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Industry and Regulators Committee

3rd Report of Session 2024–26

Time is money: How regulators can support growth

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The Industry and Regulators Committee

The Industry and Regulators Committee was appointed by the House of Lords on 13 May 2021 to consider matters relating to industry including, the policies of Her Majesty's Government to promote industrial growth, skills and competitiveness, and scrutinise the work of UK regulators.

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See Appendix 1.

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Evidence is published online at <https://committees.parliament.uk/work/9368/regulators-and-growth/>

Q in footnotes refers to a question in oral evidence.

SUMMARY

The growth mission

The Government has stated that economic growth is its number one mission. Its Action Plan on regulation set out proposals to overhaul the UK's regulatory system so that it reflects this mission and supports growth. However, the evidence of the impact of regulation on growth presents a mixed picture. Done well, regulation can boost consumer confidence and provide certainty for businesses to invest and innovate. Done badly, regulation can create uncertainty and lead to unnecessary costs and delays, not least for the development of new infrastructure or new products.

The Government's focus is on increasing private investment, with the Action Plan aiming to reduce regulatory barriers to investment. However, it is not readily apparent how the Action Plan would increase investment or growth, and there is a significant gap between this high-level ambition and the reality faced by regulators and businesses on the ground. Filling this gap will require some difficult choices from the Government.

Direction from government

It is unclear what supporting growth means for individual regulators, who hold a variety of responsibilities in different areas or sectors of the economy. What regulators might do to support growth could also change depending on the type of growth being sought and over what timeframe. In areas such as food standards, the Government may need to choose between regulatory improvements and improving international trade links. There are also likely to be cases where giving economic growth a greater priority will lead regulators to make trade-offs with their other responsibilities, such as consumer, competition or environmental protections.

As a first step, the Government must provide individual regulators with a clearer picture of what its growth ambition means in practice for their sector and their responsibilities. It is for sponsoring departments, who have responsibility for the relevant policy areas, to work with regulators to set this direction. The proposed regulatory simplification plans must provide this urgently needed clarity.

The Government is seeking to change a risk averse culture within regulators. Regulators are often risk averse, as they have primary statutory duties to safety or consumer protection, and are more likely to be blamed for failures than celebrated for supporting investment or innovation. Yet it is not clear whether the Government wants regulators to allow greater risks to be borne by consumers and businesses, or merely to be more open-minded about new innovations.

Decisions on what risks should be borne and by whom are fundamentally political and should be decided by the Government. The Government's steer that economic growth should be a higher priority and its proposal to strengthen the Growth Duty on regulators are first steps towards that, but they are not sufficient, particularly given the limited impact of the existing Growth Duty. If it wishes to have a more meaningful impact, the Government must provide strategic guidance to regulators that addresses how conflicts between objectives should be prioritised and must provide political cover where the Government wants a regulator to be more open to risk.

Accountability

One of the Government's measures for the success of its Action Plan is its target of reducing the administrative cost of regulation by 25% by the end of the Parliament. The target could make a useful contribution if it reduces unnecessary burdens without affecting regulatory protections, but we are concerned that the Government is focusing on the smaller cost of paperwork rather than the larger cost of actually complying with regulation. The Government must estimate the extent to which its plans will reduce the actual cost of compliance with regulation, as well as administrative costs. The Government should also set a small number of clear metrics for each regulator as part of sponsor departments' regulatory simplification plans, allowing Parliament to hold them to account for their performance.

Quicker, clearer and more responsive regulation

The main contribution that regulators can make to supporting investment and growth is to carry out their duties more efficiently. Central to this is improving the pace of regulatory processes and decisions, which is essential for effective regulation. Witnesses from a range of sectors told us that delays increased the cost of their financing and made the UK a less attractive destination for investment, with some launching products and services in other countries because of the delays. Time is money, and greater speed was the main ask we heard from businesses during the inquiry.

The Action Plan's main proposal to speed up these processes was the suggestion of paid-for fast lanes for regulatory approvals. However, allowing companies to pay for quicker decisions could reduce public trust and unfairly disadvantage smaller companies. Regulators should first take steps to reduce the time it takes to make decisions for all companies and provide clearer timescales for when they expect to make decisions.

Regulators should also be much clearer about how businesses should comply with their requirements. We heard that businesses were often not confident about what would meet regulators' expectations, causing additional costs and delays. In addition to providing clear guidance early on, regulators should proactively engage with businesses to ensure their requirements are clear and that any issues can be worked through.

Additional complications arise for companies when their projects are overseen by multiple regulators with overlapping requirements. The Government is piloting a proposal for lead environmental regulators, creating a single point of contact for large projects, but we are concerned that this only applies to regulators in one department and only coordinates communication rather than decision-making. The Government must work with regulators to identify where lead regulator models could be implemented more broadly, including across departmental boundaries.

The Action Plan

The Government has set out its high-level ambitions and targets. It must now take strategic decisions to make those ambitions a reality. Regulators can play their part by providing the speed and certainty that businesses need to make investments, and the flexibility to respond to innovation. A more responsive regulatory system may not be sufficient to drive economic growth on its own but is a vital contribution to the Government's growth mission.

Time is money: How regulators can support growth

CHAPTER 1: INTRODUCTION

Background

1. In December 2024, the Government published its Plan for Change, which stated that economic growth was its “number one mission”.¹ In December 2024, the Prime Minister, the Chancellor of the Exchequer and the Secretary of State for Business and Trade wrote a joint letter to 17 regulators stating that “we are determined that every department and every regulator should prioritise growth, and that we in government support you to do so.”² The letter asked the regulators to each propose five reforms to their frameworks to support growth in 2025.³ On 16 January 2025, the Chancellor and Business Secretary held the first of a series of meetings with regulators, in which they were told that economic growth is “the absolute top priority for the Government”.⁴
2. This is not the first time that regulators have been asked to consider how they can support growth. In 2017, a broad requirement known as the Growth Duty came into effect. This duty requires those who carry out certain regulatory functions to “have regard to the desirability of promoting economic growth” and to carry out those functions in a way that ensures regulatory action is proportionate and only taken when needed.⁵ The Growth Duty applies to 61 regulators, including Ofcom, Ofgem and Ofwat, to whom the duty was specifically extended in May 2024. Two further regulators, the Financial Conduct Authority and the Prudential Regulation Authority, were given a more detailed secondary objective to support growth in 2023.⁶
3. The Government published an Action Plan on regulation in March 2025.⁷ This set out the Government’s vision for how regulatory systems would change to support growth. It listed the 17 regulators the Prime Minister had written to in December 2024, describing them as ‘key regulators’, and the specific actions they had agreed to take in the next year as asked for in the letter. It also set out a target to reduce administrative costs for businesses to comply with regulation by 25% by the end of the Parliament. A progress update to the Action Plan, published in October 2025, established the

1 HM Government, *Plan For Change Milestones for mission-led government*, [CP 1210](#), 5 December 2024

2 Prime Minister, Chancellor of the Exchequer and Secretary of State for Business and Trade, *A New Approach to Ensure Regulators and Regulations Support Growth*, 24 December 2024. See [example sent to the Civil Aviation Authority](#).

3 These 17 were: the Civil Aviation Authority (CAA); the Competition and Markets Authority (CMA); the Environment Agency (EA); the Financial Conduct Authority (FCA); the Food Standards Agency (FSA); the Health and Safety Executive (HSE); the Information Commissioners Office (ICO); the Medicines and Healthcare products Regulatory Agency (MHRA); the National Institute for Health and Care Excellence (NICE); Natural England; Ofcom; Ofgem, the Office for Rail and Road (ORR); Ofwat; the Payment Systems Regulator (PSR); the Prudential Regulation Authority (PRA); and the Pensions Regulator.

4 HM Treasury, [Press Release: Chancellor calls on watchdog bosses to tear down regulatory barriers that hold back growth](#), 22 January 2025

5 Deregulation Act 2015, [section 108](#)

6 Financial Services and Markets Act 2023, [section 25](#)

7 HM Treasury, [New approach to ensure regulators and regulation support growth](#), March 2025

baseline for the regulatory burden as £22.4 billion a year, which means that the Government's target is to reduce the annual administrative burden of regulation on businesses by £5.6 billion by the end of this Parliament.⁸

4. Overall policy responsibility for regulation sits with the Department for Business and Trade. However, HM Treasury has taken the lead on the Action Plan and is responsible for its delivery, including the 25% target for reducing administrative burdens. The Department for Business and Trade and HM Treasury have set up a Joint Unit to work with regulators to deliver the Action Plan and expect sponsoring departments to hold regulators to account for achieving the commitments regulators have made.

This inquiry

5. We launched our inquiry on 12 November 2025, looking at: the Action Plan and the Government's ambitions for 17 key regulators to take action to support economic growth; how the Government and regulators understood how this could be achieved and whether it would impact regulators' other duties and responsibilities; and how regulators were responding to the Action Plan.
6. We received 124 written evidence submissions and held 13 oral evidence sessions with a total of 29 witnesses including representatives of start-ups and regulated businesses, academics and think tanks, regulators subject to the Growth Duty, and the Regulatory Innovation Office.
7. We also heard from Blair McDougall MP, Minister for Small Business and Economic Transformation, Lord Livermore, the Financial Secretary to HM Treasury, and civil servants from the Department for Business and Trade and HM Treasury. We are very grateful to all those who contributed.

This report

8. Chapter 2 explores how the Government is acting to give regulators a greater focus on growth, including by setting the strategic direction, working with sponsor departments and regulators to make operational changes, and setting up systems to monitor progress. Chapter 3 sets out practical steps regulators can take to support growth, including improving the pace of their decision-making, providing clearer guidance on how to comply with their requirements, and working more closely with other regulators where responsibilities overlap.
9. **We make this report for debate.**

CHAPTER 2: THE ROLE OF GOVERNMENT

The Government's growth mission and its strategy for regulators

The Government's vision for growth

10. In December 2024, the Government published its Plan for Change which stated that economic growth was its “number one mission” and that its aim was higher living standards by the end of the Parliament.⁹ Progress would be measured by increases in disposable income and Gross Domestic Product (GDP) per person.
11. The Plan for Change makes limited reference to regulation, but the Government set out its intention to pursue regulatory reform to support growth in a letter from the Prime Minister to regulators sent in December 2024 and in the March 2025 Action Plan.
12. Lord Livermore, the Financial Secretary to HM Treasury, explained that “the whole purpose of our growth strategy is to increase private sector investment in the economy”, and the Action Plan was intended to support regulators to “make investment easier, not harder”, to support growth in the long term.¹⁰ For short-term growth, “the best thing we can do is affect business and consumer sentiment”.¹¹ The Action Plan calls for a regulatory system that “not only protects consumers and supports competition, but also encourages new investment, innovation, and growth.”¹² The Minister for Small Business and Economic Transformation, Blair McDougall explained that rising costs in businesses and the current “period of extraordinary economic disruption and innovation” create a greater need to get regulation right.¹³
13. In the rest of this Chapter, we set out the complex picture on how regulators can support or hinder growth and whether the Government has been sufficiently clear on how it expects regulators to respond. This includes considering whether the Government has the right tools to make sure regulators take action, and wider implications such as the impact on international trade.

How regulators can support or hinder growth

14. The Committee heard extensive evidence on the difficulty of identifying the role of regulators in supporting growth. Dan Elliott, Founder and Director of Frontier Economics, an economic consultancy, argued the evidence for a link between regulation and growth was “pretty slim across the board, with the exception of addressing market failure”.¹⁴ Dame Julia Black, Professor of Law and Regulation at Oxford University, explained the fundamental role of regulation: “for firms there will be instances where regulators will require them to do things they were not otherwise going to do ... which successive Governments have decided it is in the wider interests of society that they do.”¹⁵
15. The Advertising Association summarised the basic view shared by many that it was the role of regulation to create “stable, predictable frameworks

9 HM Government, *Plan For Change: Milestones for mission-led government*, [CP 1210](#), December 2024

10 [Q 161](#) (Lord Livermore)

11 [Q 162](#) (Lord Livermore)

12 HM Treasury, *New approach to ensure regulators and regulation support growth*, March 2025

13 [Q 145](#) (Minister Blair McDougall MP)

14 [Q 29](#) (Dan Elliott)

15 [Q 1](#) (Dame Julia Black)

that enable businesses to invest and innovate whilst protecting legitimate public interests.”¹⁶ Many witnesses stressed the importance of certainty in regulation as providing confidence to make investments.¹⁷ Sarah Cardell, Chief Executive of the Competition and Markets Authority, explained that predictability was one of the key themes of their current transformation programme, because “we know that uncertainty can chill investment”.¹⁸

16. Rachel Fletcher, Director of Regulation and Economics at Octopus Energy described Ofgem’s role in opening up energy markets to offer more customer choice and fair competition, which had allowed Octopus, a new company, to “not just gain top market share but do so by bringing quite a lot of innovative products”.¹⁹ Sam Dumitriu, Head of Policy at Britain Remade, explained how regulation can support innovative sectors: “a degree of regulation is useful in showing people that this is something they can invest in and not something that will be shut down overnight”.²⁰
17. There were also clear examples where regulation can stifle growth. As Anne Pardoe, Head of Policy at Citizens Advice, said “too much regulation or the wrong sort of regulation can tie businesses up in knots, which can hinder innovation and growth”.²¹ Dame Melanie Dawes, Chief Executive at Ofcom, said that as competition had come into the telecoms sector “the right answer for Ofcom has often been to step back”.²²
18. John Fingleton, author of the 2025 Nuclear Regulatory Review, thought regulators could have most impact on growth by speeding up decision-making (this is discussed in greater detail in Chapter Three). He felt this was part of the reason that the UK is the most expensive place in the world to build nuclear power plants, as well as to build “a mile of road, a mile of rail, a bridge, a tunnel”.²³
19. Ofqual told us that sometimes regulatory decisions “may not necessarily promote growth in the short-term, but are essential to sustaining it over the

16 Written evidence from Advertising Association ([RAG0006](#)). See also written evidence from Make UK ([RAG0056](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from the National Grid ([RAG0073](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from the Consumer Council for Water ([RAG0087](#)), written evidence from the Competition and Markets Authority ([RAG0088](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from Ofgem ([RAG0103](#)).

17 [Q 59](#) (Antony Shimmin), [Q 71](#) (Georgina Fleet), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from the Advertising Association ([RAG0006](#)), written evidence from Professor Sylvester Kaczmarek ([RAG0008](#)), written evidence from the Civil Aviation Authority ([RAG0013](#)), written evidence from Dr Tariq Umar ([RAG0014](#)), written evidence from the Computer and Communications Industry Association ([RAG0020](#)), written evidence from the Institute for Public Policy Research ([RAG0022](#)), written evidence from the Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from the Trades Union Congress ([RAG0028](#)), written evidence from the UK Regulators Network ([RAG0035](#)), written evidence from the Health and Safety Executive ([RAG0037](#)), written evidence from the Insolvency Service ([RAG0042](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from Vertical Aerospace ([RAG0059](#)), written evidence from the Movement for an Open Web ([RAG0068](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from the Council for Licensed Conveyancers ([RAG0117](#)), written evidence from The Wildlife Trusts ([RAG00122](#))

18 [Q 107](#) (Sarah Cardell)

19 [Q 58](#) (Rachel Fletcher)

20 [Q 41](#) (Sam Dumitriu)

21 [Q 12](#) (Anne Pardoe)

22 [Q 107](#) (Dame Melanie Dawes)

23 [Q 121](#) (John Fingleton)

longer term”, and other regulators shared examples of this tension.²⁴ Dame Julia Black argued that government needed to “think about what that growth looks like and for whom”, contrasting the impact of lower prices which increase consumer spending with higher prices which make companies more attractive for inward investment.²⁵

20. Witnesses told us that the differing roles and responsibilities of regulators can have an impact on their approach and the actions they take.²⁶ Simon Wilde, Director at Oxera, an economics and finance consultancy, summarised “four distinct types of regulators” which had different roles for growth: economic regulators such as Ofwat and Ofgem, market regulators such as the Competition and Markets Authority, technical regulators responsible for health or safety, and prudential regulators who manage systemic risk.²⁷
21. Dan Elliott of Frontier Economics explained that “the steps that might be taken, and the pitfalls will vary” depending on what type of regulator you are.²⁸ Some regulators, such as Social Work England, highlighted that their roles and responsibilities are “quite different to those of regulators that oversee systems, or whole sections of the UK economy”.²⁹

The Action Plan for regulators and the need for additional direction

22. Witnesses were in favour of the Government’s emphasis on growth and many regulators told us that they were considering how they could support growth.³⁰ Professor Sean Ennis, director of the Centre for Competition Policy, told the Committee that it was “wonderful” to hear the Government emphasising growth more than “in the last two or three decades”.³¹ Katie Pettifer, Chief

24 See written evidence from Ofqual ([RAG0023](#)), written evidence from the Food Standards Agency ([RAG0038](#)), written evidence from Companies House ([RAG0053](#)), written evidence from the Forestry Commission ([RAG0044](#)), written evidence from Natural England ([RAG0064](#)), written evidence from Environment Agency ([RAG0077](#)), and written evidence from Health Research Authority ([RAG0105](#)).

25 [Q 2](#) (Dame Julia Black).

