



# UKRN response to National Infrastructure Commission call for evidence

## 1. Summary

The UKRN welcomes the opportunity to respond to the NIC call for evidence. Our response focuses on question 8: *Where could regulators work together more consistently to meet future challenges, achieve efficiencies within the regulatory system or to promote better outcomes for consumers, investors or society?*

In this response, we set out the ways in which the eleven UKRN member regulators, including the energy, water and telecoms sectoral regulators, are already working together, and where we plan to increase collaboration to tackle existing and future challenges.

## 2. About the UKRN

The UK Regulators' Network brings regulators together for the benefit of consumers and the economy. We have eleven member regulators, only three of whom are covered by the scope of the NIC review. Our eleven members cover a wide range of sectors and issues, and the UKRN has a varied and challenging work programme focused on two core themes: improving outcomes for vulnerable consumers and infrastructure and investment. The UKRN also facilitates greater regulator collaboration and knowledge sharing through our annual conference and our internal networks. We have over twenty networks, covering areas including cyber security, lawyers, HR, vulnerability and diversity. Please see the accompanying annex for more details on our structure.

The UKRN is led by the CEOs of the eleven member regulators and supported by a group of senior directors. The UKRN Office, consisting of staff from across our members, is responsible for delivering the UKRN's work plan.

The CMA, while not a full UKRN member, is an observer member and the UKRN and CMA work together closely.

### Our members

[CAA](#)

[Ofcom](#)

[PSR](#)

[FCA](#)

[Ofgem](#)

[SSRO](#)

[FRC](#)

[Ofwat](#)

[The Utility Regulator](#)

[LSB](#)

[ORR](#)

[Northern Ireland](#)

## **Our resources**

The UKRN is funded by member fees. Members also provide additional resources in the form of staff allocation to cross sector project delivery, meeting rooms and ICT support. This is alongside participation in other UKRN initiatives, such as shared training, knowledge sharing events and workshops and the UKRN conference. The UKRN is staffed by a small central office, which provides coordination for collaborative projects, manages the networks, engages with key stakeholders and provides secretariat support for the UKRN governance functions. All staff are seconded from UKRN members.

### **3. Increasing our commitment**

We recognise that the nature of the challenges we currently face means there is an even greater need for regulators to work together. That is why, in the 2018 Budget Statement, regulators committed to increasing the resourcing for and commitment to the UKRN. This is in addition to leading a new, significant cross-sector project to understand and improve outcomes for consumers in vulnerable circumstances. More detail on this project is set out below.

A fee increase of 25% across all members has been agreed for the 2019/20 financial year. Members are also contributing additional funding and staff, in addition to the fee increase, to resource the cross-sector vulnerability project. This includes expanding the UKRN office to include a senior project director to lead the work and additional UKRN managers and administrative support.

### **4. Enhanced collaboration**

The UKRN is led by our members. Our members share knowledge, identify common challenges and, where appropriate, work together to deliver better outcomes for consumers and the economy. While the UKRN office provide a coordinating and facilitating function, the input of the regulators is crucial to providing sectoral expertise and to implementing any changes across their organisations and sectors.

There are three main facets to our work:

