Innovation Hub has helped include electric vehicle charging companies, firms that equip homes with solar panels, and digital energy solution providers such as companies that help consumers track spending and switch providers with smart meter data.
Intended policy outcome	Achieving net-zero at the lowest cost to business, embed innovation within the sector, and deliver customer value.

Notes

1 The Innovation Hub was known as the Innovation Link when it was set up.

2 Ofgem defines 'innovators' as anyone who has a new idea that they want to bring to the sector.

3 $MtCO_2e$ stands for million tonnes of carbon dioxide equivalent. This is the measurement used to track carbon emissions. The estimated financial benefits and carbon emissions were estimated by UK Research and Innovation and presented in Ofgem's *Strategic Innovation Fund (SIF) Annual Report 2024*, February 2025, page 2, available at: https://iuk-business-connect.org.uk/wp-content/uploads/2025/05/IUK-180225-OfgemStrategicInnovationFundAnnualReport2024.pdf

Source: National Audit Office synthesis of Ofgem reporting and policy documentation

Example 4:
Improving the authorisation process

Financial Conduct Authority (FCA): pre-authorisation support for applications

BACKGROUND

To protect consumers and the integrity of the UK financial system, most firms providing financial services need to be authorised or registered by the FCA. This includes retail banks.

Challenge	The process to apply for authorisation can be time-consuming for firms, leading to increased costs and creating barriers to entry which both serve to reduce competition and delay trading.
Action	In 2013, when it was established, the FCA, in conjunction with the Prudential Regulation Authority, introduced a free pre-application service to help new entrants to the banking sector navigate regulation and apply for authorisation to operate as a bank.[4] The applicant receives a dedicated case officer who remains their point of contact throughout the process to support them through the authorisation.
Impact	The pre-authorisation process has positively impacted the level of competition in the banking sector. Between 2013 and 2023 45 new retail banks were established, compared with 17 between 2002 and 2012.[5] The FCA introduced pre-application support for asset managers in July 2023 and extended the offer to all wholesale, payments and crypto-asset firms in April 2025.
Intended policy outcome	Improve international competitiveness of the UK financial services sector.

Notes

1 Pre-application meetings are available to firms that are either considering applying for authorisation for the first time, or are considering applying to expand their business model into new areas beyond an existing permit.

2 The FCA was set up in 2013 through the Financial Services Act 2012, which came into force on 1 April 2013.

3 The Parliamentary Commission on Banking Standards published its report *Changing banking for good* in June 2023.

4 Legally, the application is to act as a 'deposit-taker' which is a financial institution that accepts deposits and carries on this activity wholly or mainly in the course of its trade. They may use these deposits to offer loans, mortgages or other financial services.

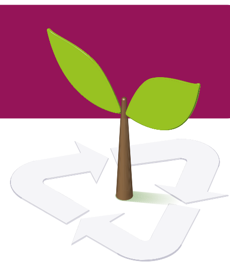
5 Two of the banks authorised between 2013 and 2023 were new retail banks that were authorised as a result of ring-fencing. This is where banks have to separate their core retail banking services from riskier investment activities. If these were removed, the new retail banks established would be 43.

Source: National Audit Office synthesis of Financial Conduct Authority reporting and policy documentation

Reducing barriers to innovation in the sector

3.7 Regulators can facilitate innovation in their sectors through reducing regulatory barriers or offering incentives to innovate. The examples in this section provide examples of this.

Example 5: Streamlining licencing authorisations



Environment Agency (EA): improving permitting to support innovation

BACKGROUND

Under environmental law, businesses with an existing environmental permit that want to a trial new technology or process (as part of research and development) may have to apply to the EA to vary their permit.