26 [Q 2](#) (Dame Julia Black, Professor Sean Ennis), [Q 27](#) (Simon Wilde, Dan Elliott), and [QQ 107, 109](#) (Dame Melanie Dawes). See also written evidence from Ofsted ([RAG0004](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Trinity House ([RAG0041](#)), written evidence from Skyscanner ([RAG0070](#)), written evidence from the Institute of Regulation ([RAG0086](#)), written evidence from Social Work England ([RAG0092](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from the Certification Office ([RAG0099](#)), and written evidence from the Gambling Commission ([RAG0104](#)).

27 [Q 27](#) (Simon Wilde and Dan Elliott)

28 *Ibid.*

29 Written evidence from Social Work England ([RAG0092](#)). See also written evidence from Ofsted ([RAG0004](#)), written evidence from Trinity House ([RAG0041](#)) and written evidence from the Gambling Commission ([RAG0104](#)).

30 [Q 92](#) (Katie Pettifer), [Q 107](#) (Sarah Cardell and Dame Melanie Dawes). See also written evidence from the Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from Ofqual ([RAG0023](#)); written evidence from the Forestry Commission ([RAG0044](#)), written evidence from HM Land Registry ([RAG0054](#)), written evidence from the Intellectual Property Regulation Board ([RAG0055](#)), written evidence from Historic England ([RAG0060](#)), written evidence from Natural England ([RAG0064](#)), written evidence from the National Physical Laboratory ([RAG0075](#)), written evidence from Environment Agency ([RAG0077](#)), written evidence from the Regulator of Social Housing ([RAG0084](#)), written evidence from Architects Registration Board ([RAG0090](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from the Certification Office ([RAG0099](#)), written evidence from the Nursing and Midwifery Council ([RAG0109](#)), written evidence from the Defence Safety Authority ([RAG0107](#)), written evidence from Drinking Water Inspectorate ([RAG0111](#)), written evidence from the Financial Reporting Council ([RAG0113](#)), written evidence from the Information Commissioner’s Office ([RAG0114](#)), written evidence from the Council for Licensed Conveyancers ([RAG0117](#)), and written evidence from the Legal Services Board ([RAG0126](#)).

31 [Q 1](#) (Professor Sean Ennis)

Executive of the Food Standards Agency, told the Committee that it was “great” that the growth agenda meant it was getting more engagement from the Government.³² Ofgem’s statement that “Economic growth is a national priority and the role of regulators in this is a major area of focus for Ofgem” was typical of regulators’ attitudes, and many provided details of activity to support innovation or facilitate investment.³³

23. Witnesses were less clear on how this overall vision related to the work of individual regulators. Anne Pardoe from Citizens Advice told us that the Action Plan is “a little bit difficult to engage with” due to the “very different roles” of various regulators.³⁴ The Institute of Regulation stressed that “one size does not fit all” for regulators involved in different activities, under regimes of “varying sophistication and flexibility”. The Institute argued that the approach to encouraging regulators to support growth “must be tailored case by case”.³⁵
24. The Minister for Small Business and Economic Transformation told us that after being asked to prioritise growth, regulators came back to government with “the completely fair counter-challenge, ‘What do you mean by that?’”. He told us that Secretaries of State are working with individual regulators on growth goals and on regulatory simplification plans, and that “people are responding to that urgent need while having longer-term conversations about the more granular nature of what growth means within their particular context”.³⁶
25. This role for sponsoring departments is not covered in the Action Plan, and we received limited evidence from regulators on their relationship with sponsoring departments. On one hand, the Gambling Commission, while not a key regulator, told us that it was engaging with the Department for Culture, Media and Sport on the admin burden reduction target.³⁷ On the other hand, the National Audit Office’s January 2025 report *Regulating for growth* noted that nearly half of the regulators they surveyed did not know how their sponsoring departments defined growth.³⁸

The Government’s focus on key regulators

26. The Government’s Action Plan says its reforms will apply to all bodies exercising regulatory powers and functions, and that it is applying its 25% administrative burden reduction target to the overall cost of all regulation. However, the specific activities in the Action Plan focus on 17 key regulators (see Table 1: The 17 “key regulators” set out in the Government’s Action Plan below).³⁹

32 [Q 103](#) (Katie Pettifer)

33 Written evidence from Ofgem ([RAG0103](#))

34 [Q 20](#) (Anne Pardoe)

35 Written evidence from the Institute of Regulation ([RAG0086](#)). See also written evidence from Ofqual ([RAG0023](#)), written evidence from HM Land Registry ([RAG0054](#)).

36 [Q 151](#) (Minister Blair McDougall MP)

37 Written evidence from the Gambling Commission ([RAG0104](#))

38 Comptroller and Auditor General, *Regulating for growth*, 21 January 2026

39 In March 2025, the Government announced that the Payment Systems Regulator would be consolidated into the Financial Conduct Authority—see Prime Minister’s Office, *Press Release: Regulator axed as red tape is slashed to boost growth*, 11 March 2025. Since this announcement, the Government has referred to 16 key regulators. For consistency, and given the necessary legislation has not yet passed, we continue to refer to 17 key regulators.

27. The Government has focused on these regulators “because they are judged as being the ones that are core to the economic need.”⁴⁰ The 17 key regulators were chosen following consultations held in preparation for the Industrial Strategy, and because of the impact they would have on the eight growth sectors identified in the Industrial Strategy.⁴¹ However, two of the priority sectors in the Industrial Strategy do not have a regulator in the Action Plan—they are defence and professional and business services.⁴²

The 17 “key regulators” set out in the Government’s Action Plan

Subject to the Growth Duty set out in the Deregulation Act 2015	Subject to the Secondary Competitiveness and Growth Objective set out in the Financial Services and Markets Act 2023	Not subject to a formal growth duty
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	Prudential Regulation Authority Financial Conduct Authority	National Institute for Health and Care Excellence The Pensions Regulator Competition and Markets Authority Payment Systems Regulator (due to become part of the Financial Conduct Authority)

Source: House of Lords analysis of HM Treasury: *A new approach to ensure regulators and regulation support growth*

28. The links between the choice of key regulators and the Government’s growth ambitions were not always clear. For example, when asked whether the Legal Services Board was one of the key regulators, the Department for Business and Trade said it was not, despite the importance of the legal

40 [Q 149](#) (Minister Blair McDougall MP)

41 [Q 166](#) (Lord Livermore)

42 Department for Business and Trade, *The UK’s Modern Industrial Strategy*, [CP 1451](#), November 2025. The eight ‘highest-potential sectors’ where the Government plans to take action are: advanced manufacturing; creative industries; life sciences; clean energy; defence; digital and technologies; professional and business services; and financial services. It also sets out the importance of foundational industries such as electricity networks, construction and chemicals.

profession to many other industries and to investment.⁴³ The Law Society had calculated that the legal services sector made a combined direct and indirect contribution to the economy worth £74.4 billion in 2024.⁴⁴

29. The Financial Secretary to HM Treasury did confirm that the Government would continue to work with the “enormously long tail of regulators” outside the 17 when this was called for, as it had done recently with the nuclear regulators in response to the review of the sector led by John Fingleton.⁴⁵
30. **Whilst it was helpful to know that the Government’s growth strategy for regulators is a supply-side strategy focused on increasing investment, the Action Plan does not adequately set out how it expects regulators to support growth in their individual work and investment in particular. Regulators see tensions between their role in the Government’s growth ambitions and their other responsibilities and need a clearer direction on how they should be considered and managed. The Government needs to provide greater clarity for individual regulators on what supporting growth means in practice.**
31. *Government departments must work at pace with their regulators to ascertain and advise on how they can affect growth, consistent with their other responsibilities. The growth goals and regulatory simplification plans which the Government has said are underway are essential to setting the direction for regulators. We expect the Government to update us on progress with the plans before the summer recess.*

How the Government can influence regulators to take action

32. The Government uses legislation to confer powers, responsibilities and functions on regulators. This legislation usually provides statutory duties or objectives that regulators are expected to pursue or abide by when carrying out their responsibilities. Nominally, most regulators operate independently of and at arm’s length from the Government and work with a sponsoring department who has responsibility for the policy areas the regulator covers. However, the Government does have means to influence regulators’ activities. These can range from setting objectives in legislation, to issuing formal strategic guidance, to setting expectations for and reviewing performance.

Formal growth duties

33. The Deregulation Act 2015 set an expectation that anyone exercising a regulatory function should have regard to the desirability of promoting economic growth and, in particular, consider exercising that function in a way that ensures regulatory action is taken only when needed, and that any such action is proportionate.⁴⁶ In March 2026, the Department for Business and Trade (DBT) provided us with a list of 61 regulators who are subject to the Growth Duty.⁴⁷ The Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) were given a separate secondary

43 Correspondence, *Letter from Blair McDougall MP, Minister for Small Businesses and Economic Transformation to the Chair of the Industry and Regulators Committee*, 10 March 2026

44 Written evidence from Legal Services Board ([RAG0126](#))

45 [Q 166](#) (Lord Livermore)

46 Deregulation Act 2015, [section 108](#)

47 Correspondence, *Letter from Blair McDougall MP, Minister for Small Businesses and Economic Transformation to the Chair of the Industry and Regulators Committee*, 10 March 2026

objective to support growth in the Financial Services and Markets Act 2023.⁴⁸ For ease, the rest of this report uses “the growth duty” to mean both the Growth Duty itself and the separate duty on the PRA and FCA.

34. Witnesses were broadly supportive of the Growth Duty but raised concerns about how regulators took it into consideration alongside their other statutory duties. Unchecked UK, a think tank supporting regulation for public protection, for example said “the duty’s narrow conception of growth can sit in direct tension with regulators’ primary statutory functions—such as protecting the environment, safeguarding public health, and promoting fair and competitive markets”.⁴⁹
35. Along the same lines, the Committee’s 2024 report, *Who watches the watchdogs? Improving the performance, independence and accountability of UK regulators*, concluded that “some regulators have been given too many statutory duties, objectives and issues to have regard to by government and Parliament without a clear sense of priority.”⁵⁰
36. The range of responses from regulators indicated there was variation in the extent to which they prioritised supporting growth alongside their other statutory objectives. The Care Quality Commission (CQC) told us “we have prioritised safety above all else in line with our legislative duties.”⁵¹ Katie Pettifer from the Food Standards Agency (FSA) said: “the Food Standards Agency is a statutory body with an overriding statutory objective to protect public health and otherwise to protect the interests of consumers in relation to food.”⁵²
37. The Information Commissioner, John Edwards, said that promoting economic growth was complementary to ICO’s other responsibilities, and not “in some kind of zero-sum relationship”.⁵³ Similarly, Lawrence Tallon, the Chief Executive Office of the Medicines and Healthcare products Regulatory Agency (MHRA), felt that MHRA’s primary purpose—serving the patients and the public, and ensuring timely access to medicines—supported growth in the UK’s life sciences sector.⁵⁴

48 Financial Services and Markets Act 2023, [section 25](#)

49 Written evidence from Unchecked UK ([RAG0058](#)). The tension between growth and other objectives was also raised by: [Q 11](#) (Dame Julia Black), [Q 47](#) (Robert Colvile) and in written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from the Community Planning Alliance ([RAG0007](#)), written evidence from the Collective for Human Rights in the UK ([RAG0009](#)) written evidence from the Northern Lighthouse Board ([RAG0012](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from the Professional Standards Authority ([RAG0034](#)), written evidence from the Health and Safety Executive ([RAG0037](#)), written evidence from Make UK ([RAG0056](#)), written evidence from the Immigration Advice Authority ([RAG0063](#)), written evidence from Ithaca Energy ([RAG0072](#)), written evidence from the National Grid ([RAG0073](#)), written evidence from Ryan Nabil ([RAG0079](#)), written evidence from the Consumer Council for Water ([RAG0087](#)), written evidence from the Forestry Commission ([RAG0095](#)), written evidence from Stuart Hudson ([RAG0106](#)), written evidence from the Drinking Water Inspectorate ([RAG0111](#)), written evidence from the Financial Reporting Council ([RAG0113](#)), written evidence from the Council for Licensed Conveyancers ([RAG0117](#)), written evidence from and the National Farmers Union ([RAG0120](#)).

50 Industry and Regulators Committee, *Who watches the watchdogs? Improving the performance, independence and accountability of UK regulators* (1st Report, Session 2023–24, HL Paper 56)

51 Written evidence from the Care Quality Commission ([RAG0036](#))

52 [Q 92](#) (Katie Pettifer)

53 [Q 92](#) (John Edwards)

54 [Q 106](#) (Lawrence Tallon) See also written evidence from Trinity House ([RAG0041](#)), written evidence from Prospect ([RAG0046](#)), written evidence from Natural England ([RAG0064](#)), written evidence from the Environment Agency ([RAG0077](#)), and written evidence from the Health Research Authority ([RAG0105](#)).

38. In the October 2025 update to the Action Plan, the Government set out plans to “reform the Growth Duty so that the legal framework is clearer, more focused and ensures regulators must consider and promote growth”.⁵⁵ David Lunn, the Director of the Regulation Directorate at DBT, explained that the Government was considering “moving it to a stronger basis akin to that which currently applies to financial services regulators”.⁵⁶ The Minister for Small Business and Economic Transformation confirmed that while the Government would “look to strengthen the Growth Duty”, the core functions of regulators would remain.⁵⁷
39. Some witnesses, such as Britain Remade’s Sam Dumitriu and the Centre for Policy Studies’ Director Robert Colvile, supported a stronger Growth Duty, or even making growth a primary duty of regulators.⁵⁸ Online Travel UK asked for an explicit growth duty to be given to the Office of Rail and Road, which is already subject to the general Growth Duty.⁵⁹ As suggested by Lord Willetts, Chair of the Regulatory Innovation Office, making the Growth Duty stronger could provide “greater legal back-up” for regulators to focus more on growth.⁶⁰
40. By contrast, some regulators, such as the Gangmasters and Labour Abuse Authority (GLAA), were sceptical whether strengthening the Growth Duty alone would have any significant effect without further action.⁶¹ Lawrence Tallon from the MHRA, whilst “comfortable” with the idea of changes to the Growth Duty, did not think that it would “massively change” what the MHRA is doing, as its mission already involves enabling growth.⁶² The Computer and Communications Industry Association feared that “regulators can rhetorically explain whatever decision they would have taken otherwise as being pro-growth”, potentially creating more paperwork rather than more growth.⁶³
41. **The Government has not yet set out concrete proposals for its plans to strengthen the general Growth Duty and how it applies to regulators. Given the limited impact of the existing Growth Duty, and the divided opinions we have heard about whether a stronger duty will have the desired impact, we urge the Government to develop its proposals alongside more practical changes, using the levers it has to influence regulators.**

55 HM Treasury, *Regulation Action Plan - Progress Update and Next Steps*, October 2025

56 [Q 148](#) (David Lunn)

57 [Q 152](#) (Minister Blair McDougall MP)

58 [Q 46](#) (Sam Dumitriu), [Q 45](#) (Robert Colvile). See also [Q 83](#) (Annie Conde), written evidence from The London Market ([RAG0030](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#))

59 Written evidence from Online Travel UK ([RAG0050](#))

60 [Q 133](#) (Lord Willetts)

61 Written evidence from the Gangmasters and Labour Abuse Authority ([RAG0010](#)). See also written evidence from Hleb Buziuk ([RAG0001](#)), written evidence from the Institute for Public Policy Research ([RAG0022](#)), written evidence from the Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from the Trades Union Congress ([RAG0028](#)), written evidence from Space Forge ([RAG0032](#)), written evidence from the Food Standards Agency ([RAG0038](#)), written evidence from Trinity House ([RAG0041](#)), written evidence from the Forestry Commission ([RAG0044](#)), written evidence from the Institute for Government ([RAG0045](#)), written evidence from Dr Emmanuel Igwe ([RAG0062](#)), written evidence from Natural England ([RAG0064](#)), written evidence from Ryan Nabil ([RAG0079](#)) and written evidence from the Certification Office ([RAG0099](#)).

62 [Q 108](#) (Lawrence Tallon). See also written evidence from the Gambling Commission ([RAG0104](#)).