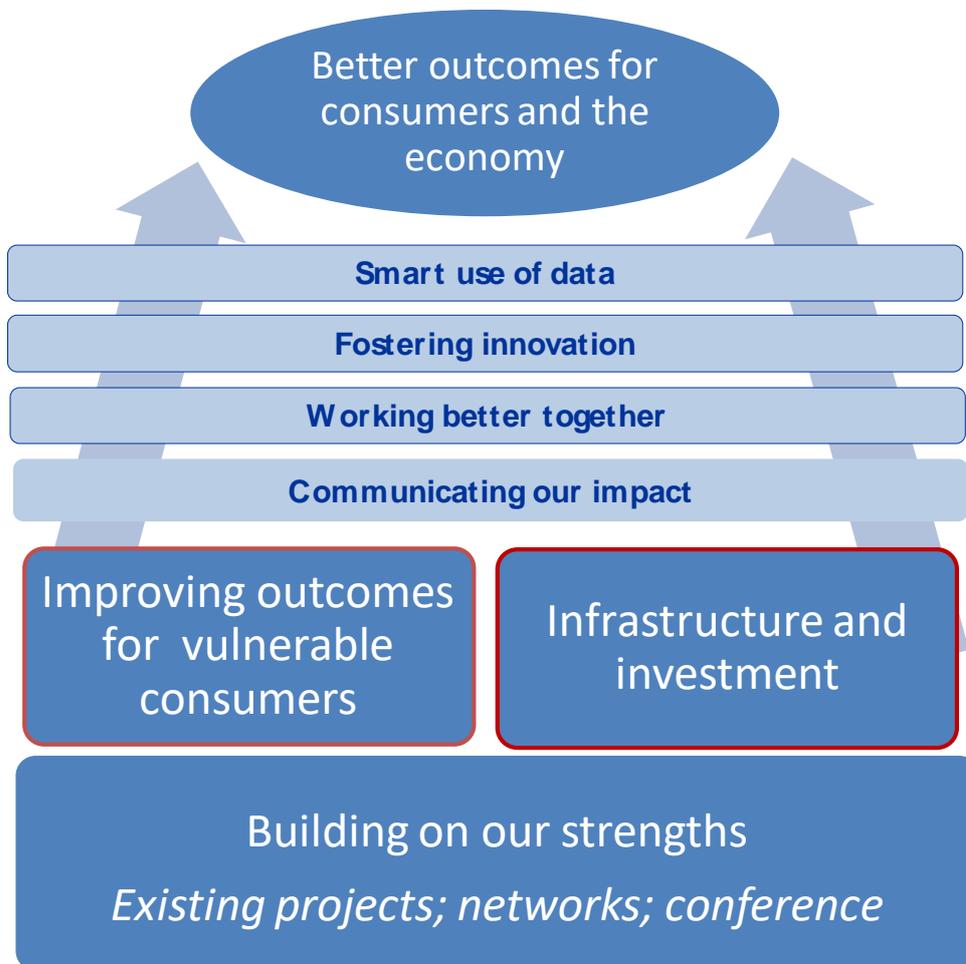
1. Delivering shared projects
2. Sharing knowledge and best practice
3. Sharing resources

The increased resource commitment from members for the UKRN will support a larger central UKRN team able to drive and facilitate more ambitious project delivery, with increased impact for consumers and the economy.

In consultation with members and stakeholders, the 2019/20 UKRN work programme, due for publication in the Spring, will reflect this increase in capacity. In addition to existing commitments, we will be driving several ambitious new projects in areas where a collaborative approach can bring increased benefits for consumers and the economy. These

projects are organised around two key pillars: vulnerable consumers and infrastructure and investment. Several key themes sit across both pillars, in recognition of some of the challenges the NIC review has identified, including data and innovation.

Figure 1: UKRN 2019/20 work programme: proposed approach



***New cross sector project on vulnerability***

Understanding the needs of vulnerable consumers is a central part of our work at the UKRN and is one of the two key pillars of our 2019/20 work plan.

Our new project will be taking a practical, outcomes focused approach, ensuring we compliment and build on the work already being done by regulators. It will create space to share ideas, identify best practice, learn from each other and work out how we embed that knowledge, innovation and learning in practical ways across our members. The project will be split into three parts.

1. **A vulnerability audit.** This work has already begun and will bring together existing activity and thinking on vulnerability across the different sectors. This will ensure we

are able to build on, rather than duplicate, the work we are already doing and share the insight and understanding from that work across our members and key stakeholders. It will address the following questions:

- How do regulators define vulnerability?
- What are regulators legal duties towards vulnerable consumers?
- What action are regulators taking to improve outcomes for vulnerable consumers?

2. **Making our data work harder.** Most of the UKRN members already conduct consumer research to understand the issues consumers face in their sectors. We will be bringing together the insight from those research studies to see what we can learn about how these issues map across sectors. This phase will address the following questions:

- What data do regulators hold on vulnerable consumers?
- What are the barriers to collecting data in this area?
- What does it tell us about the outcomes and experiences of vulnerable consumers across sectors?
- Are there particular groups who consistently experience poorer outcomes?

3. **Maximising the impact of intermediaries.** The third phase will build on what we have learnt and will seek to understand what interventions work to improve outcomes for consumers in vulnerable circumstances and how these can be implemented across sectors. It will address the following questions:

- Are there intermediaries or similar interventions focused on improving outcomes for consumers in vulnerable circumstances in our sectors / other sectors / internationally? How effective / transferable are they?
- Are there any groups for whom there aren't currently effective intermediaries / interventions? Why is this?
- What is the role of smart data? What are the opportunities for, e.g., identifying needs and tailoring services? What are the risks and ethical implications?
- What are the limits of intermediaries for improving outcomes for consumers in vulnerable circumstances? What are the implications of this for regulators and regulated sectors?
- What is preventing companies from being more innovative in this area?