Challenge	Obtaining a variation in permits can be resource intensive, and result in delays in decision making and investment plans. The EA can provide Temporary Regulatory Easements ('temporary permission') that allow businesses to undertake certain activities that would normally require variation to the existing permit, but work undertaken under such temporary permissions carries legal and financial risks for the business if they are non-compliant with environmental standards. This acts as a deterrent for businesses to trial new solutions.
Action	For example, businesses might want to trial new technologies – such as carbon capture – to reduce carbon emissions, but find it difficult to do this within their existing permits.
Impact	In April 2025, the EA piloted new standard rules with certain permits that allow permit-holders to conduct low-risk research and development activities with a written agreement from EA without the need for a formal permit variation or the additional risk that comes with a temporary permission.[1] As at October 2025, the EA has received 13 applications from operators to add the new rule to their existing permits, of which 11 have been granted and two are under review. The EA has received four individual notifications of research and development trials from these 11 permit-holders. For example, trialling new carbon capture processes to reduce CO_2 emissions from the production of construction materials such as cement.
Intended policy outcome	Operators introduce more innovative solutions as a result of less time taken to obtain approval for low-risk research and development.

Note

1 The type of permits included in the pilot covered 'installations'.

Source: National Audit Office synthesis of Environment Agency reporting

Example 6:
Supporting innovation through collaboration

Food Standards Agency (FSA): sandbox for cell-cultivated products

BACKGROUND

Conventional livestock farming is highly resource (land, water and energy) intensive. Cell-cultivated products (CCPs) use tissue engineering and biotechnology to create animal products directly from cells.

FSA considers the environmental impact of CCPs, and how it compares to traditional livestock rearing, is still unknown. However, Oxford Economics estimate that CCPs could contribute up to £2.1 billion to the UK economy by 2030.

Challenge	CCPs for human consumption require approval from FSA and Food Standards Scotland (FSS) to be sold on the GB market. Since the technology is new, it is estimated that approving the products for sale could take around five years. This is twice the current timeframe for routine, non-complex novel food applications, which is around two and a half years. The delays increase costs for companies which makes investment funding challenging. To date no CCP for human consumption has been approved for the UK market.
Action	In February 2025, FSA and FSS set up a two-year sandbox programme to create a more efficient and robust safety assessment and regulatory framework for this new food category. The programme received £1.6 million funding from the Department for Science, Innovation & Technology. The sandbox will be the first of its kind in Europe. Eight CCP companies were initially selected to participate and engage in monthly workshops covering each stage of the production process, including cell sourcing, labelling, and risks linked to the use of chemical substances.
Impact	The programme is ongoing, but FSA and FSS expect it will deliver a streamlined and faster authorisation process while maintaining its existing high safety standards, supported by published guidance on key issues such as labelling and product definition, and advice on individual applications, reducing uncertainty for companies. It is anticipated that the programme will reduce review time for applications from five to two and a half years because the regulator will be equipped to offer clarity on the regulatory requirements and application process.[3]
Intended policy outcome	To ensure FSA/FSS have a greater understanding about CCP hazards and processes, leading to swifter, better informed risk assessments and recommendations to ministers. Improve confidence in the regulatory process for consumers and investors through transparency of the scientific rigour of the process, and clarity of regulation.

Notes

1 FSA and FSS oversee the market authorisation system for regulated food products. Businesses must submit a formal application to FSA and FSS to legally sell such products.

2 A regulatory sandbox is a space that allows businesses to test and experiment with new and innovative products or processes within the legislative framework and under the supervision of a regulator for a limited period.

3 The current timeframe for a routine, non-complex novel food application.

Source: National Audit Office synthesis of Food Standards Agency reporting and policy documentation

Government support of innovation

3.8 In addition to actions taken by regulators themselves, the government can take steps to stimulate innovation in the regulatory landscape through policy. The Regulatory Innovation Office (RIO) in the Department for Science, Innovation & Technology was set up in October 2024 to work with businesses, regulators and departments to address regulatory barriers that are holding back innovation and to drive wider change in regulators' behaviour and attitudes towards innovation. The unit has no powers to mandate change but aims to convene organisations to update regulation and facilitate cross-government working.