63 Written evidence from the Computer and Communications Industry Association ([RAG0020](#))

Regulators' objectives and strategic guidance

42. In its March 2025 Action Plan, the Government said that it would “simplify the duties of key regulators” so that they are able to support growth and investment.⁶⁴
43. In addition to statutory duties and objectives, the Government can provide further political input on the direction that regulators take through the strategic policy statements, formal guidance, steers and remit letters which the Government can provide to regulators. In its February 2024 report on UK regulators, this Committee concluded that these statements are “often overly detailed and give no sense of priority” on how to make trade-offs and argued that the Government “must not duck responsibility” by delegating political or distributional decisions to regulators without “clear objectives or any sense of priority”.⁶⁵
44. The University of Oxford’s Dame Julia Black said that the Government had been “very clear about the need for economic growth”, but not so clear about “how regulators should make the trade-off between economic growth and their other objectives.”⁶⁶ Several other witnesses thought that focusing more on supporting growth could lead regulators to make trade-offs with other objectives, including consumer and environmental protections.⁶⁷
45. Some witnesses, such as Dan Corry, the author of a government review of environmental regulation, argued that this is a “zero-sum frame of thinking”, suggesting that there are “short-run trade-offs” but that in the medium-term there are a lot of “win-wins” where improvements to processes can benefit growth and regulatory protections.⁶⁸
46. Make UK, the trade body for manufacturers, suggested that regulatory processes could usually be improved without impacting on regulatory protections, but accepted that trade-offs will sometimes arise. In these instances, they argued that government guidance should define the acceptable level of risk, “ensuring that regulators do not inadvertently prioritise speed

64 HM Treasury, *New approach to ensure regulators and regulation support growth*, March 2025

65 Industry and Regulators Committee, *Who watches the watchdogs? Improving the performance, independence and accountability of UK regulators* (1st Report, Session 2023–24, HL Paper 56)

66 [Q 2](#) (Dame Julia Black)

67 [Q 2](#) (Professor Sean Ennis), [Q 27](#) (Dan Elliott), [Q 28](#) (Simon Wilde), [Q 45](#) (Robert Colvile), [Q 83](#) (Mark Thurston), [Q 119](#) (John Fingleton), [Q 134](#) (Lord Willetts), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from the Community Planning Alliance ([RAG0007](#)), written evidence from the Collective for Human Rights in the UK ([RAG0009](#)), written evidence from the Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from the Northern Lighthouse Board ([RAG0012](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from the Trades Union Congress ([RAG0028](#)), written evidence from the WWF-UK ([RAG0031](#)), written evidence from the Professional Standards Authority ([RAG0034](#)), written evidence from the UK Regulators Network ([RAG0035](#)), written evidence from the Care Quality Commission ([RAG0036](#)), written evidence from the Institute for Government ([RAG0045](#)), written evidence from Prospect ([RAG0046](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from the Corporate Justice Coalition ([RAG0065](#)), written evidence from National Grid ([RAG0073](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from Stuart Hudson ([RAG0106](#)), and written evidence from the Drinking Water Inspectorate ([RAG0111](#))

68 [Q 121](#) (Dan Corry). See also [Q 13](#) (Ben Ramanauskas), [Q 92](#) (John Edwards), [Q 107](#) (Lawrence Tallon), [Q 130](#) (John Fingleton) written evidence from the Food Standards Agency ([RAG0038](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)), written evidence from the Finance & Leasing Association ([RAG0043](#)), written evidence from the Forestry Commission ([RAG0044](#)), written evidence from Natural England ([RAG0064](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from Ofgem ([RAG0103](#)), and written evidence from the Health Research Authority ([RAG0105](#)).

at the expense of public trust”.⁶⁹ Several other witnesses suggested that the Government should provide greater guidance on what regulators should prioritise to better support growth.⁷⁰

47. Dan Corry thought that politicians were unlikely to want to be explicit about trade-offs, preferring to leave the regulator to make “these difficult decisions”. He argued that this is “a recipe for confusion and chaos”, calling for strategic steers to help regulators with these decisions.⁷¹
48. Ofsted noted that while strategic policy statements can be valuable, “they must be used carefully”, as “overuse or overly prescriptive direction could erode regulatory independence”.⁷² Regulators, such as the Certification Office, told us that “regulators’ independence is paramount”.⁷³
49. Ministers told us that greater clarity around the Growth Duty can provide greater political cover on whether choices and behaviours that support growth are “legally defensible”. The Government said that “the number one thing” for Secretaries of State to act on in this area is to “set a clear direction on the steers they give to their regulators”, providing “the cover that they need” to take the bigger picture into account. However, Government witnesses suggested that to be useful, strategic steers would need to address the trade-offs that regulators face regularly”.⁷⁴

Risk

50. The Action Plan argued that the UK’s regulatory approach had “become too risk averse”, and therefore the Government wanted to “challenge and shift excessive risk aversion in the system”.⁷⁵

69 Written evidence from Make UK (RAG0056)

70 QQ 2–3 (Professor Sean Ennis, Dame Julia Black), Q 14 (Anne Pardoe), QQ 28–29, 31 (Dan Elliott, Simon Wilde), QQ 46, 48 (Sam Dumitriu), Q 63 (Rachel Fletcher), Q 82 (Mark Thurston), Q 122 (Dan Corry), Q 134 (Lord Willetts), written evidence from Yemi Oluseun (RAG0005), written evidence from the Advertising Association (RAG0006), written evidence from the Collective for Human Rights in the UK (RAG0009), written evidence from the Civil Aviation Authority (RAG0013), written evidence from Dr Tariq Umar (RAG0014), written evidence from Deloitte (RAG0021), written evidence from the Institute for Public Policy Research (RAG0022), written evidence from BUUK Infrastructure (RAG0024), written evidence from the WWF-UK (RAG0031), written evidence from Space Forge (RAG0032), written evidence from the Professional Standards Authority (RAG0034), written evidence from the UK Regulators Networks (RAG0035), written evidence from Passmore & Oliver Partners (RAG0040), written evidence from the Forestry Commission (RAG0044), written evidence from the Institute for Government (RAG0045), written evidence from the Association of Mortgage Intermediaries (RAG0048), written evidence from the Energy Networks Association (RAG0051), written evidence from the Intellectual Property Regulation Board (RAG0055), written evidence from Unchecked UK (RAG0058), written evidence from Vertical Aerospace (RAG0059), written evidence from Historic England (RAG0060), written evidence from Dr Emmanuel Igwe (RAG0062), written evidence from the Immigration Advice Authority (RAG0063), written evidence from Natural England (RAG0064), written evidence from National Grid (RAG0073), written evidence from Offshore Energies UK (RAG0076), written evidence from the Environment Agency (RAG0077), written evidence from the Institute of Regulation (RAG0086), written evidence from the Consumer Council for Water (RAG0087), written evidence from the Health Research Authority (RAG0105), written evidence from Stuart Hudson (RAG0106), written evidence from the National Farmers Union (RAG0120), and written evidence from the Federation of Small Businesses (RAG0124)

71 Q 122 (Dan Corry)

72 Written evidence from Ofsted (RAG0004) and written evidence from the UK Regulators Network (RAG0035)

73 Written evidence from the Certification Office (RAG0099). See also Q 98 (John Edwards), Q 108 (Sarah Cardell), written evidence from the Financial Conduct Authority (RAG0093), written evidence from the Medicines and Healthcare products Regulatory Agency (RAG0121).

74 QQ 161, 164 (Lord Livermore), QQ 148–9, 157 (Minister Blair McDougall MP, David Lunn)

75 HM Treasury, *New approach to ensure regulators and regulation support growth*, March 2025

51. The University of Oxford’s Dame Julia Black explained that “quite a lot of regulation is about managing risk”, be it to health and safety, food, medicines, transport or the environment. She raised the key question: “who is going to bear the risk if something goes wrong?”, querying whether the Government would expect businesses or consumers to manage greater levels of risk in a more permissive environment.⁷⁶
52. Several witnesses agreed that regulators could be risk averse, leading to increasingly detailed, complex requirements and a presumption against allowing activity.⁷⁷ Centre for Policy Studies Director Robert Colvile thought there was an incentive on regulators to be “against risk-taking because, fundamentally, no-one ever gets promoted for the fact that they said yes to this company which went on to be a real success”, whereas if something goes wrong, the regulator gets “called in to a Select Committee and beaten about the head”.⁷⁸ Dan Corry told us that during his review of environmental regulation, senior officials told him that they were “doing their very best not to be risk averse”, but junior officials told him that if they “take a risk and there is even a threat of judicial review... then that is not good for our career”.⁷⁹
53. Ben Ramanauskas, Senior Research Fellow at Policy Exchange, argued that “sometimes doing nothing is actually the most risky option”, because if businesses are not allowed to take any risks, there would be “no innovation, no growth”, and poorer outcomes for the economy and consumers.⁸⁰ Several witnesses complained that risk-averse regulation had created barriers to beneficial economic developments or the introduction of new products, services, technologies and innovations.⁸¹
54. Lawrence Tallon of the Medicines and Healthcare products Regulatory Agency stressed that risk “is just uncertainty. It has upsides and it has downsides”, whereas in public bodies, risk is “universally used in a negative context and it is never counterbalanced with benefit”, arguing that there is a need to “be thinking about the missed opportunity to improve patient care just as much as the risk of harm”.⁸²

76 [Q 4](#) (Dame Julia Black). See also written evidence from the Trades Union Congress ([RAG0028](#)), written evidence from Unchecked UK ([RAG0058](#)) and written evidence from the Consumer Council for Water ([RAG0087](#)).

77 [Q 14](#) (Ben Ramanauskas), [Q 33](#) (Dan Elliott, Simon Wilde), [Q 65](#) (Anthony Shimmin), written evidence from the Advertising Association ([RAG0006](#)), written evidence from the Northern Lighthouse Board ([RAG0012](#)), written evidence from Dr Tariq Umar ([RAG0014](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from the London Market ([RAG0030](#)), written evidence from Space Forge ([RAG0032](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)), written evidence from Vertical Aerospace ([RAG0059](#)), written evidence from Dr Emmanuel Igwe ([RAG0062](#)), written evidence from UK Hospitality ([RAG0067](#)) and written evidence from Stuart Hudson ([RAG0106](#)).

78 [Q 48](#) (Robert Colvile). See also [Q 84](#) (Annie Conde), [Q 123](#) (John Fingleton), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from the Institute for Government ([RAG0045](#)) and written evidence from Dr Emmanuel Igwe ([RAG0062](#)).

79 [Q 121](#) (Dan Corry). See also [Q 121](#) (John Fingleton) and written evidence from Deloitte ([RAG0021](#)).

80 [Q 17](#) (Ben Ramanauskas)

81 [Q 62](#) (Rachel Fletcher), [Q 73](#) (Georgina Fleet, Caroline Allen), [Q 84](#) (Annie Conde)

82 [QQ 110, 112](#) (Lawrence Tallon). See also written evidence from Passmore & Oliver Partners ([RAG0040](#)).

55. Some witnesses suggested that they did not want to see regulators allowing greater risks to businesses or consumers.⁸³ Anthony Shimmin, Chief Operating Officer of MyCardium AI, a start-up using AI to improve heart scans, told us that “clinical safety is the most important aspect” and that the company was “happy” to have gone through robust regulatory processes to establish that its processes were safe.⁸⁴ The UK Regulators Network suggested that where safety considerations are involved, the complexity of decision-making increases significantly, involving “safeguarding ... lives and wellbeing”.⁸⁵
56. Dame Melanie Dawes of Ofcom suggested that “there is a confusion sometimes about different meanings of risk”, noting that some regulators, such as in financial services, are managing systemic risk that can “affect everybody” in society, whereas Ofcom manages “the risk of not achieving outcomes”.⁸⁶
57. The Professional Standards Authority, which oversees the regulators of health professionals, argued that “it is not for ... a regulator to decide which risks the public should accept to reduce regulation to support growth”, calling for clear guidance from the Government on “which types of harm they should be less cautious about”.⁸⁷
58. Ministers told us that “too much of the focus ... is on the risks rather than the rewards”, which are not taken into account. They said that strengthening the Growth Duty and giving clarity on “what the purpose of regulators is” would help them to “err on the side of the reward”.⁸⁸
59. Ministers stressed that the Government’s Action Plan is not “a blanket move away from any focus on risk”, and is instead about helping regulators “to rebalance from risk towards growth and be more outcome focused” as part of a “cultural change”. They told us the Chancellor has been clear that Secretaries of State should then “stand behind” their regulators and support them when they take risks.⁸⁹ The Government suggested that its desired culture would include openness to new ideas and outcomes by “thinking

83 [Q 14](#) (Anne Pardoe), [Q 62](#) (Anthony Shimmin, Maria Tjader), written evidence from Ofsted ([RAG0004](#)), written evidence from the Community Planning Alliance ([RAG0007](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from the Certification Office ([RAG0099](#)), written evidence from the Health Research Authority ([RAG0105](#))

84 [Q 62](#) (Anthony Shimmin)

85 Written evidence from the UK Regulators’ Network ([RAG0035](#))

86 [QQ 110, 112](#) (Dame Melanie Dawes)

87 Written evidence from the Professional Standards Authority ([RAG0034](#)). See also [Q 29](#) (Dan Elliott), [Q 31](#) (Simon Wilde), [Q 48](#) (Robert Colvile, Sam Dumitriu), [Q 83](#) (Annie Conde), [Q 112](#) (Sarah Cardell), [Q 123](#) (John Fingleton), [Q 134](#) (Lord Willetts), written evidence from Form Ventures ([RAG0003](#)), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from the Institute for Public Policy Research ([RAG0022](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from the Trades Union Congress ([RAG0028](#)), written evidence from the UK Regulators’ Network ([RAG0035](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)), written evidence from the Institute for Government ([RAG0045](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from Make UK ([RAG0056](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from Vertical Aerospace ([RAG0059](#)), written evidence from Offshore Energies UK ([RAG0076](#)), written evidence from the Institute of Regulation ([RAG0086](#)) and written evidence from the Financial Conduct Authority ([RAG0093](#)).

88 [Q 149](#) (Minister Blair McDougall MP)

89 [Q 167](#) (Lord Livermore)

openly about how to facilitate innovation, rather than think of a new thing as something that needs to be shut down because it is unfamiliar”.⁹⁰

60. **Regulators are said to be risk averse, given they are more likely to be blamed for their failures than celebrated for their successes. This is particularly the case where they are expected to trade off growth with other objectives such as public safety or environmental protection, where failures are clear but success is hard to judge. Risk aversion can restrict activity that could be beneficial to economic growth, including the introduction of new technologies, even where they do not lead to an increase in risks to regulatory protections.**
61. **The Government has called on regulators to be less risk averse, but it has not said whether it wants them to allow greater risks to be borne by consumers and businesses, or whether it wants regulators to be more open-minded about innovations and technological developments. It is not clear whether the Government, regulators or our witnesses have a shared understanding of what risk is and how it should be judged, managed and mitigated.**
62. **It is for the Government to set a clear direction for regulators. Its steer that economic growth should be a higher priority is a first step towards that, but it is not sufficient. The Government needs to provide greater clarity on what prioritising growth means for regulators’ other objectives, and how any conflicts between objectives should be resolved.**
63. **It is also for the Government to be clear about the level of risk to which citizens should be exposed so that Parliament can scrutinise that decision and how it will be achieved. If the Government wants to achieve a more significant change in regulators’ behaviour and approach to risk, it will need to provide them with greater political cover.**
64. *The Government should provide strategic guidance to all regulators with a consequential impact on economic growth. This guidance should set out how any political and distributional trade-offs and conflicts between objectives should be prioritised. It should also set out a clear risk appetite for each regulator, particularly where the Government intends that the regulator should be more open to risk.*
65. *Regulators should explain how they are responding to this guidance, including how the Government’s steer on risk appetite will be implemented.*

Legislative changes

66. The legislation that underpins regulators will, alongside providing statutory duties and objectives, often specify the sorts of activities, processes and functions that the regulator is expected to carry out. Katie Pettifer from the FSA, explained that the rules the FSA enforces are “often quite prescriptive”. For instance, rules on meat production require it to be chilled on site before

90 [Q 167](#) (Jessica Glover)

it is transported,⁹¹ despite new technology allowing chilling during transport. She suggested that allowing chilling during transport could “speed up the process, but the legislation does not allow it”.⁹²

67. The Centre for Policy Studies’ Robert Colvile said that whilst “everyone blames the regulators” for delays and burdens, many regulatory systems are based on firm requirements set in legislation. He called for “fundamental rewiring” of legislation where this is the case, particularly in environmental regulation.⁹³ Other regulators and stakeholders gave examples of potential improvements to regulation requiring legislation.⁹⁴
68. Some witnesses argued that amending legislation to focus on broader outcomes would allow regulators greater flexibility in how those outcomes are met, and in piloting new approaches.⁹⁵ Anne Pardoe from Citizens Advice explained that introducing a broader duty on financial services firms to deliver good outcomes for consumers had allowed the Government to remove other detailed rules from legislation where they were no longer needed.⁹⁶
69. Robert Colvile said that one of the challenges with reforming regulatory legislation was that it would be “impossible” to go regulator by regulator, as there are so many of them and they are doing many different things.⁹⁷ Dan Corry explained that his review of environmental regulation did not propose much that required legislation, as that could take years.⁹⁸

91 Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin, [OJ L 139/55](#). Implemented in the UK via The Food Safety and Hygiene (England) Regulations 2013 ([SI 2013/2996](#)).

92 [Q 94](#) (Katie Pettifer)

93 [QQ 42, 45](#) (Robert Colvile). See also [Q 48](#) (Sam Dumitriu), [Q 132](#) (Lord Willetts), written evidence from Prospect ([RAG0046](#)), written evidence from Skyscanner ([RAG0070](#)).