### ***Increasing collaboration on infrastructure and investment***

Our members are already taking wide-ranging action to deliver on various infrastructure and investment challenges across our sectors, working with government, industry and other stakeholders. We also recognise the importance of working together on these issues. As part of our focus on infrastructure and investment we will therefore be:

- Running a series of working seminars with accompanying papers exploring key issues where **a more coordinated approach to infrastructure investment and deployment** would bring benefits and identifying the actions required to make this happen.
- Holding a series of UKRN events with the investment community to identify **key challenges to securing future investment** and how regulators, investors and others can work together to overcome these.
- Working together on approaches to **cost of capital**. This includes sharing experiences and knowledge, peer reviewing members work, shared cost of capital training across the regulators and an annual UKRN cost of capital report. In 2019/20 we will also be looking in detail at areas where regulators' approaches to cost of capital can be further aligned.
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## 5. A strong record of existing collaboration

The UKRN members are also working together on a range of joint projects and initiatives. A number of these are set out below.

- We will soon be publishing, in partnership with the Office of the Public Guardian, a set of **consistent guidelines on power of attorney** for use across the telecoms, water, energy and financial services markets. This will help deliver an easier, and more consistent experience for consumers across these sectors, at what is inevitably a difficult and stressful time for those affected.
- We have, in collaboration with Ofgem and Ofwat, been working with water and energy companies on data sharing to ensure companies are better able to identify and support vulnerable consumers. Work to deliver **priority services data sharing** between energy networks and water companies across England and Wales remains on track to be delivered by April 2020. This will mean not only that more consumers who are eligible will be signed up to get the support they need, but also that consumers only have to go through that process once, saving consumers time and making the process less stressful. We are currently exploring the feasibility of extending this work to the telecoms sector.
- Work is ongoing on scoping common **performance metrics** across the water, energy, telecoms and financial services sectors, with UKRN coordinating work to think through which metrics are most meaningful to consumers for each sector and how best to collate these. An options paper setting out next steps will be published in July 2019.
- Work is ongoing on **best practise and minimum standards for vulnerable consumers**. We have been working with a range of experts as we develop this work,

including Scope, Money and Mental Health and Citizens Advice, whose input has been extremely helpful. A publication setting out how regulators will be taking this forward will be published in the next few months.

- We have been working with a subset of our members to address the CMA's collective recommendations to regulators on **Digital Comparison Tools (DCTs)** following their market study into this area. We have provided a forum, through regular project group meetings and supporting communication, for those named regulators to share approaches and best practice to support their implementation of the CMA's recommendations.
- We have been inputting into the work of the Digital Framework Task Group (DFTG) on **sharing of infrastructure data**. In addition to UKRN office staff sitting on DFTG and working groups to influence the approach, we have organised a series of sessions with regulators, DFTG colleagues, and industry representatives to explore current approaches and opportunities for (and barriers to) expanding data sharing. A report setting out our findings will be published in Summer 2019. Future work is planned to explore regulators' powers to do more to facilitate data sharing.

### Sharing knowledge and best practice

Underpinning our project work, the UKRN also brings together colleagues from across members to share experiences, identify challenges and share best practice. We have over twenty networks, bringing colleagues together from a wide range of operational and policy disciplines. See annex A for a full list of networks.

This internal information sharing often takes the form of members presenting on key projects or initiatives and providing detail on lessons learned. These are frequent and wide ranging, but illustrative examples include presentations from:

- The FCA on its cross-sectoral sandbox;
- The FCA on open banking;
- Ofgem on its vulnerability strategy;
- Ofgem on its micro-business work programme;
- The ORR on successful prosecution under section 20 powers<sup>1</sup>;
- Ofwat on its approach to new price controls for the water sector; and
- Ofcom on migration to cloud computing.

As well as internal information sharing, these networks are also a mechanism for bringing in external expertise and challenge. Recent examples of this have included:

- Nesta attending the UKRN strategy network to discuss their work on anticipatory regulation;

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<sup>1</sup> Inspection and enforcement powers granted to the ORR under the Health and Safety at Work Act.