3.9 The RIO distributes the Regulators' Pioneer Fund ('the fund'), which gives regulators and local authorities grant funding for projects that address challenges or opportunities to support innovation.[22] The fund launched in 2018 and has completed three rounds of funding, awarding £25.7 million to projects led by regulators and local authorities. In October 2025, the RIO announced the 16 successful applications from its fourth funding round, that will each be granted part of the £8.9 million fund. Early evaluations of previous rounds of the fund found limited near-term evidence of new products or services being introduced as a result. However, the interim evaluation of round three found evidence of a change in culture among regulators taking part, with some developing organisational infrastructure to support innovation.

22 The fund was previously administered by the Better Regulation Executive in the Department for Business, Energy & Industrial Strategy (BEIS).

Appendix One

Our audit approach

Our scope

1 This report examines:

- the Department for Business & Trade's (DBT's) and HM Treasury's (HMT's) response to the Action Plan, progress to date and the challenges to delivering the vision laid out in the *New approach to ensure regulators and regulation support growth* (the Action Plan);
- lessons from related regulatory initiatives and the implementation of the Growth Duty and how regulators are held to account; and
- how regulators can support long-term growth, and examples of actions regulators are undertaking in the pursuit of growth.

Our evidence base

2 Our independent conclusions are based on a combination of document review, interviews, survey analysis, and data analysis.

Document review

3 We reviewed a range of departmental documents to support our understanding of DBT's and HMT's approaches. We reviewed each document against our overarching audit questions. The review was used to refine the scope of the study, including defining our more detailed audit questions and triangulate information from other sources. This review included:

- policy papers and consultations;
- commissions to departments and regulators for information and proposals;
- analysis and reviews of departmental submissions;
- meeting read-outs;
- presentations for cross-Whitehall working groups; and
- internal and published guidance.

Interviews

4 We conducted 17 semi-structured interviews with officials from DBT and HMT, selected to participate because of their job roles and relevance to the audit. This included officials from the Regulation Directorate in DBT, the Regulatory Framework and Policy Team in HMT and the subsequent DBT–HMT joint unit.

5 Fieldwork took place between 20 May and 8 September 2025. Most interviews were carried out online, typically lasting one hour and detailed notes were taken. We reviewed the interview notes to triangulate information from other sources, identify emerging themes and inform further lines of inquiry. The initial round of interviews focussed on the following topics, with questions tailored to the roles of those being interviewed:

- the scope of the Growth Duty;
- evaluation of the Growth Duty and analysis of the Growth Duty Performance Framework returns;
- governance and implementation of the Action Plan;
- setting a baseline for the administrative burden of regulation to businesses; and
- implementing, monitoring and evaluating the target for a 25% reduction in the administrative burden of regulation.

6 We also carried out six interviews with departmental sponsor teams and 15 interviews with regulators to better understand their perspectives on the Growth Duty and Action Plan. These focussed on their responses to commissions by DBT and HMT, challenges they faced in responding to these commissions, and any examples of good practice or innovation that others could learn from.

7 We also engaged with a range of stakeholders throughout the study. While scoping the report, we engaged with:

- the Institute for Government;
- the Institute of Regulation;
- the UK Regulators Network; and
- an academic from the London School of Economics.

8 During fieldwork, we interviewed a range of business representatives and research organisations, including the:

- Confederation of British Industry;
- Enterprise Research Centre;
- Federation of Small Businesses; and
- Organisation for Economic Co-operation and Development.

Survey of regulators in scope of the Growth Duty

9 We conducted a survey of regulators in scope of the Growth Duty to understand their progress in implementing the duty, their understanding of their contributions to growth and their relationship with government. The survey ran from 7 July to 1 August 2025, using the survey software Webropol. We emailed a survey link directly to 61 regulators and public bodies with regulatory functions, based on a list of bodies in scope of the Growth Duty provided by DBT.[23] Some regulators received extensions to complete the survey or were offered the option to resubmit. We closed the survey on 22 August. We received a total of 56 (92%) survey responses.