94 [Q 99](#) (John Edwards), [Q 108](#) (Lawrence Tallon), [Q 125](#) (John Fingleton), written evidence from Form Ventures ([RAG0003](#)), written evidence from Access Legal ([RAG0011](#)), written evidence from the Chemical Industries Association ([RAG0015](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from the Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from the Professional Standards Authority ([RAG0034](#)), written evidence from the UK Regulators’ Network ([RAG0035](#)), written evidence from the Care Quality Commission ([RAG0036](#)), written evidence from the Health and Safety Executive ([RAG0037](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)), written evidence from the Finance & Leasing Association ([RAG0043](#)), written evidence from the Forestry Commission ([RAG0044](#)), written evidence from the Institute for Government ([RAG0045](#)), written evidence from the Chartered Institute of Patent Attorneys ([RAG0047](#)), written evidence from the Energy Networks Association ([RAG0051](#)), written evidence from the Intellectual Property Regulation Board ([RAG0055](#)), written evidence from Make UK ([RAG0056](#)), written evidence from the General Pharmaceutical Council ([RAG0061](#)), written evidence from Natural England ([RAG0064](#)), written evidence from Skyscanner ([RAG0070](#)), written evidence from Offshore Energies UK ([RAG0076](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from Ronan Scanlan ([RAG0082](#)), written evidence from the Institute of Regulation ([RAG0086](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from the General Osteopathic Council ([RAG0098](#)), written evidence from the General Chiropractic Council ([RAG0102](#)), written evidence from the General Medical Council ([RAG0108](#)) and written evidence from the North Sea Transition Authority ([RAG0112](#))

95 [Q 15](#) (Anne Pardoe), [Q 34](#) (Dan Elliott), [Q 49](#) (Sam Dumitriu), [Q 72](#) (Georgina Fleet), [Q 82](#) (Mark Thurston), [Q 94](#) (Katie Pettifer), [Q 125](#) (John Fingleton), written evidence from Ofsted ([RAG0004](#)), written evidence from the Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from Natural England ([RAG0064](#)), written evidence from the Environment Agency ([RAG0077](#))

96 [Q 15](#) (Anne Pardoe)

97 [Q 55](#) (Robert Colvile)

98 [Q 125](#) (Dan Corry). See also written evidence from Deloitte ([RAG0021](#)), written evidence from the Human Fertilisation and Embryology Authority ([RAG0025](#)).

70. Katie Pettifer said that “ministerial interest in reform” has been “really important” in getting “access to legislation”, explaining that the FSA had been “plugging away for years” at some of the reforms now being taken forward as “overhauling the regulation on food standards” had never been a priority area for the Government.⁹⁹
71. The Minister for Small Business and Economic Transformation reported that the Department for Business and Trade was identifying where legislation was needed to fix regulatory problems. As “parliamentary time is often scarce”, he explained that the Government was not “limiting” itself to legislative change in seeking to improve delivery of regulatory processes.¹⁰⁰
72. **In many cases, regulators take a narrow approach because the relevant legislation is too prescriptive about the processes involved, making it hard for them to adapt to new approaches and innovations. Politicians have sometimes provided too little strategy on the priorities regulators should focus on, and too much detail on the tactics. We call on the Government to invest parliamentary time to create a more flexible regulatory framework that can adapt to innovation.**
73. *Departments must work with regulators to identify significant legislative blockages to improved, flexible regulatory frameworks and prioritise parliamentary time to remedy them. If a large number of changes are required but have no appropriate legislative vehicle, the Government should bring forward a Regulatory Reform Bill to implement them.*
74. *When implementing new statutory regulatory regimes, the Government should learn these lessons and ensure there is sufficient flexibility for the regulatory framework to adapt to new technologies, products and services.*

Measuring performance

The 25% administrative burden reduction target

75. The March 2025 Action Plan set a target to cut the administrative costs of regulation for business by 25% by the end of the Parliament.¹⁰¹ The October 2025 update established a baseline for the administrative burden of regulation on businesses of £22.4 billion a year, meaning that the target is to reduce the annual administrative burden by £5.6 billion by the end of the Parliament.¹⁰²
76. Many witnesses supported the 25% target, including Caroline Allen, Senior Vice President for Regulatory Affairs at Smith and Nephew, a medical technology company, who argued that it is a “great ambition” to reduce regulatory burdens.¹⁰³ Rachel Fletcher from Octopus Energy estimated her energy company spends “more than 2,500 person days a year” providing

99 [QQ 98, 100](#) (Katie Pettifer)

100 [Q 150](#) (Minister Blair McDougall MP)

101 HM Treasury, *New approach to ensure regulators and regulation support growth*, March 2025

102 HM Treasury, *Regulation Action Plan—Progress Update and Next Steps*, October 2025

103 [Q 75](#) (Caroline Allen). See also [Q 4](#) (Dame Julia Black), [Q 20](#) (Ben Ramanauskas), [Q 34](#) (Simon Wilde), [QQ 49, 51](#) (Robert Colvile), [Q 58](#) (Maria Tjader), [Q 75](#) (Georgina Fleet, Scott Steedman), [Q 85](#) (Annie Conde), written evidence from UK Finance ([RAG0049](#)) and written evidence from the Federation of Small Businesses ([RAG0124](#)).

information to or engaging with Ofgem.¹⁰⁴ Several companies explained that they receive large numbers of information requests from their regulators, sometimes duplicating other requests made by the same or other regulators.¹⁰⁵

77. Some witnesses argued that regulatory costs seem to weigh particularly heavily on small businesses.¹⁰⁶ The Federation of Small Businesses found that “many small businesses report reduced profitability as a result of having to monitor, understand and comply with regulatory demands”, in part due to the need for external advice on how to comply.¹⁰⁷
78. Several witnesses distinguished between the administrative costs of regulation, which are covered by the target, and the actual cost of complying with regulation, which is not.¹⁰⁸ Katie Pettifer from the Food Standards Agency compared the actual compliance cost of “keeping your fridge at the right temperature” with the administrative cost of “filling out the form to show someone you have kept your fridge at the right temperature”.¹⁰⁹
79. Britain Remade’s Sam Dumitriu argued that while administrative costs were important, it was more important to focus on the actual cost of complying with regulation. He suggested that reducing compliance costs by 25% would require “much more serious reform” than the administrative burden target.¹¹⁰
80. The National Audit Office’s January 2025 report on regulating for growth warned that the costs imposed by new legislation could outweigh any decrease in administrative costs, meaning that businesses might not notice a reduction.¹¹¹
81. Other witnesses were more supportive of focusing on administrative costs, such as Maria Tjader, Head of Government Affairs at Schneider Electric,

104 [Q 63](#) (Rachel Fletcher). See also [Q 75](#) (Georgina Fleet, Caroline Allen), written evidence from the Advertising Association ([RAG0006](#)), written evidence from UK Hospitality ([RAG0067](#)), written evidence from Skyscanner ([RAG0070](#)), written evidence from Offshore Energies UK ([RAG0076](#)).

105 [Q 63](#) (Rachel Fletcher), [Q 64](#) (Maria Tjader, Anthony Shimmin), [Q 70](#) (Caroline Allen), [Q 82](#) (Mark Thurston, Annie Conde), written evidence from Deloitte ([RAG0021](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from the London Market ([RAG0030](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from UK Finance ([RAG0049](#)), written evidence from Anglian Water ([RAG0066](#)), written evidence from Skyscanner ([RAG0070](#)) and written evidence from Ryan Nabil ([RAG0079](#)).

106 [Q 16](#) (Ben Ramanauskas, Anne Pardoe), [QQ 46–47](#) (Sam Dumitriu), [Q 61](#) (Anthony Shimmin), written evidence from Ofsted ([RAG0004](#)), written evidence from the Advertising Association ([RAG0006](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from Dr Emmanuel Igwe ([RAG0062](#)), written evidence from UK Hospitality ([RAG0067](#)), written evidence from the Association of Chartered Certified Accountants ([RAG0069](#)), written evidence from ACT—The App Association ([RAG0078](#)), written evidence from Rosie Harris ([RAG0080](#)) and written evidence from the Federation of Small Businesses ([RAG0124](#)).

107 Written evidence from the Federation of Small Businesses ([RAG0124](#)). See also [Q 63](#) (Anthony Shimmin) and [Q 85](#) (Annie Conde).

108 [Q 4](#) (Dame Julia Black), [Q 5](#) (Professor Sean Ennis), [Q 49](#) (Sam Dumitriu, Robert Colvile), [Q 63](#) (Anthony Shimmin), [Q 64](#) (Rachel Fletcher) and [Q 100](#) (Katie Pettifer)

109 [Q 100](#) (Katie Pettifer)

110 [Q 49](#) (Sam Dumitriu). See also [Q 49](#) (Robert Colvile), [QQ 58, 64](#) (Anthony Shimmin), [Q 76](#) (Caroline Allen) and [Q 85](#) (Annie Conde)

111 Comptroller and Auditor General, *Regulating for growth*, 21 January 2026

who emphasised that this would see regulators “speeding up, clarifying and making it easier for businesses” without removing regulatory protections.¹¹²

82. However, some witnesses were concerned that the target could “inadvertently create perverse incentives”, with Deloitte arguing that an excessive focus on costs could lead to an undermining of “public safety or regulatory quality”.¹¹³ The Trades Union Congress argued that regulators may feel pressured to deprioritise inspections and investigations and reduce engagement with workers, unions and the public due to the target.¹¹⁴
83. Regulators set out a variety of actions they were taking in response to the target, including:
- Reviewing whether rules or processes are duplicative or unnecessary;
 - Reviewing how information is requested;
 - Reviewing and simplifying guidance to better inform those being regulated;
 - Focusing on fewer, more impactful priorities;
 - Engaging more closely with those being regulated; and
 - Using data, digitalisation and technology to streamline processes.¹¹⁵
84. Ministers said that the 25% administrative burden reduction target is a cross-government target, but that the Government is clear that “everyone has to

112 [Q 58](#) (Maria Tjader). See also [Q 21](#) (Anne Pardoe), [Q 63](#) (Rachel Fletcher), [Q 85](#) (Annie Conde), written evidence from Professor Daniel P. Broby ([RAG0002](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from the Institute for Government ([RAG0045](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from National Grid ([RAG0073](#)), written evidence from Offshore Energies UK ([RAG0076](#)), and written evidence from Ryan Nabil ([RAG0079](#)).

113 Written evidence from Deloitte ([RAG0021](#)). See also [Q 20](#) (Anne Pardoe), [Q 34](#) (Simon Wilde), written evidence from the Collective for Human Rights in the UK ([RAG0009](#)), written evidence from the Institute for Public Policy Research ([RAG0022](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from the Online Safety Act Network ([RAG0026](#)), written evidence from the Cancer Prevention and Education Society ([RAG0033](#)), written evidence from the Professional Standards Authority ([RAG0034](#)), written evidence from Prospect ([RAG0046](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from the Corporate Justice Coalition ([RAG0065](#)), written evidence from the Consumer Council for Water ([RAG0087](#)), and written evidence from the Certification Office ([RAG0099](#)).

114 Written evidence from the Trades Union Congress ([RAG0028](#))

115 [QQ 93, 99–100](#) (John Edwards, Katie Pettifer), [QQ 113–114](#) (Sarah Cardell, Dame Melanie Dawes), written evidence from Ofsted ([RAG0004](#)), written evidence from the Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from the Civil Aviation Authority ([RAG0013](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from the Care Quality Commission ([RAG0036](#)), written evidence from the Health and Safety Executive ([RAG0037](#)), written evidence from the Intellectual Property Regulation Board ([RAG0055](#)), written evidence from the General Pharmaceutical Council ([RAG0061](#)), written evidence from the Environment Agency ([RAG0077](#)), written evidence from the Financial Conduct Authority ([RAG0093](#)), written evidence from the Office for Nuclear Regulation ([RAG0097](#)), written evidence from the Certification Office ([RAG0099](#)), written evidence from the Gangmasters and Labour Abuse Authority ([RAG0101](#)), written evidence from the General Chiropractic Council ([RAG0102](#)), written evidence from Ofgem ([RAG0103](#)), written evidence from the Gambling Commission ([RAG0104](#)), written evidence from the Health Research Authority ([RAG0105](#)), written evidence from the General Medical Council ([RAG0108](#)), written evidence from the North Sea Transition Authority ([RAG0112](#)), written evidence from the Financial Reporting Council ([RAG0113](#)), written evidence from the Information Commissioner’s Office ([RAG0114](#)), written evidence from the Trade Remedies Authority ([RAG0118](#)) and written evidence from the Office of the Pubs Code Adjudicator ([RAG0119](#))

contribute to that”. They suggested that the focus on administrative costs should not be taken to mean that the Government is not aiming to reduce the broader costs of compliance.¹¹⁶ The Government explained that the 25% target is for a net reduction rather than a gross one, making it a “challenge” to identify all of the regulatory changes in both directions, but a large, single report on the progress made will be published in spring 2026.¹¹⁷

85. Ministers said that the Government has already identified £1.5 billion of gross savings out of the target of a net £5.6 billion reduction by the end of the Parliament, and that the Chancellor and Business Secretary have commissioned departments to bring forward specific and measurable annual simplification plans to meet the 25% target.¹¹⁸ The Government stressed that the target is not part of “an anti-regulatory agenda” but was focused on improving how regulation is implemented to reduce burdens as far as possible.¹¹⁹
86. **Regulation usually increases costs for businesses, and these costs can weigh particularly heavily on small or new businesses. The Government’s target to reduce the administrative burden of regulation by 25% was welcomed by many of our witnesses. The target has the potential to make a useful contribution if it reduces unnecessary regulatory burdens without affecting the protections that regulation provides.**
87. **We are concerned that the target may only cover a minority of the costs that regulators impose. There is a risk that the Government may hit its target without improving the experience of businesses, which may experience little change in the actual costs they incur from regulation.**
88. *As part of the annual simplification plans demanded from departments, the Government must estimate the extent to which they will reduce the actual cost of compliance, as well as the administrative costs of regulation and consider whether to introduce a reduction target on these wider costs.*

Other performance metrics

89. In addition to the overarching 25% target, the Action Plan expected sponsoring departments to formalise performance reviews with regulators and to “monitor their regulator’s performance with business through their published KPIs (key performance indicators) and industry feedback”.¹²⁰
90. In October 2025, alongside its update to the Action Plan, the Government published a dashboard of KPIs for each of the 17 key regulators. A smaller number of the KPIs encompass broader outcomes, such as Natural England’s KPI covering the number of rare and threatened species benefiting from its projects. Many of the KPIs are focused on processing or response times, such as the Civil Aviation Authority’s target to process 90% of Commercial Pilot Personnel Licence applications within ten working days from receipt of

116 [QQ 147, 153](#) (Minister Blair McDougall MP)

117 [Q 153](#) (David Lunn)

118 [Q 165](#) (Lord Livermore)

119 [Q 165](#) (Jessica Glover)

120 HM Treasury, *New approach to ensure regulators and regulation support growth*, March 2025

a correct application. Almost all of the regulators had more than ten KPIs listed in the dashboard, and two regulators provide more than 50 KPIs.¹²¹

91. Just two regulators, Natural England and the Pensions Regulator, include measures which related to investment. None of the KPIs relate to the Government's two measures of growth, household income and GDP.¹²² Jessica Glover, Director-General of Growth and Productivity at HM Treasury, expected that regulators' actions would have "an indirect, not a direct effect" on GDP.¹²³
92. Professor Sean Ennis said that KPIs can be "very challenging" to set in a way that does not "distort incentives in a problematic way", providing the example of a target to address a certain number of cases, which might encourage authorities to undertake greater numbers of cases unnecessarily.¹²⁴ Rachel Fletcher from Octopus Energy and Georgina Fleet, Chief Compliance Officer at Zurich UK, both called for high-level, outcomes-based KPIs to be used to judge regulatory performance, ensuring that the desired outcomes have been achieved "rather than that the process has been ticked".¹²⁵
93. Annie Conde, Chief of Staff at Hoxton Farms, a start-up company growing artificial animal fat, called for KPIs to cover the clarity and timeliness of regulatory processes, including the setting and meeting of timelines for regulatory processes.¹²⁶ In Chapter 3 we set out in greater detail the actions regulators can take to be more effective and support growth as an outcome, particularly pace, certainty and clarity.
94. Dame Julia Black from the University of Oxford suggested that some sponsoring departments might be "implicated" in the regulatory process, meaning that they may lack "sufficient independence" to hold regulators to account. She called for Parliament to play a larger role in holding regulators to account.¹²⁷
95. The Minister for Small Business and Economic Transformation at the Department for Business and Trade said that the various Secretaries of State would hold regulators to account for their commitments within the Action Plan and "make judgements as to what the correct response is" when a regulator was not performing as part of their regular performance reviews.¹²⁸
96. **We welcome the fact that the Government is considering how to hold regulators accountable for their performance against the commitments in the Action Plan and has improved transparency through the dashboard of regulators' key performance indicators (KPIs). We expect future iterations of the dashboard to include metrics which cover pace and other aspects of effective regulation, such as clarity and certainty.**

121 Department for Business and Trade, *Regulator dashboard*, October 2025

122 *Ibid.*

123 [Q 161](#) (Jessica Glover)

124 [Q 8](#) (Professor Sean Ennis)

125 [Q 66](#) (Rachel Fletcher) and [Q 79](#) (Georgina Fleet). See also [Q 66](#) (Anthony Shimmin) and written evidence from the Office for Statistics Regulation ([RAG0091](#)).

126 [Q 91](#) (Annie Conde)

127 [Q 8](#) (Dame Julia Black). See also [Q 8](#) (Professor Sean Ennis), [QQ 48, 54](#) (Robert Colville), and [Q 66](#) (Rachel Fletcher).