- The Chair of the DFTG attending the UKRN data strategy network to discuss infrastructure data sharing;
- Citizens Advice attending the vulnerability network to share their work on minimum standards for consumers suffering mental ill health;
- Scope presenting to the vulnerability network on their work to understand the experiences of disabled people in regulated markets;
- The CMA attending the Senior Representatives Group to present its proposals on approaches to data matching to understand outcomes for vulnerable consumers across markets;
- The Chair of the Centre for Data Ethics attending the CEOs meeting to set out how it will approach its work.
- Cabinet Office Civil Contingencies Secretariat presenting to regulators on their approach to resilience.

In addition to our networks, the UKRN also organises a range of other events, designed to share knowledge and foster cooperation. Recent/upcoming examples include:

#### ***Upcoming events***

- **The UKRN annual conference** was held on 24 April 2019 and focused on innovation, data and vulnerable consumers. With over 120 registered delegates from regulators and key stakeholders, the conference was an opportunity to share knowledge and best practice and to hear from external experts and practitioners. Speakers include:
  - Andrew Bailey, CEO, FCA;
  - Martin Cave, Chair, Ofgem;
  - Andrea Coscelli, CEO, CMA;
  - Elizabeth Denham, Information Commissioner, ICO;
  - Rachel Fletcher, CEO, Ofwat;
  - Jonathan Oxley, CEO, UKRN;
  - Panel session with representatives from Citizens Advice, the Centre for Data Ethics and Innovation, Dot.Everyone, the Financial Services Consumer Panel, the ICO, Money and Mental Health Policy Institute, Monzo, Ofcom; Ofgem, Sustainability First, the University of East Anglia, Water UK.
- Joint **UKRN/LTIIA event on future investment challenges** in June;
- Joint **UKRN/Whitehall Industry Group event on smart data and AI** in September.

#### ***Recent events***

- **Regulating for The Future - a joint UKRN/Whitehall Industry Group Event.** This February workshop brought together government, regulators, industry innovators and other stakeholders to discuss how regulators can facilitate and encourage industry innovation for the benefit of consumers and the economy. Discussion focused on what tools are available to regulators and government, whether a joined-up approach across regulators is required and how the Department for Business, Energy and Industrial Strategy's Regulators' Pioneer Fund is supporting innovation.

Speakers at the event were **Carl Creswell**, Director for Better Regulation, BEIS, **Emma Simpson**, Head of Innovation, Civil Aviation Authority and **Anna Wallace**, Innovation Head of Department, Financial Conduct Authority.

- **A UKRN Diversity Network Event on Tackling the Gender Pay Gap.** This February event was hosted by Ofcom and introduced by Jonathan Oxley, Chief Executive of the UK Regulators Network. It focused on approaches to tackling the gender pay gap and was opened by a keynote presentation from **Tamara Kaye, Head of Women in Leadership at Sky**. This was followed by a panel discussion with colleagues from Ofcom, Ofgem and the FCA.
- **UKRN Strategic Seminar on Black Sky Hazard:** a joint Strategy, Infrastructure and Resilience and Cyber Security Network seminar on resilience was organised in December 2018 by UKRN, bringing together our networks with Resilience First, Lord Toby Harris and the Cabinet Office Civil Contingencies Secretariat to explore the role of regulators and other stakeholders in the event of a 'black sky hazard'.
- **A UKRN/ippf policy breakfast on fairness** in November, bringing together regulators, academics, politicians and other stakeholders to discuss how fairness should be defined in the regulated sectors and what the role of regulators, government and others should be.

This collaboration and knowledge sharing is underpinned by regular stakeholder engagement and communication. The UKRN team engages regularly with key stakeholders, including consumer groups, government, think tanks and other stakeholders. The UKRN team keep member regulators informed of key developments and ensures information is shared. The team also keeps key internal and external stakeholders updated on UKRN activity, including through our quarterly newsletter, regular blogs and informal information sharing.

### Sharing resources

In addition to sharing knowledge and working together on projects, UKRN members also, where relevant, share resources. UKRN members currently run a programme of shared training, commissioned and run by individual regulators and open to all colleagues. Topics include cost of capital, access regulation, spreadsheet modelling and benchmarking. UKRN has also facilitated cross regulator secondments, and the cost of capital network will be exploring the possibilities for further sharing of resources across the relevant regulators.

## 6. Next steps

We will be publishing our 2019/20 work plan in the early Summer, setting out in more detail how we will be increasing collaborative working across our members. While the work plan will guide us during 2019/20, we will also continue to respond to emerging issues as they arise. We will continue to engage with the NIC review and look forward to further discussions to explore how regulators can best work together.