10 We tested our survey questions in a workshop consisting of four regulators, facilitated by the UK Regulators Network and used the feedback to make changes to the wording and structure of the survey. Questions covered:

- interpreting growth and the Growth Duty;
- implementing the Growth Duty;
- monitoring and evaluating the Growth Duty;
- the Action Plan; and
- relationship with government.

The survey contained a combination of mandatory and non-mandatory questions.

11 For closed questions, we used descriptive analysis of the survey results to produce data visualisations. We have not tested survey responses for statistical significance due to the small sample sizes when responses are broken down into different groups, and all comparisons between groups are descriptive.

12 For open text questions, we analysed responses to identify themes, understand the range and diversity of responses, and give examples to inform analysis of the quantitative results. We used these data to inform the understanding of responses to the Growth Duty and identify areas for further inquiry.

13 We asked respondents to indicate if they were willing to be contacted for follow-up conversations to provide additional information on their survey responses. We conducted a separate data collection exercise on this basis, involving follow-up interviews with four regulators and written clarifications from two. The interviews allowed for more in depth discussion of themes identified in the survey and for the audit team to gather further information on specific actions to inform the examples identified in Part Three of the report.

23 Note that this is slightly different from the 60 illustrated in Figure 5 since the initial list provided by DBT was incorrect and required revisions.

Analysis of Regulatory Policy Committee (RPC) opinions and departmental impact assessments

14 We reviewed the published list of RPC opinions between 2020 and 2024 published as at July 2024, and used the links available to assign Equivalent Annualised Net Direct Cost to Business (EANDCB) valuations based on the published impact assessment and RPC assessment.[24] We used the resulting data-table to understand the spread of cost across historic costed measures.

15 We have not amended any of the published data. Where EANDCB was not quantified or unassigned for other reasons we did not use these data. There are instances with differences between the value in RPC's published assessment and the impact assessment published by the department. For consistency, we have always used the impact assessment published by the department, since this – to the best of our knowledge – reflects the departments' current, public-facing, view of the impact of their legislation.

16 We compared the findings against available data on impact assessments with verified EANDCB figures for qualifying measures that counted towards the Business Impact Target (BIT) programme, provided by the RPC for the purpose of the audit. This covered a different time-period, and did not go up to 2024 since EANDCB estimates are no longer verified by the RPC. However, the spreads obtained were similar to those resulting from our own independent analysis.

Analysis of select committee appearance data

17 We performed analysis of regulators' appearances in front of Parliamentary select committees to understand the extent of Parliamentary scrutiny of regulators' contributions to growth. We first selected a sample of regulators, comprising both the list of regulators in scope of the Growth Duty provided by DBT, and the key regulators listed in the Action Plan.

18 We used Parliament's committee application programming interface (API) and the programming language R to identify 14,586 sessions before a Parliamentary committee.[25] We then identified which sessions had been attended by regulators based on the recorded witnesses. We extracted oral evidence transcripts for these sessions in the same way. We extracted the data as at 1 December 2025, and all results reflect the data and transcripts available at that point in time. Of these, 250 were undated, with the remainder taking place between January 2013 and December 2025.[26] We did not set cut-off dates, and the date-range reflects the full period for which data were available as at 1 December 2025.

24 Regulatory Policy Committee, *Summary of published RPC opinions and statements*, last updated September 2025.
25 For API see v1 OAS3, available via Parliament's developer hub at https://committees-api.parliament.uk/index.html (viewed on 31 December 2025).
26 Not all regulators would have existed for the full duration of this period. For example, the Payment Systems Regulator was set up 2015 and then merged into Financial Conduct Authority in 2025.

19 We checked and cleaned the appearance data extracted via the API to remove duplicate hits generated in the initial extraction file, as this operates based on individual witnesses, rather than the organisation each witness represents.