128 [Q 147](#) (Minister Blair McDougall MP)

97. **The Government has a legitimate interest in ensuring regulators are performing well, but it is also partly responsible for the performance of regulatory systems. It is for Parliament to hold the Government overall, sponsor departments and regulators to account for the performance of the regulatory system. Providing clearer information on regulatory performance will help Parliament to do so.**
98. *Simplification plans should be published with a small number of metrics focused on outcomes. This will help Parliament to hold the Government overall, sponsor departments and regulators to account for the successful delivery of the Action Plan.*

International trade

99. In November 2025, the Industrial Strategy set out key sectors the Government identified as having the greatest potential for growth and how it planned to support businesses, particularly to make long-term investments.¹²⁹ The Industrial Strategy said that international trade and investment play a crucial role in driving economic growth, and that the Government would remove barriers for UK exporters and importers, deepen economic collaboration with trading partners, and support UK businesses to grasp opportunities in overseas markets.
100. We heard that the perception and operation of UK regulation can affect international investment. Simon Wilde from Oxera explained that the UK is “in a global competition for capital. Investors have choices.”¹³⁰ Deloitte said that “the UK’s regulatory system is held in high regard globally for its quality and effectiveness” and suggested that “financial services and life sciences have prospered in the UK because of, not in spite of, its regulatory system.”¹³¹
101. Witnesses said that regulation which facilitates innovation can also be attractive to investors. The Food Standards Agency has developed a regulatory sandbox for cell-cultivated products.¹³² Lord Willetts related how sandboxes were attracting international investors: “the number of companies that are setting up in the UK to develop and market those products is up because they know they can have a place in the sandbox and a regulatory route through will be found for them.”¹³³ Katie Pettifer from the Food Standards Agency agreed, stating that it is “really sending a signal to the industry that the UK is serious about these technologies and that the UK is a good place to bring your business and invest in your business”.¹³⁴

129 Department for Business and Trade, *The UK’s Modern Industrial Strategy*, Cm 1451, November 2025

130 Q 40 (Simon Wilde). Also supported by Q 9 (Dame Julia Black), Q 82 (Mark Thurston) and written evidence specifically on international investment from the Energy Networks Association (RAG0051), written evidence from The London Market (RAG0030), written evidence from the UK Regulator’s Network (RAG0035), written evidence from the Insolvency Service (RAG0042), written evidence from the Finance & Leasing Association (RAG0043), written evidence from the National Grid (RAG0073) and written evidence from NatureMetrics (RAG0110).

131 Written evidence from Deloitte (RAG0021). See also Q 2 (Dame Julia Black), Q 80 (Georgina Fleet), Q 80 (Caroline Allen), and written evidence from Dr Tariq Umar (RAG0014), written evidence from Chemical Industries Association (RAG0015), written evidence from Ofqual (RAG0023), written evidence from The London Market (RAG0030) Vertical Aerospace (RAG0059), written evidence from Anglian Water (RAG0066), written evidence from Offshore Energies (RAG0076), written evidence from the Consumer Council for Water (RAG0087), written evidence from the Competition and Markets Authority (RAG0088), and written evidence from Ofgem (RAG0103).

132 A regulatory sandbox is a controlled environment where businesses can test innovative products or services for a limited time with close regulator involvement.

133 Q 132 (Lord Willetts)

134 Q 102 (Katie Pettifer). See also written evidence from Astroscale UK (RAG0100).

102. Nonetheless, we heard concerns about getting to grips with UK regulatory systems when coming from overseas, particularly when dealing with multiple regulators, and how this affected investor confidence. The Chemical Industries Association said that overseas investors unfamiliar with UK regulatory pathways “need increasing early coordination and transparency between regulators and industry”.¹³⁵
103. The Minister for Small Business and Economic Transformation acknowledged that “people find the regulatory landscape complex, duplicative, costly and difficult to navigate ... if you are entering a market where you are unfamiliar with that regulatory landscape, that is even more the case.”¹³⁶ The Office for Investment had set up a concierge service which the Minister told us “is about unlocking and smoothing the pathway for foreign investment”. Subsequently, he explained that the concierge service was just for “international financial services firms wishing to set up or expand their operations in the UK”, rather than all investors.¹³⁷
104. We heard that the burden of regulation in the UK incentivised some companies to move their business elsewhere. Antony Shimmin from MyCardium AI reported that all his company’s pilots were being conducted overseas, because “it is much more difficult to get an initial pilot implementation or something equivalent to a sandbox up and running here in the UK”.¹³⁸ Lord Willetts explained that the slow speed of UK regulation affected investors’ decisions: “Sometimes it is venture capital (VC) funds and internationally mobile VC funds that will say, ‘We will give up investing in this technology in Britain. We will put all our money into Singapore because it takes so long’.”¹³⁹
105. Witnesses suggested increasing the use of mutual recognition where products or services had already received equivalent regulatory approval in another country. Lord Willetts, explained:
- “If Canada has approved your medical device and we know the Canadian system, do we really need to go back to the beginning and start all over again? Can we not just say, ‘Well, if you have passed muster in Canada you will probably be okay here’? We can do a bit more to get the benefits when we have a trusting relationship with another country.”¹⁴⁰
106. Lawrence Tallon from the MHRA said that this was “the number one request” from the sector and that he was seeking indefinite recognition of European marking.¹⁴¹

135 Written evidence from Chemical Industries Association ([RAG0015](#)). See also written evidence from the Advertising Association ([RAG0006](#)), written evidence from the Computer and Communications Industry Association ([RAG0020](#)), written evidence from the Finance & Leasing Association ([RAG0043](#)) and oral evidence [Q 63](#) (Maria Tjader), [Q 80](#) (Georgina Fleet).

136 [Q 149](#) (Minister Blair McDougall MP)

137 Correspondence, *Letter from Blair McDougall MP, Minister for Small Businesses and Economic Transformation to the Chair of the Industry and Regulators Committee*, 10 March 2026

138 [Q 65](#) (Antony Shimmin). See also [Q 82](#) (Annie Conde).

139 [Q 132](#) (Lord Willetts)

140 [Q 143](#) (Lord Willetts)

141 [Q 114](#) (Lawrence Tallon). Also [Q 80](#) (Dr Scott Steedman), written evidence from the Architects Registration Board ([RAG0090](#)), written evidence from the Financial Reporting Council ([RAG0113](#)), written evidence from the Office for Nuclear Regulation ([RAG0097](#)), written evidence from the General Chiropractic Council ([RAG0102](#)), written evidence from the General Osteopathic Council ([RAG0098](#)), and written evidence from the Defence Safety Authority ([RAG0107](#)).

107. Katie Pettifer of the Food Standards Agency illustrated some of the complexities of mutual recognition for regulators. The Government and the EU have said they will reach a Sanitary and Phytosanitary agreement, which would require aligning food law currently managed by the Food Standards Agency with EU rules.¹⁴² She said this could reduce friction at the border and “add £5 billion a year to the economy in the long term”.¹⁴³ However, this alignment could remove the ability of the Food Standards Agency to develop its own processes for approvals: “If we realign with the EU, unless exceptions are agreed ... we will no longer be making these decisions; it will be the EU doing the authorisation again.”¹⁴⁴
108. Annie Conde of Hoxton Farms was worried about the effect this would have on novel foods, saying that if regulations were aligned with the EU “progress that has been made ... would be lost and a lot of the work that UK regulators have done might be undone”.¹⁴⁵
109. **The pursuit of the twin aims of investment and innovation requires a fine balance when considering regulation and international trade. It is the Government’s role to weigh the benefits from increased international trade, cooperation and reduced friction against the potential impact on a regulator’s ability to respond to innovation or individual market forces, and set out a clear direction.**
110. *We call on the Government to guide and direct decisions about alignment or mutual recognition with other jurisdictions, subject to the UK’s international responsibilities. We also urge the Department to develop the role of the Office for Investment and its concierge service to support regulators in all sectors by providing clearer routes for investors to engage with them.*

142 Cabinet Office, *UK-EU—Joint Statement*, 22 December 2025

143 [Q 93](#) (Katie Pettifer)

144 [Q 100](#) (Katie Pettifer)

145 [Q 92](#) (Annie Conde)

CHAPTER 3: PRACTICAL STEPS REGULATORS CAN TAKE TO SUPPORT AND ENABLE GROWTH

111. In May 2024, the Department for Business and Trade (DBT) issued statutory guidance setting out seven key drivers of economic growth and seven behaviours of smarter regulation, through which regulators can support growth via their decisions on what is regulated and their approach to regulating.¹⁴⁶

Drivers of Economic Growth and Behaviours of Smarter Regulation

Drivers of economic growth	Behaviours of smarter regulation
Innovation	Pro-Innovation
Infrastructure and investment	Skilled and Capable
Competition	Business Aware
Skills	Proportionate, Efficient and Responsive
Efficiency and Productivity	Collaborative
Trade	Internationally Aware
Environmental Sustainability	Consistent, Transparent and Accountable

Source: Department for Business and Trade, *Growth Duty: Statutory Guidance*

112. John Fingleton explained that his Government review of nuclear regulation found that what nuclear regulators could do to promote economic growth was to perform their existing functions “really well”.¹⁴⁷
113. Lord Livermore, the Financial Secretary to HM Treasury explained that the Government expects regulators to be clear, consistent, proportionate and timely, this being key to attracting private sector investment.¹⁴⁸ These attributes, and many of the behaviours above, align with general expectations for good and effective regulation. We chose to focus this inquiry on those aspects of regulatory behaviour which directly support growth rather than covering all aspects of effective regulation.

Pace of decision-making

114. The statutory guidance to the Growth Duty states that “the more productive and efficient regulators are by setting standards to do things at pace, the better it is for quicker regulatory decision making and, ultimately, for growth in their sectors and the whole economy.”¹⁴⁹
115. Consequently, one of the objectives in the Government’s Action Plan was to ensure approvals and regulatory decisions are made more quickly, with an expectation that regulators will “publish clear, time bound targets for processing authorisations; and their performance against these targets.”¹⁵⁰ The Government committed to work with regulators to identify process improvements, including the introduction of paid-for “fast lanes” for

146 Department for Business and Trade, *Growth Duty: Statutory Guidance*, 21 May 2024

147 Q 119 (John Fingleton)

148 Q 162 (Lord Livermore)

149 Department for Business and Trade, *Growth Duty: Statutory Guidance - Refresh*, 21 May 2024

150 HM Treasury, *Regulation Action Plan—Progress Update and Next Steps*, October 2025

approvals where businesses and regulators agree that there is a case to expedite decisions and authorisations.¹⁵¹

116. The progress update to the Action Plan states that regulators such as the Competition and Markets Authority (CMA), Civil Aviation Authority (CAA), Environment Agency, National Institute for Health and Care Excellence (NICE), the Medicines and Healthcare products Regulatory Agency (MHRA) and Natural England (NE) have established routes to expedite authorisations or requests for advice, with many other regulators taking action to upgrade services.¹⁵²
117. Despite such progress, witnesses across the board stressed that the pace of regulatory decision-making was a major contributor to the burden of regulation on businesses, especially where there are lengthy approval processes.¹⁵³ Lawrence Tallon, Chief Executive of the MHRA, stated that bringing down the timescales for development is “critically important for the Growth Duty.”¹⁵⁴
118. Hoxton Farms explained that lengthy approval times required start-ups to raise cash for longer periods before being able to sell products and made them less attractive to investors.¹⁵⁵ Form Ventures, an early stage venture fund investing in start-ups, referred to “chronically slow processing” of licensing approvals.¹⁵⁶ John Fingleton said that for infrastructure projects “the biggest portion of the cost that is avoidable is the interest on the capital that has gone into the project”—yet this could be reduced by speeding up regulatory decisions.¹⁵⁷
119. A number of regulators described ways to speed up their processes. The Competition and Markets Authority cited its option for companies to fast-track more complex merger reviews where they know a detailed review is likely to be necessary, rather than waiting for the CMA to decide on this.¹⁵⁸ The MHRA is working with NICE to reduce delays between products being licensed and then approved for use by the NHS by working in parallel rather than sequentially.¹⁵⁹
120. The Minister for Small Business and Economic Transformation, Blair McDougall, described pace as “a major issue” reported to his Department, and that the “sense of urgency that we have as a Government around growth” is related to issues around the pace of decision-making within regulators.¹⁶⁰

151 HM Treasury, *Regulation Action Plan—Progress Update and Next Steps*, October 2025

152 *Ibid.*

153 [Q 110](#) (Sarah Cardell), [Q 113](#) (Lawrence Tallon), [Q 121](#) (John Fingleton), written evidence from National Grid ([RAG0073](#)), written evidence from Chemical Industries Association ([RAG0015](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)); written evidence from Energy Networks Association ([RAG0051](#)), written evidence from Food and Drink Federation ([RAG0052](#)), written evidence from Make UK ([RAG0056](#)), written evidence from Consumer Council for Water ([RAG0087](#)), written evidence from Competition and Markets Authority ([RAG0088](#)) and written evidence from Health Research Authority ([RAG0105](#))

154 [Q 109](#) (Lawrence Tallon)

155 [Q 82](#) (Annie Conde)

156 Written evidence from Form Ventures ([RAG0003](#)). See also [Q 77](#) (Georgina Fleet), written evidence from Chemical Industries Association ([RAG0015](#)) and written evidence from Passmore & Oliver Partners ([RAG0040](#)).

157 [Q 121](#) (John Fingleton)

158 [Q 109](#) (Sarah Cardell)

159 [Q 113](#) (Lawrence Tallon)

160 [Q 156](#) (Minister Blair McDougall MP)

He referred to the speed of decision-making as a “constant complaint”, especially for SMEs.¹⁶¹

Fast lanes

121. Some witnesses supported the proposal of paid-for fast lanes in which those seeking approval could pay to receive faster decisions.¹⁶² The Advertising Association believed that these could benefit companies provided there are safeguards such as tiered pricing, clear timeframes and quality assurance.¹⁶³ Sam Dumitriu from Britain Remade thought most companies of any size would favour fast lanes due to the costs incurred from regulatory delays, especially for start-ups with limited cash and time to bring a product to market.¹⁶⁴
122. However, the majority of witnesses raised concerns about how the cost of fast lanes might place a disproportionate burden on smaller companies or lead to a perception of poorer or less fair regulatory decision-making.¹⁶⁵ Anne Pardoe from Citizens Advice would be “worried about anything that creates an unlevel playing field” as bigger incumbent firms would be able to pay to use fast lanes, whereas there is a risk that smaller “disruptor-type firms ... get left behind”.¹⁶⁶ The Institute of Regulation was not aware of any evidence of a correlation between paid-for fast lanes and economic growth, and suggested that “companies who pay for a fast lane may not be the ones which will make the biggest contribution to economic growth”.¹⁶⁷
123. Some witnesses suggested using fast lanes only in specific circumstances. Maria Tjader from Schneider Electric argued that a fast lane should be “clearly tied to the outcome and how it is reflective of the wider policy ambitions” rather than ability to pay.¹⁶⁸ Ofsted argued that fast lanes could be justified during “acute peaks where time-critical or high public-interest cases would otherwise be blocked,” but opposed fast lanes as a “de-facto operating model.”¹⁶⁹

161 [Q 155](#) (Minister Blair McDougall MP)

162 [Q 115](#) (Lawrence Tallon). See also written evidence from Health Research Authority ([RAG0105](#)) and written evidence from National Farmers Union ([RAG0120](#)).

163 Written evidence from Advertising Association ([RAG0006](#))

164 [Q 52](#) (Sam Dumitriu)

165 [Q 6](#) (Dame Julia Black), [Q 16](#) (Ben Ramanauskas), [Q 35](#) (Simon Wilde), [QQ 60, 65](#) (Antony Shimmin), [QQ 62, 65](#) (Rachel Fletcher), [Q 65](#) (Maria Tjader), [Q 73](#) (Caroline Allen), [Q 77](#) (Georgina Fleet), [Q 77](#) (Caroline Allen), [Q 84](#) (Annie Conde), [Q 101](#) (Katie Pettifer), written evidence from Ofsted ([RAG0004](#)), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from Professor Sylvester Kaczmarek ([RAG0008](#)), written evidence from The Collective for Human Rights in the UK ([RAG0009](#)), written evidence from Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from Chemical Industries Association ([RAG0015](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from Trades Union Congress ([RAG0028](#)), written evidence from The London Market ([RAG0030](#)), written evidence from Space Forge ([RAG0032](#)), written evidence from Cancer Prevention and Education Society ([RAG0033](#)), written evidence from Professional Standards Authority ([RAG0034](#)), written evidence from Care Quality Commission ([RAG0036](#)), written evidence from Health and Safety Executive ([RAG0037](#)), written evidence from Trinity House ([RAG0041](#)), written evidence from Finance & Leasing Association ([RAG0043](#)), written evidence from Forestry Commission ([RAG0044](#)), written evidence from Institute for Government ([RAG0045](#)), written evidence from Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from Make UK ([RAG0056](#)), written evidence from General Pharmaceutical Council ([RAG0061](#)), written evidence from Institute of Regulation ([RAG0086](#)) and written evidence from Consumer Council for Water ([RAG0087](#))

166 [Q 22](#) (Anne Pardoe)

167 Written evidence from the Institute of Regulation ([RAG0086](#))

168 [Q 65](#) (Maria Tjader). See also [Q 115](#) (Lawrence Tallon).

169 Written evidence from Ofsted ([RAG0004](#))

Clear timescales

124. A number of witnesses suggested that speeding up approvals processes and improving efficiency within regulators would be more valuable than devoting resources to fast lanes. Annie Conde from Hoxton Farms contrasted the speed of approvals in the UK with Singapore and the US. Despite being a UK-based company, Hoxton Farms were likely to enter the market first in one of the two latter countries. She referred to a “very clear timeline of engagement” throughout the submission process and a commitment to receive a response by a specified time in those jurisdictions, whereas those timelines are often not met in the UK.¹⁷⁰
125. Several witnesses highlighted the significance of working to agreed and clear timelines, not necessarily shorter ones.¹⁷¹ Dame Melanie Dawes said that when Ofcom set up an entirely new licensing regime, companies which were innovating expressed more interest in having decisions made during a specific time period rather than as soon as possible.¹⁷²
126. The Minister for Small Business and Economic Transformation believed in “shorter and more predictable timescales” for regulatory processes. He stressed the need to balance the speed of processes with clear expectations for businesses:
- “Pace has to be seen alongside predictability, because often you will embark on a project and find that it is taking longer than you think, and then you have to go through the costs of reworking or perhaps lose the confidence of an investor on the way.”¹⁷³
127. The Minister acknowledged the risk of fast lanes becoming a source of funding for regulators and that they should not be an “alternative to dealing with regulatory complexity and delay.” They might be justified where an enhanced service is “incredibly important for getting things done for the economy”, but he emphasised the need to address broader delays as well.¹⁷⁴ He also recognised the concerns shared by many witnesses about the possible disadvantage to smaller and innovative companies as fast lanes could be more affordable to larger companies.¹⁷⁵
128. **One of the most important contributions that regulators can make to support investment and economic growth is to improve how they perform their functions. Central to this is improving the pace of regulatory processes, which has a major impact on how businesses can grow. The delays caused by slow decision-making can incur costs for those being regulated, while unclear timescales cause uncertainty, making the UK a less attractive destination for investment.**
129. **As the cost of regulatory delays to businesses is so high, one potential solution is to introduce paid-for fast lanes, as the Government has suggested. However, allowing companies to pay for quicker decisions could reduce public trust in the fairness of regulatory processes and**

170 [Q 88](#) (Annie Conde)

171 [Q 109](#) (Lawrence Tallon), [Q 41](#) (Sam Dumitriu) and written evidence from Federation of Small Businesses ([RAG0124](#))

172 [Q 115](#) (Dame Melanie Dawes)

173 [Q 154](#) (Minister Blair McDougall MP)

174 [Q 154](#) (Minister Blair McDougall MP)

175 *Ibid.*

unfairly disadvantage smaller companies and start-ups with less ability to pay.

130. **While fast lanes may have value in some instances, we are unconvinced at present by the case for their general use. The Government should first focus on improving the pace of regulatory decision-making for all applicants, rather than those who can afford to pay.**
131. *Speed is essential for effective regulation. Regulators must therefore take practical steps to reduce the time it takes them to make decisions, particularly for approvals. Regulators must be clear on what is involved in their processes and how long they take, providing regular updates to applicants on the progress of their applications so that applicants know when to expect decisions to be made.*
132. *The Government must ensure sponsoring departments have suitable metrics to assess the pace of regulators' processes and hold them to account.*

Predictability, communication and guidance

Balancing predictability and flexibility

133. Encouraging investment, innovation and growth is a key part of the vision outlined in the Government's Action Plan. Most witnesses stressed the need for regulators to provide long-term stability and predictability to encourage investment and to enable companies to plan ahead.¹⁷⁶
134. Some witnesses argued that prescriptive regulation offered advantages in providing clarity for companies on what they needed to do to comply. Georgina Fleet of Zurich UK said that prescriptive regulation on the amount of capital insurers need to hold to ensure they are solvent helps companies "understand what they need to do".¹⁷⁷ Maria Tjader of Schneider Electric felt in some instances, they would like a little more "prescriptive and firmer regulation."¹⁷⁸

176 [Q 32](#) (Dan Elliott), [Q 43](#) (Robert Colville), [Q 58](#) (Maria Tjader), [Q 79](#) (Caroline Allen), [Q 82](#) (Mark Thurston), [Q 107](#) (Sarah Cardell), written evidence from Professor Daniel P. Broby ([RAG0002](#)), written evidence from Advertising Association ([RAG0006](#)), written evidence from Professor Sylvester Kaczmarek ([RAG0008](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from Trades Union Congress ([RAG00028](#)), written evidence from Care Quality Commission ([RAG0036](#)), written evidence from Institute for Government ([RAG0045](#)), written evidence from UK Finance ([RAG0049](#)), written evidence from Energy Networks Association ([RAG0051](#)), written evidence from Spirit Energy ([RAG0057](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from Corporate Justice Coalition ([RAG0065](#)), written evidence from Anglian Water ([RAG0066](#)), written evidence from Ithaca Energy ([RAG0072](#)), written evidence from National Grid ([RAG0073](#)), written evidence from Ryan Nabil ([RAG0079](#)), written evidence from Institute of Regulation ([RAG0085](#)), written evidence from Competition and Markets Authority ([RAG0088](#)), written evidence from Office of Rail and Road ([RAG0089](#)), written evidence from Architects Registration Board ([RAG0090](#)), written evidence from Financial Conduct Authority ([RAG0093](#)), written evidence from Ofgem ([RAG0103](#)), written evidence from Stuart Hudson ([RAG0106](#)), written evidence from National Grid ([RAG0073](#)), written evidence from National Physical Laboratory ([RAG0075](#)), written evidence from Offshore Energies UK ([RAG0076](#)), written evidence from Environment Agency ([RAG0077](#)), written evidence from Forensic Science Regulator ([RAG0083](#)) and written evidence from Regulator of Social Housing ([RAG0084](#))

177 [Q 72](#) (Georgina Fleet)

178 [Q 59](#) (Maria Tjader). See also [Q 4](#) (Dame Julia Black), [Q 72](#) (Caroline Allen) and [Q 72](#) (Scott Steedman).

135. However, many said that that certainty and consistency must be balanced with a degree of flexibility to facilitate innovation.¹⁷⁹ For instance, Mark Thurston, Chief Executive Officer of Anglian Water, described long-term stability around a regulatory environment as “crucial for investment” but also alluded to “sufficient flex in the system” so that companies can deal with “emerging demands.”¹⁸⁰
136. Dame Melanie Dawes from Ofcom referred to this dichotomy as “a difficult trade-off” in decision-making and one of the main challenges of regulation.¹⁸¹ She outlined the situation of “half the industry wanting the rules to remain unchanged and be very stable and the other half wanting a lot of change or a lot of flexibility over time.”
137. Most witnesses agreed that a clear principles-based approach can provide the predictability needed to underpin current and future action whereby the regulator sets high-level principles that will govern regulatory decisions, while maintaining flexibility on how to reach the intended outcomes.¹⁸²
138. For example, the General Data Protection Regulation sets out principles for companies to meet when processing personal data, such as data minimisation—that data should be “adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed”.¹⁸³ The Regulation does not set out absolutely how much data that is or how companies should prove they are complying with the standard; this allows the Information Commissioners’ Office to update its guidance as personal data collection and storage methods develop over time.

179 [Q 60](#) (Maria Tjader), [Q 82](#) (Annie Conde), [Q 109](#) (Lawrence Tallon), written evidence from Space Forge ([RAG0032](#)) and written evidence from Association of Mortgage Intermediaries ([RAG0048](#))

180 [Q 83](#) (Mark Thurston)

181 [Q 109](#) (Dame Melanie Dawes)

182 [Q 18](#) (Anne Pardoe), [Q 60](#) (Antony Shimmin), [Q 60](#) (Rachel Fletcher), [Q 92](#), [Q 94](#) (John Edwards), [Q 109](#) (Lawrence Tallon), Dr Tariq Umar ([RAG0014](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from Natural England ([RAG0064](#)), written evidence from the Online Safety Act Network ([RAG0026](#)), written evidence from Costs Lawyer Standards Board ([RAG0027](#)), written evidence from Trades Union Congress ([RAG0028](#)), written evidence from Professor Hodges ([RAG0029](#)), written evidence from The London Market ([RAG0030](#)), written evidence from the UK Regulators’ Network ([RAG0035](#)), written evidence from the Health and Safety Executive ([RAG0037](#)), written evidence from Trinity House ([RAG0041](#)), written evidence from Finance & Leasing Association ([RAG0043](#)), written evidence from Chartered Institute of Patent Attorneys ([RAG0047](#)), written evidence from the Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from the Energy Networks Association ([RAG0051](#)), written evidence from Intellectual Property Regulation Board ([RAG0055](#)), written evidence from Vertical Aerospace ([RAG0059](#)), written evidence from Natural England ([RAG0064](#)), written evidence from Association of Chartered Certified Accountants ([RAG0069](#)), written evidence from Skyscanner ([RAG0070](#)), written evidence from Financial Conduct Authority ([RAG0093](#)), written evidence from Health and Care Professions Council ([RAG0094](#)), written evidence from Forestry Commission ([RAG0095](#)), written evidence from Solicitors Regulation Authority ([RAG0096](#)), written evidence from Office for Nuclear Regulation ([RAG0097](#)), written evidence from General Osteopathic Council ([RAG0098](#)), written evidence from Certification Office ([RAG0099](#)), written evidence from Astroscale UK ([RAG0100](#)), written evidence from Gangmasters and Labour Abuse Authority ([RAG0101](#)), written evidence from Defence Safety Authority ([RAG0107](#)), written evidence from Nursing and Midwifery Council ([RAG0109](#)), written evidence from Drinking Water Inspectorate ([RAG0111](#)), written evidence from Council for Licensed Conveyancers ([RAG0117](#)), written evidence from National Farmers Union ([RAG0120](#)) and written evidence from The Wildlife Trusts ([RAG0122](#))

183 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), [OJ L 119/1](#), 27 April. Implemented in the UK via the [Data Protection Act 2018](#).

139. Simon Wilde from Oxera highlighted how a principles-based approach could support long-term regulation to the benefit of consumers. He introduced the idea of the “incomplete contract” that is present in some sectors—that regulatory decisions, especially for infrastructure, can be detailed in the short term but otherwise based on general principles for the long term rather than having to set how every eventuality would be covered in a costly manner upfront.¹⁸⁴

Engagement and guidance

140. The Action Plan progress update draws on the Department for Business and Trade’s Business Perception Survey, which reported that 47% of businesses responding in 2024 saw regulation as an obstacle to their success, up from 45% in 2022.¹⁸⁵ 41% of businesses in 2024 agreed that regulators helped them to comply with regulation and that they had confidence in the advice and guidance provided.
141. Several witnesses emphasised the need for regulators to provide greater guidance for and engagement with industry at an early stage, especially for those unfamiliar with regulation.¹⁸⁶ Many witnesses could point to examples

184 [Q 36](#) (Simon Wilde). See also [Q 38](#) (Dan Elliott).

185 Department for Business and Trade, [Business regulation: business perceptions survey 2024](#), 21 October 2025

186 [Q 9](#) (Sean Ennis), [Q 19](#) (Anne Pardoe), [Q 34](#) (Simon Wilde), [Q 34](#) (Dan Elliott), [Q 45](#) (Sam Dumitriu), [Q 57](#) (Maria Tjader), [Q 59](#) (Antony Shimmin), [Q 60](#) (Rachel Fletcher), [QQ 68,69](#) (Caroline Allen), [QQ 69,73,74](#) (Georgina Fleet), [Q 69](#) (Dr Scott Steedman), [Q 81](#) (Annie Conde), [Q 93](#) (John Edwards), [Q 97](#) (Katie Pettifer), [Q 98](#) (John Edwards), [QQ 107, 109](#) (Sarah Cardell), [Q 107](#) (Lawrence Tallon), [Q 109](#) (Dame Melanie Dawes), [Q 122](#) (Dan Corry), [Q 122](#) (Rebecca Shrubsole), [Q 132](#) (Lord Willetts), [Q 149](#) (Minister Blair McDougall MP), written evidence from Advertising Association ([RAG0006](#)), written evidence from Northern Lighthouse Board ([RAG0012](#)), written evidence from Chemical Industries Association ([RAG0015](#)), written evidence from Internet Advertising Bureau ([RAG0018](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from Costs Lawyer Standards Board ([RAG0027](#)), written evidence from The London Market ([RAG0030](#)), written evidence from the UK Regulators’ Network ([RAG0035](#)), written evidence from the Care Quality Commission ([RAG0036](#)), written evidence from Finance & Leasing Association ([RAG0043](#)), written evidence from Forestry Commission ([RAG0044](#)), written evidence from Prospect ([RAG0046](#)), written evidence from Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from Companies House ([RAG0053](#)), written evidence from Unchecked UK ([RAG0058](#)), written evidence from Historic England ([RAG0060](#)), written evidence from General Pharmaceutical Council ([RAG0061](#)), written evidence from Anglian Water ([RAG0066](#)), written evidence from UK Hospitality ([RAG0067](#)), written evidence from Association of Chartered Certified Accountants ([RAG0069](#)), written evidence from Skyscanner ([RAG0070](#)), written evidence from National Grid ([RAG0073](#)), written evidence from Offshore Energies UK ([RAG0076](#)), written evidence from Environment Agency ([RAG0077](#)), written evidence from ACT | The App Association ([RAG0078](#)), written evidence from the Association of the British Pharmaceutical Industry ([RAG0081](#)), written evidence from the Forensic Science Regulator ([RAG0083](#)), written evidence from the Regulator of Social Housing ([RAG0084](#)), written evidence from Zurich UK ([RAG0085](#)), written evidence from Institute of Regulation ([RAG0086](#)), written evidence from Competition and Markets Authority ([RAG0088](#)), written evidence from Financial Conduct Authority ([RAG0093](#)), written evidence from Solicitors Regulation Authority ([RAG0096](#)), written evidence from Office for Nuclear Regulation ([RAG0097](#)), written evidence from General Osteopathic Council ([RAG0098](#)), written evidence from Ofgem ([RAG0103](#)), written evidence from Gambling Commission ([RAG0104](#)), written evidence from Stuart Hudson ([RAG0106](#)), written evidence from General Medical Council ([RAG0108](#)), written evidence from Nursing and Midwifery Council ([RAG0109](#)), written evidence from North Sea Transition Authority ([RAG0112](#)), written evidence from Financial Reporting Council ([RAG0113](#)), written evidence from Information Commissioner’s Office ([RAG0114](#)), written evidence from Council for Licensed Conveyancers ([RAG0117](#)), written evidence from Trade Remedies Authority ([RAG0118](#)), written evidence from Medicines and Healthcare products Regulatory Agency ([RAG0121](#)), written evidence from National Farmers Union ([RAG0120](#)), written evidence from Federation of Small Businesses ([RAG0124](#)), written evidence from Legal Services Board ([RAG0126](#)) and written evidence from Make UK ([RAG0056](#))

where businesses had sought to “gold-plate” what they do or asked for a lot of additional guidance, because they did not feel confident in what would meet a regulator’s expectations.¹⁸⁷ For instance, Offshore Energies said that the “interpretation of regulation can be inconsistent, which creates an additional burden on compliant organisations.”¹⁸⁸

142. The Institute for Regulation stressed that delays in processing times arise “when there is insufficient clarity of expectations between regulators and regulated entities”, suggesting that there may be benefits to providing “greater mutual, upfront guidance”.¹⁸⁹
143. Some witnesses provided examples of how regulators can provide guidance or support. Katie Pettifer said that the Food Standards Agency (FSA) is trying to develop guidance that demonstrates “the approach we will take to determine that something is safe”, which she said is “quite a good model where you have legislation that is relatively principles-based but the regulator can set out guidance in some detail for businesses, because that can be changed easily as time passes and as technologies develop.”¹⁹⁰
144. Antony Shimmin from MyCardium AI outlined the pre-submission system used in the US which entails early engagement with the regulator to address any concerns before the formal submission has been made.¹⁹¹ The Civil Aviation Authority is publishing technical roadmaps and guidance for innovators, and simplifying regulations that impact smaller companies to address barriers to growth it acknowledged particularly affected new entrants and smaller organisations.¹⁹²

Innovation and sandboxes

145. One way regulators have tried to respond to technological change is through the use of regulatory sandboxes, which involve innovative companies working closely with the regulator to understand how their product or service might fit within the regulatory framework, and what changes, guidance or alterations to that framework might be needed. In some cases, sandboxes allow the regulator to temporarily suspend the relevant requirements to pilot innovation.
146. Witnesses were broadly supportive of regulatory sandboxes and aware of the potential advantages, although only a minority had any involvement with them. Hoxton Farms, a company growing artificial animal fat in a laboratory, found their experience of an FSA regulatory sandbox helpful in testing innovations and producing guidance on how cell-cultivated products could comply with the FSA’s framework.¹⁹³
147. We also heard a range of views about the limitations of sandboxes. For example, Annie Conde from Hoxton Farms stressed that sandboxes are not

187 Written evidence from Zurich UK ([RAG0085](#)) and written evidence from Federation of Small Businesses ([RAG0124](#))

188 Written evidence from Offshore Energies UK ([RAG0074](#))

189 Written evidence from Institute for Regulation ([RAG0086](#)). See also [Q 59](#) (Maria Tjader), [Q 109](#) (Dame Melanie Dawes) and [Q 109](#) (Sarah Cardell).