20 We then used textual analysis, including fuzzy matching, to extract the oral evidence transcripts in which the Growth Duty, and economic growth more generally, were mentioned. This included fuzzy matching on the search terms 'economic growth' and 'growth duty' (see below).

21 The data generated from this process were then checked manually to ensure accuracy. In total, the Growth Duty was mentioned in four sessions and economic growth was identified in 91 of the hearings that involved the regulators in our sample.

Fuzzy matching and checks

22 We performed fuzzy matching using R's 'agrep' function.[27] The function searches for approximate matches to a pattern (here 'growth duty' and 'economic growth') within each element of the string (here the committee transcripts) using the generalised Levenshtein edit distance. The generalised Levenshtein edit distance represents the minimal possibly weighted number of insertions, deletions and substitutions needed to transform one string into another. The distance used was the default distance of 0.1.

23 We performed sensitivity analysis to test the level of accuracy and permissiveness of the matching when the distance was reduced (more stringent) and relaxed (less stringent).[28] We noted the change in match rate when the distance was flexed, and we reviewed results to check for potential false negatives and false positives.

- Under the strict threshold (Levenshtein 0.05), 'growth duty' matched 0% of transcripts and 'economic growth' matched 8%.
- At the default (0.10), 'growth duty' matched 2% while 'economic growth' matched 8%.
- With a more lenient threshold (0.15), 'growth duty' matched 2% and 'economic growth' matched 11%.
- Possible false positives and negatives for economic growth:
  - At a threshold of 0.05 (more stringent), two hearings would have dropped off. We manually checked and confirmed as appropriate to keep in.
  - At a threshold of 0.015 (less stringent), 19 more matches would have been made. We manually checked and confirmed as appropriate to not include.

27 See agrep: Approximate String Matching (Fuzzy Matching) (viewed on 31 December 2025).
28 Note that this was run after quality assurance of the code but before the final run of the analysis that took place once the exact scope was set – and the exact counts will therefore differ.

- Possible false positives and negatives for 'growth duty':
  - At the threshold of 0.05 (more stringent) the output was narrowed to the same three matches we identified by doing the manual check. No observations dropped should have been kept in.
  - At a threshold of 0.015 (less stringent) the same result was produced as the default.

Caveats when using the data

24 This analysis takes the data as is and we have not attempted to clean or consolidate transcripts. This comes with some caveats.

- The fact that 'economic growth' is mentioned in a hearing can mean that it is mentioned in passing or in general terms. It also does not always mean that the regulator in question was asked questions on it. For example, if a regulator is present as one of several witnesses, and questions about economic growth were directed at the other witnesses instead of the regulator, this would still come up as a match.
- Committee session data extracted via Parliament's API may, in some cases, not reflect the final witnesses attending the session. This could be the case if witnesses changed last minute or if a witness was unable to appear on the day.
- Where committees hold joint sessions, these will appear as duplicate observations.
- This analysis is based on unique hearings, which will be higher than the number of unique sessions. Hearings are treated as unique based on the meeting ID. Where a hearing is re-formed, somehow changed, or comprised multiple hearings, the meeting ID will change, even if the session (identified by name) remains the same.
- We found two instances where a single hearing has generated two different transcript IDs. For consistency we have considered the regulator's appearance as a single appearance (single hearing), since it was in front of the same committee, but both transcripts are included in the textual analysis (two possible matches).
- For a small number of select committee hearings, we could not extract transcripts using the data extracted via Parliament's API. For the transcripts linked to hearings in scope (attended by regulators of interest) 946 were extracted successfully; 20 were not.
- For each regulator we identified possible abbreviations, alternative names and past names. All permutations were included in the matching.

This report has been printed on Pro Digital Silk and contains material sourced from responsibly managed and sustainable forests certified in accordance with the FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation, which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.

National Audit Office

Design and Production by NAO Communications Team
DP Ref: 016837-001

£10.00
ISBN: 978-1-78604-652-9