190 [Q 94](#) (Katie Pettifer)

191 [Q 59](#) (Antony Shimmin)

192 Written evidence from Civil Aviation Authority ([RAG0013](#))

193 [Q 90](#) (Annie Conde)

a panacea and cannot necessarily improve “fundamental flaws” in regulatory processes, particularly delays in decision-making.¹⁹⁴

148. The Federation of Small Businesses (FSB) said that sandboxes could benefit innovative firms but the danger is that regulators “overly focus resources on a small number of innovative businesses”. The FSB called for regulators to focus on broader efforts to provide tailored support to smaller firms.¹⁹⁵
149. The Institute for Government argued that sandboxes may not be appropriate for all sectors and should not be promoted in areas where safety is the main driver or where the aim of regulation is to ensure fair outcomes.¹⁹⁶
150. **There is value in the predictability and certainty that regulation can bring but regulators also need room to behave flexibly, particularly in response to rapid technological changes such as the use of AI. Regulation that focuses on principles and outcomes provides that space rather than being overly prescriptive. It can provide sufficient predictability on the wider goals to be achieved to encourage investment, while allowing some flexibility in how these goals are met to accommodate innovation.**
151. **In order for principles and outcomes-based approaches to work, regulators must provide clear guidance on how they will assess compliance, otherwise there is a risk of creating greater confusion about what is required. Regulators need to allow businesses to engage with them on what is required, including through pre-application conversations.**
152. *Where possible, regulators should set broad principles which state their desired outcomes whilst ensuring they provide clear guidance to enable even small organisations and new entrants to understand how to comply with their requirements.*
153. *We call on regulators to proactively engage with industry early on to ensure companies have clarity on what is required and to maintain that collaboration throughout the regulatory process. They should make use of tools such as sandboxes, early guidance and pre-application conversations to provide spaces for businesses to engage outside of formal approval or licensing processes.*

Improving co-ordination and communication

154. The Government’s Regulatory Action Plan made a commitment to “simplify regulatory structures, eradicate duplication” and to “deliver a regulatory system which is easier to navigate for businesses and investors.”¹⁹⁷

Lead regulators and the ‘single front door’

155. One challenge emphasised by organisations and businesses is when a project is covered by more than one regulator, which can lead to duplication, delays

194 *Ibid.*

195 Written evidence from Federation of Small Businesses ([RAG00124](#))

196 Written evidence from the Institute for Government ([RAG0045](#))

197 HM Treasury, *Regulation Action Plan—Progress Update and Next Steps*, October 2025

and a lack of clarity.¹⁹⁸ For instance, Make UK identified “conflicting requirements between regulators, or unclear expectations” among the regulatory barriers which can “delay capital investment, increase costs, and reduce competitiveness”.¹⁹⁹

156. Both John Fingleton and Dan Corry’s reviews had highlighted how many regulators a business might have to work with. John Fingleton’s report described fragmented oversight as one of the five primary problems facing the nuclear sector, with defence projects facing as many as six regulators with no single designated lead.²⁰⁰

198 Written evidence from Ofsted ([RAG0004](#)), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from Professor Sylvester Kaczmarek ([RAG0008](#)), written evidence from Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from Civil Aviation Authority ([RAG0013](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Institute for Public Policy Research ([RAG0022](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from Online Safety Act Network ([RAG0026](#)), written evidence from The London Market ([RAG0030](#)), written evidence from Space Forge ([RAG0032](#)), written evidence from UK Regulators’ Network ([RAG0035](#)), written evidence from Care Quality Commission ([RAG0036](#)), written evidence from Food Standards Agency ([RAG0038](#)), written evidence from Passmore & Oliver Partners ([RAG0040](#)), written evidence from Prospect ([RAG0046](#)), written evidence from Association of Mortgage Intermediaries ([RAG0048](#)), written evidence from Spirit Energy ([RAG0057](#)), written evidence from Historic England ([RAG0060](#)), written evidence from Immigration Advice Authority ([RAG0063](#)), written evidence from Anglian Water ([RAG0066](#)), written evidence from Association of Chartered Certified Accountants ([RAG0069](#)), written evidence from National Grid ([RAG0073](#)), written evidence from National Physical Laboratory ([RAG0075](#)), written evidence from Offshore Energies ([RAG0076](#)), written evidence from Ryan Nabil ([RAG0079](#)), written evidence from Zurich UK ([RAG0085](#)), written evidence from Institute of Regulation ([RAG0086](#)), written evidence from Architects Registration Board ([RAG0090](#)), written evidence from Office for Nuclear Regulation ([RAG0097](#)), written evidence from Certification Office ([RAG0099](#)), written evidence from General Chiropractic Council ([RAG0102](#)), written evidence from Health Research Authority ([RAG0105](#)), written evidence from Nursing and Midwifery Council ([RAG0109](#)), written evidence from National Farmers Union ([RAG0120](#)), written evidence from Medicines and Healthcare products Regulatory Agency ([RAG0121](#)), written evidence from Competition and Markets Authority ([RAG0123](#)) and written evidence from Federation of Small Businesses ([RAG0124](#))

199 Written evidence from Make UK ([RAG0056](#))

200 John Fingleton, *Nuclear Regulatory Review 2025*, 24 November 2025

157. Many witnesses called for effective communication and collaboration between regulators to drive growth.²⁰¹ One solution is for lead regulators to provide a ‘single front door’ for those bringing forward new projects and

201 [QQ 34, 38](#) (Dan Elliott), [QQ 72, 80](#) (Dr Scott Steedman), [Q 80](#) (Caroline Allen), [Q 91](#) (Mark Thurston), [Q 91](#) (Annie Conde), [QQ 94, 103](#) (John Edwards), [QQ 99, 104](#) (Katie Pettifer), [Q 113](#) (Sarah Cardell), [QQ 122, 124](#) (Dan Corry), [QQ 124, 137, 139, 141](#) (John Fingleton), [Q 154](#) (Minister Blair McDougall MP), [Q 155](#) (David Lunn), written evidence from Form Ventures ([RAG0003](#)), written evidence from Ofsted ([RAG0004](#)), written evidence from Yemi Oluseun ([RAG0005](#)), written evidence from Advertising Association ([RAG0006](#)), written evidence from Professor Sylvester Kaczmarek ([RAG0008](#)), written evidence from Gangmasters and Labour Abuse Authority ([RAG0010](#)), written evidence from Northern Lighthouse Board ([RAG0012](#)), written evidence from Civil Aviation Authority ([RAG0013](#)), written evidence from Dr Tariq Umar ([RAG0014](#)), written evidence from Chemical Industries Association ([RAG0015](#)), written evidence from Fair Standards Alliance ([RAG0017](#)), written evidence from Internet Advertising Bureau ([RAG0018](#)), written evidence from Harry O’Connell ([RAG0019](#)), written evidence from Computer and Communications Industry Association ([RAG0020](#)), written evidence from Deloitte ([RAG0021](#)), written evidence from Ofqual ([RAG0023](#)), written evidence from BUUK Infrastructure ([RAG0024](#)), written evidence from Human Fertilisation and Embryology Authority ([RAG0025](#)), written evidence from the Online Safety Act Network ([RAG0026](#)), written evidence from Trades Union Congress ([RAG0028](#)), written evidence from The London Market ([RAG0030](#)), written evidence from WWF-UK ([RAG0031](#)), written evidence from Space Forge ([RAG0032](#)), written evidence from Cancer Prevention and Education Society ([RAG0033](#)), written evidence from Professional Standards Authority ([RAG0034](#)), written evidence from UK Regulators’ Network ([RAG0035](#)), written evidence 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Drinking Water Inspectorate ([RAG0111](#)), written evidence from Information Commissioner’s Office ([RAG0114](#)), written evidence from Independent Monitoring Authority ([RAG0116](#)), written evidence from Council for Licensed Conveyancers ([RAG0117](#)), written evidence from Office of the Pubs Code Adjudicator ([RAG0119](#)), written evidence from National Farmers Union ([RAG0120](#)), written evidence from Medicines and Healthcare products Regulatory Agency ([RAG0121](#)), written evidence from Competition and Markets Authority ([RAG0123](#)), written evidence from Federation of Small Businesses ([RAG0124](#)), written evidence from Ofcom ([RAG0125](#)) and written evidence from Legal Services Board ([RAG0126](#))

services.²⁰² This would give businesses a single point of contact to manage the regulatory relationship and information they need for approving a project. The Food and Drink Federation argued that a “single agency approach” to border enforcement, which is currently split between several authorities, would reduce duplication, delays and burdens.²⁰³ This model underpins the Office for Investment’s concierge service, discussed in Chapter 2, which is intended to help international firms establish a presence in the UK and covers a range of topics as well as regulation.²⁰⁴

158. Defra is conducting pilot projects of a lead regulator providing coordination and a single point of engagement for major projects. It felt that the model showed potential, but pointed out limitations in that it cannot currently carry the model outside the regulators within its remit, such as planning authorities, and that legislation would be required to move to a model where lead regulators could take on decisions usually made by other regulators.²⁰⁵
159. Blair McDougall, the Minister for Small Business and Economic Transformation, acknowledged the challenge around coordination of the regulatory landscape, and would like to see the DEFRA model for lead regulators rolled out to other sectors. Especially for major projects, “it should be easier to get regulators around the table, so that you do not get to an advanced stage with a major project and then one of the perhaps more discrete regulators comes along and says, ‘We have got a problem with this’”.²⁰⁶ He outlined the lessons learnt from the DEFRA model, particularly ensuring that the company is able to engage with a named contact within the lead regulator.²⁰⁷
160. **Many projects, products and services require approval from more than one regulator, which can increase delays and associated costs for businesses. Overlapping responsibilities and requirements can also create confusion over what is required in order to comply with regulation.**
161. **We welcome the Government’s pilot of a proposal for lead environmental regulators, creating a single point of contact for large projects that encounter multiple environmental regulators. However, we are concerned this only applies to regulators within one department. It also only allows the lead regulator to coordinate communications on projects, rather than holding decision-making power.**
162. *We recommend that departments work with regulators to identify where lead regulator models could be implemented to ensure regulatory actions are consistent and coherent, and to improve coordination between regulators sponsored by different departments.*

202 Written evidence from Deloitte ([RAG0021](#)), written evidence from Institute of Regulation ([RAG0086](#)); written evidence from Food and Drink Federation ([RAG0052](#)), written evidence from Natural England ([RAG0064](#)), written evidence from Environment Agency ([RAG0077](#)) and written evidence from Institute of Regulation ([RAG0086](#))

203 Written evidence from the Food and Drink Federation ([RAG0052](#))

204 Written evidence from Financial Conduct Authority ([RAG0093](#))

205 [Q 124](#) (Rebecca Shrubsole)

206 [Q 155](#) (Minister Blair McDougall MP)

207 *Ibid.*

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The role of Government

1. Whilst it was helpful to know that the Government's growth strategy for regulators is a supply-side strategy focused on increasing investment, the Action Plan does not adequately set out how it expects regulators to support growth in their individual work and investment in particular. Regulators see tensions between their role in the Government's growth ambitions and their other responsibilities and need a clearer direction on how they should be considered and managed. The Government needs to provide greater clarity for individual regulators on what supporting growth means in practice. (Paragraph 30)
2. *Government departments must work at pace with their regulators to ascertain and advise on how they can affect growth, consistent with their other responsibilities. The growth goals and regulatory simplification plans which the Government has said are underway are essential to setting the direction for regulators. We expect the Government to update us on progress with the plans before the summer recess.* (Paragraph 31)
3. The Government has not yet set out concrete proposals for its plans to strengthen the general Growth Duty and how it applies to regulators. Given the limited impact of the existing Growth Duty, and the divided opinions we have heard about whether a stronger duty will have the desired impact, we urge the Government to develop its proposals alongside more practical changes, using the levers it has to influence regulators. (Paragraph 41)
4. Regulators are said to be risk averse, given they are more likely to be blamed for their failures than celebrated for their successes. This is particularly the case where they are expected to trade off growth with other objectives such as public safety or environmental protection, where failures are clear but success is hard to judge. Risk aversion can restrict activity that could be beneficial to economic growth, including the introduction of new technologies, even where they do not lead to an increase in risks to regulatory protections. (Paragraph 60)
5. The Government has called on regulators to be less risk averse, but it has not said whether it wants them to allow greater risks to be borne by consumers and businesses, or whether it wants regulators to be more open-minded about innovations and technological developments. It is not clear whether the Government, regulators or our witnesses have a shared understanding of what risk is and how it should be judged, managed and mitigated. (Paragraph 61)
6. It is for the Government to set a clear direction for regulators. Its steer that economic growth should be a higher priority is a first step towards that, but it is not sufficient. The Government needs to provide greater clarity on what prioritising growth means for regulators' other objectives, and how any conflicts between objectives should be resolved. (Paragraph 62)
7. It is also for the Government to be clear about the level of risk to which citizens should be exposed so that Parliament can scrutinise that decision and how it will be achieved. If the Government wants to achieve a more significant change in regulators' behaviour and approach to risk, it will need to provide them with greater political cover. (Paragraph 63)

8. *The Government should provide strategic guidance to all regulators with a consequential impact on economic growth. This guidance should set out how any political and distributional trade-offs and conflicts between objectives should be prioritised. It should also set out a clear risk appetite for each regulator, particularly where the Government intends that the regulator should be more open to risk. (Paragraph 64)*
9. *Regulators should explain how they are responding to this guidance, including how the Government's steer on risk appetite will be implemented. (Paragraph 65)*
10. In many cases, regulators take a narrow approach because the relevant legislation is too prescriptive about the processes involved, making it hard for them to adapt to new approaches and innovations. Politicians have sometimes provided too little strategy on the priorities regulators should focus on, and too much detail on the tactics. We call on the Government to invest parliamentary time to create a more flexible regulatory framework that can adapt to innovation. (Paragraph 72)
11. *Departments must work with regulators to identify significant legislative blockages to improved, flexible regulatory frameworks and prioritise parliamentary time to remedy them. If a large number of changes are required but have no appropriate legislative vehicle, the Government should bring forward a Regulatory Reform Bill to implement them. (Paragraph 73)*
12. *When implementing new statutory regulatory regimes, the Government should learn these lessons and ensure there is sufficient flexibility for the regulatory framework to adapt to new technologies, products and services. (Paragraph 74)*
13. Regulation usually increases costs for businesses, and these costs can weigh particularly heavily on small or new businesses. The Government's target to reduce the administrative burden of regulation by 25% was welcomed by many of our witnesses. The target has the potential to make a useful contribution if it reduces unnecessary regulatory burdens without affecting the protections that regulation provides. (Paragraph 86)
14. We are concerned that the target may only cover a minority of the costs that regulators impose. There is a risk that the Government may hit its target without improving the experience of businesses, which may experience little change in the actual costs they incur from regulation. (Paragraph 87)
15. *As part of the annual simplification plans demanded from departments, the Government must estimate the extent to which they will reduce the actual cost of compliance, as well as the administrative costs of regulation and consider whether to introduce a reduction target on these wider costs. (Paragraph 88)*
16. We welcome the fact that the Government is considering how to hold regulators accountable for their performance against the commitments in the Action Plan and has improved transparency through the dashboard of regulators' key performance indicators (KPIs). We expect future iterations of the dashboard to include metrics which cover pace and other aspects of effective regulation, such as clarity and certainty. (Paragraph 96)
17. The Government has a legitimate interest in ensuring regulators are performing well, but it is also partly responsible for the performance of regulatory systems. It is for Parliament to hold the Government overall, sponsor departments and regulators to account for the performance of the

regulatory system. Providing clearer information on regulatory performance will help Parliament to do so. (Paragraph 97)

18. *Simplification plans should be published with a small number of metrics focused on outcomes. This will help Parliament to hold the Government overall, sponsor departments and regulators to account for the successful delivery of the Action Plan. (Paragraph 98)*
19. The pursuit of the twin aims of investment and innovation requires a fine balance when considering regulation and international trade. It is the Government's role to weigh the benefits from increased international trade, cooperation and reduced friction against the potential impact on a regulator's ability to respond to innovation or individual market forces, and set out a clear direction. (Paragraph 109)
20. *We call on the Government to guide and direct decisions about alignment or mutual recognition with other jurisdictions, subject to the UK's international responsibilities. We also urge the Department to develop the role of the Office for Investment and its concierge service to support regulators in all sectors by providing clearer routes for investors to engage with them. (Paragraph 110)*

Practical steps regulators can take to support and enable growth

21. One of the most important contributions that regulators can make to support investment and economic growth is to improve how they perform their functions. Central to this is improving the pace of regulatory processes, which has a major impact on how businesses can grow. The delays caused by slow decision-making can incur costs for those being regulated, while unclear timescales cause uncertainty, making the UK a less attractive destination for investment. (Paragraph 128)
22. As the cost of regulatory delays to businesses is so high, one potential solution is to introduce paid-for fast lanes, as the Government has suggested. However, allowing companies to pay for quicker decisions could reduce public trust in the fairness of regulatory processes and unfairly disadvantage smaller companies and start-ups with less ability to pay. (Paragraph 129)
23. While fast lanes may have value in some instances, we are unconvinced at present by the case for their general use. The Government should first focus on improving the pace of regulatory decision-making for all applicants, rather than those who can afford to pay. (Paragraph 130)
24. *Speed is essential for effective regulation. Regulators must therefore take practical steps to reduce the time it takes them to make decisions, particularly for approvals. Regulators must be clear on what is involved in their processes and how long they take, providing regular updates to applicants on the progress of their applications so that applicants know when to expect decisions to be made. (Paragraph 131)*
25. *The Government must ensure sponsoring departments have suitable metrics to assess the pace of regulators' processes and hold them to account. (Paragraph 132)*
26. There is value in the predictability and certainty that regulation can bring but regulators also need room to behave flexibly, particularly in response to rapid technological changes such as the use of AI. Regulation that focuses on principles and outcomes provides that space rather than being overly prescriptive. It can provide sufficient predictability on the wider goals to be

achieved to encourage investment, while allowing some flexibility in how these goals are met to accommodate innovation. (Paragraph 150)

27. In order for principles and outcomes-based approaches to work, regulators must provide clear guidance on how they will assess compliance, otherwise there is a risk of creating greater confusion about what is required. Regulators need to allow businesses to engage with them on what is required, including through pre-application conversations. (Paragraph 151)
28. *Where possible, regulators should set broad principles which state their desired outcomes whilst ensuring they provide clear guidance to enable even small organisations and new entrants to understand how to comply with their requirements.* (Paragraph 152)
29. *We call on regulators to proactively engage with industry early on to ensure companies have clarity on what is required and to maintain that collaboration throughout the regulatory process. They should make use of tools such as sandboxes, early guidance and pre-application conversations to provide spaces for businesses to engage outside of formal approval or licensing processes.* (Paragraph 153)
30. Many projects, products and services require approval from more than one regulator, which can increase delays and associated costs for businesses. Overlapping responsibilities and requirements can also create confusion over what is required in order to comply with regulation. (Paragraph 160)
31. We welcome the Government's pilot of a proposal for lead environmental regulators, creating a single point of contact for large projects that encounter multiple environmental regulators. However, we are concerned this only applies to regulators within one department. It also only allows the lead regulator to coordinate communications on projects, rather than holding decision-making power. (Paragraph 161)
32. *We recommend that departments work with regulators to identify where lead regulator models could be implemented to ensure regulatory actions are consistent and coherent, and to improve coordination between regulators sponsored by different departments.* (Paragraph 162)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Barber of Ainsdale
 Lord Best
 Baroness Carberry of Muswell Hill
 Baroness Drake
 Lord Fuller
 Baroness Harding of Winscombe
 Baroness Hayter of Kentish Town
 Lord Teverson
 Viscount Thurso
 Viscount Trenchard
 Lord Udny -Lister
 Baroness Valentine

Declarations of interest

Lord Barber of Ainsdale
A member of the joint Industry Board of the electric-technical and the construction industry

Lord Best
No relevant interests

Baroness Carberry of Muswell Hill
No relevant interests

Baroness Drake
No relevant interests

Lord Fuller
My principal employer is involved in the fertiliser industry and operates from two terminals in Great Yarmouth & Sunderland. Our trade involves the importation of fertilisers by ship from primary producers located overseas, processing and distributing to farms throughout Great Britain

Baroness Harding of Winscombe
*Senior steward of the Jockey club
 Trustee of the Fore
 Both organisations subject to UK regulation.*

Baroness Hayter of Kentish Town
Chair, The Property Institute

Lord Teverson
No relevant interests

Viscount Thurso
No relevant interests

Viscount Trenchard
*Chairman, Epic Investment Funds PCC Limited
 Director, Jade Road Investments Limited (ceased on 16 March 2026)
 Trustee, Fonthill Estate, Wiltshire*

Lord Udny-Lister
No relevant interests

Baroness Valentine
Investments in 31 Group PLC, M&G PLC, Wise PLC and Lancashire Holdings LTD

*On the Board of Value and Indexed Property and Income trust and
employed part time by Business in the Community*

APPENDIX 2: LIST OF EVIDENCE AND COMMITTEE ACTIVITY

Evidence is published online at <https://committees.parliament.uk/work/9368/regulators-and-growth/publications/>

Evidence received by the Committee is listed below in in alphabetical order.

Evidence in alphabetical order

Access Legal	RAG0011	
ACT The App Association	RAG0078	
Advertising Association	RAG0006	
Anglian Water	RAG0066	QQ 81–91 , Mark Thurston, CEO
Architects Registration Board	RAG0090	
The Association of the British Pharmaceutical Industry (ABPI)	RAG0081	
The Association of Chartered Certified Accountants (ACCA)	RAG0069	
The Association of Mortgage Intermediaries (AMI)	RAG0048	
Astroscale UK	RAG0100	
Professor Daniel Broby	RAG0002	
Britain Remade		QQ 41–56 , Sam Dumitriu, Head of Policy
British Standards Institution		QQ 68–80 Dr Scott Steedman CBE, Director-General
BUUK Infrastructure	RAG0024	
Hleb Buziuk	RAG0001	
The Cancer Prevention & Education Society	RAG0033	
Care Quality Commission	RAG0036	
Centre for Competition Policy and Norwich Business School		QQ 1–11 Professor Sean Ennis, Director
Centre for Policy Studies		QQ 41–56 , Robert Colville, Director
The Certification Office	RAG0099	
The Chartered Institute of Patent Attorneys (CIPA)	RAG0047	
Chemical Industries Association	RAG0015	
Citizens Advice		QQ 12–26 Anne Pardoe, Head of Policy

Civil Aviation Authority (CAA)	RAG0013	
The Collective for Human Rights in the UK	RAG0009	
Community Planning Alliance	RAG0007	
Companies House	RAG0053	
Competition and Markets Authority (CMA)	RAG0088 RAG0123	QQ 106–117 Sarah Cardell, Chief Executive Officer
Computer and Communications Industry Association	RAG0020	
The Consumer Council for Water (CCW)	RAG0087	
Corporate Justice Coalition	RAG0065	
The Costs Lawyer Standards Board	RAG0027	
The Council for Licensed Conveyancers (CLC)	RAG0117	
The Defence Safety Authority (DSA)	RAG0107	
Deloitte LLP	RAG0021	
Department for Business and Trade		QQ 145–160 , David Lunn, Director, Regulation Directorate
Department for Business and Trade		QQ 145–160 , Blair McDougall MP, Minister for Small Business and Economic Transformation
Department for Environment, Food and Rural Affairs		QQ 118–130 , Dan Corry OBE, Non-Executive Director
Department for Environment, Food and Rural Affairs		QQ 118–130 , Rebecca Shrubsole, Director for Ministerial, Growth and Resilience
Drinking Water Inspectorate	RAG0111	
Dr Emmanuel Igwe	RAG0062	
The Energy Networks Association (ENA)	RAG0051	
Environment Agency	RAG0077	
Fair Standard Alliance	RAG0017	
Federation of Small Businesses (FSB)	RAG0124	
The Finance & Leasing Association (FLA)	RAG0043	

Financial Conduct Authority (FCA)	RAG0093	
The Financial Reporting Council	RAG0113	
Fingleton		QQ 118–130 John Fingleton CBE, Chair
Food and Drink Federation	RAG0052	
Food Standards Agency	RAG0038	QQ 92–105 , Katie Pettifer, CEO
The Forestry Commission (FC)	RAG0044	
	RAG0095	
Forensic Science Regulator	RAG0083	
Form Ventures	RAG0003	
Frontier Economics		QQ 27–40 Dan Elliott, Founder and Director
The Gambling Commission	RAG0104	
The Gangmasters and Labour Abuse Authority	RAG0010	
	RAG0101	
General Chiropractic Council	RAG0102	
The General Medical Council (GMC)	RAG0108	
The General Osteopathic Council	RAG0098	
General Pharmaceutical Council (GPhC)	RAG0061	
Rosie Harris BSc Hons Osteopathy DO	RAG0080	
The Health and Care Professions Council (HCPC)	RAG0094	
Health and Safety Executive (HSE)	RAG0037	
Health Research Authority (HRA)	RAG0105	
Historic England	RAG0060	
HM Land Registry's	RAG0054	
HM Treasury		QQ 161–171 ,Jessica Glover, Director General, Growth and Productivity QQ 161–171 ,Lord Livermore, Financial Secretary to HM Treasury
Professor Hodges OBE PhD MA (Oxon) FSALS FRSA	RAG0029	

Hoxton Farms		QQ 81–91 , Annie Conde, Chief of Staff
Stuart Hudson	RAG0106	
Human Fertilisation and Embryology Authority	RAG0025	
Dr Emmanuel Igwe	RAG0062	
Immigration Advice Authority	RAG0063	
The Independent Monitoring Authority	RAG0116	
Information Commissioner’s Office (ICO)	RAG0114 RAG0115	QQ 92–105 , John Edwards, Information Commissioner
The Insolvency Service	RAG0042	
Institute for Government	RAG0045	
Institute for Public Policy Research	RAG0022	
The Institute of Regulation (IoR)	RAG0086	
The Intellectual Property Regulation Board (IPReg)	RAG0055	
The Internet Advertising Bureau	RAG0018	
Ithaca Energy	RAG0072	
Professor Sylvester Kaczmarek	RAG0008	
Legal Services Board	RAG0126	
The London Market Group	RAG0030	
Make UK	RAG0056	
Medicines and Healthcare products Regulatory Agency (MHRA)	RAG0121	QQ 106–117 , Lawrence Tallon, Chief Executive Officer
The Movement for an Open Web (MOW)	RAG0068	
MyCardium AI		QQ 57–67 , Antony Shimmin, Chief Operating Officer
Mr Ryan Nabil	RAG0079	
National Farmers Union (NFU)	RAG0120	
National Grid	RAG0073	
The National Physical Laboratory	RAG0075	
Natural England	RAG0064	
NatureMetrics	RAG0110	

Northern Lighthouse Board	RAG0012	
North Sea Transition Authority	RAG0112	
Nursing and Midwifery Council	RAG0109	
Harry O’Connell	RAG0019	
Octopus Energy	RAG0016	QQ 57–67 , Rachel Fletcher, Director of Regulation
Ofcom	RAG0125	QQ 106–117 , Dame Melanie Dawes, Chief Executive
The Office for Nuclear Regulation (ONR)	RAG0097	
The Office for Statistics Regulation	RAG0091	
The Office of the Pubs Code Adjudicator	RAG0119	
The Office of Qualifications and Examinations Regulation (Ofqual)	RAG0023	
Office of Rail and Road (ORR)	RAG0089	
Offshore Energies UK	RAG0076	
Ofgem	RAG0103	
Ofsted	RAG0004	
Yemi Oluseun	RAG0005	
Online Safety Act Network	RAG0026	
Online Travel Uk	RAG0050	
Oxera		QQ 27–40 Simon Wilde, Partner
Oxford University		QQ 1–11 , Dame Julia Black, Professor of Law and Regulation
Passmore & Oliver Partners	RAG0040	
Policy Exchange		QQ 12–26 Ben Ramanauskas, Senior Research Fellow
Professional Standards Authority for Health and Social Care (PSA)	RAG0034	
Prospect Trade Union	RAG0046	
Pub Code Adjudicator	RAG0119	
The Regulator of Social Housing (RSH)	RAG0084	
Regulatory Innovation Office		QQ 131–144 , Lord Willetts, Chair

Ronan Scanlan	<u>RAG0082</u>	
Schneider Electric		<u>QQ 57–67</u> , Maria Tjader, Head of Government Affairs
Skyscanner	<u>RAG0070</u>	
Smith and Nephew		<u>QQ 68–80</u> Caroline Allen, Senior Vice-President for Regulatory Affairs
Social Work England	<u>RAG0092</u>	
Solicitors Regulation Authority (SRA)	<u>RAG0096</u>	
Space Forge	<u>RAG0032</u>	
Spirit Energy	<u>RAG0057</u>	
The Trade Remedies Authority (TRA)	<u>RAG0118</u>	
Trades Union Congress (TUC)	<u>RAG0028</u>	
Trinity House	<u>RAG0041</u>	
UK Finance	<u>RAG0049</u>	
UK Hospitality	<u>RAG0067</u>	
UK Regulators' Network	<u>RAG0035</u>	
Dr Tariq Umar	<u>RAG0014</u>	
Unchecked UK	<u>RAG0058</u>	
Vertical Aerospace	<u>RAG0059</u>	
The Wildlife Trusts	<u>RAG0122</u>	
WWF-UK	<u>RAG0031</u>	
Zurich UK	<u>RAG0085</u>	<u>QQ 68–80</u> Georgina Fleet, Chief Compliance Officer

APPENDIX 3: CALL FOR EVIDENCE

Background

In a 2024 report, the Institute for Government identified that there are 116 regulators in the UK. Regulators are delegated powers by Parliament to set and enforce rules, often in particular sectors or covering particular areas of responsibility, such as competition or health and safety.

Many regulators are already required by legislation to consider the impact of their activities on economic growth. For instance, the Deregulation Act 2015 requires many bodies exercising regulatory functions to “have regard to the desirability of promoting economic growth” when performing their functions, which is often referred to as the ‘Growth Duty’. In 2024, the Government extended the Growth Duty to Ofwat, Ofgem and Ofcom.

The current Government has indicated its view that regulation can be “an essential tool to promote growth and investment” and to address economic, societal and environmental risks. However, in an Action Plan published in March 2025, it argued that the regulatory landscape is “not functioning as effectively as it should” and “too often holds back growth and inhibits private sector investment”, for instance through high administrative costs. The Action Plan proposes a series of measures to meet a target of reducing the administrative costs of regulation by 25%. In an October 2025 update on the Action Plan, the Government indicated that it had established a baseline that the annual administrative burden of regulation is £22.4 billion, making its target to reduce this burden by £5.6 billion by the end of this Parliament.

As part of the Action Plan, the Government is aiming to tackle complexity in the regulatory system, reduce uncertainty, and challenge and shift “excessive risk aversion”. As well as a list of actions proposed by regulators, the Government has proposed closing and merging some regulators, simplifying the duties of key regulators, and strengthening the transparency and accountability of regulators to Ministers.

The Committee will consider the role of regulators in relation to economic growth, how any changes to further prioritise growth might impact on their other duties and responsibilities, and how regulators are responding to the Action Plan.

Questions

1. What is the role of regulators in supporting and promoting economic growth? How does this translate into actions?
2. What barriers, if any, are regulators putting in the way of economic growth? How will Government and the public know if regulators are supporting growth, rather than impeding it?
3. How are regulators expected to balance the growth duty with their other objectives? Does the Government make clear what should be prioritised, and how can this be achieved?
4. Can changing the growth duty alone have a significant impact on regulators’ decision-making, or is there a need for broader changes to regulators’ duties, objectives and strategic guidance?

5. Is it possible to make regulatory processes quicker and cheaper while maintaining the same level of protection to the public and the environment? Will there have to be trade-offs between these goals, and if so, how should the Government and Parliament clarify how these trade-offs should be made?
6. How is a stronger growth duty likely to affect how regulators view risk and where the burden of risk falls? To what extent should consumers, businesses and the public be prepared to accept greater risk as a result of changing regulatory protections, and how should a less risk-averse approach be implemented by regulators?
7. What impacts will targets for reducing the administrative burden on business and increasing the speed of approvals have on regulators? What pressures or perverse incentives might these targets bring into regulatory systems?
8. Do regulators have the resources they need to be able to adequately support growth and innovation in general, and through specific measures such as proposed “fast lanes”? If increased resources are needed, should they come from increases in regulatory fees and charges or through additional public funding?
9. Will changes to regulatory processes, such as proposed paid-for “fast lanes”, have the planned effect? Are companies prepared to pay more for expedited services? Is it clear how potential disadvantages, such as for smaller companies who are less able to afford increased fees, could be managed?
10. Can regulators work together where needed, and do they act to avoid duplication or inconsistency in how they regulate? Are there barriers which prevent regulators from working together?
11. How are changes in regulatory structures likely to affect how regulators deliver their functions and impact on growth? Do regulators and the Government understand both the benefits from and the downsides to reorganisations? Are changes being planned and delivered in a way that minimises instability or unpredictability, and ensures regulation remains effective?
12. What are regulators doing in practice to encourage innovation and support economic growth? Are regulatory sandboxes working as expected, and if so, should their use be expanded?
13. Are regulators using data, digital technology and artificial intelligence to improve their efficiency and productivity? What potential benefits and drawbacks would result from their increased use?
14. Is the new Regulatory Innovation Office working as planned to improve regulation and taking the necessary whole of Government view?
15. How do UK regulatory systems compare to others internationally? Who should the UK look to for good practice in regulatory design and operation? Are there any advantages to UK regulatory systems?