UKRN Annual Report and 2020/21 Work Plan
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1. Foreword from Jonathan Oxley, UKRN Chief Executive

Welcome to the UKRN’s Annual Report and 2020/21 work programme. The ongoing issues surrounding COVID-19 are, of course, having a profound impact on the consumers and citizens we serve, on our members, and the sectors we regulate. I’m proud that our members are at the centre of the nation’s response to the crisis.

The current crisis is likely to have an on-going impact on consumers, companies and public policy in our sectors. In turn this is likely to change the timing and focus for some of our current projects, as well as necessitating new projects. At this stage we have enhanced our monitoring programme to ensure we understand the immediate impacts of the crisis.

We will be keeping our workplan under constant review and be ready to respond to events. While timescales and details of our work may change, we still expect the priority areas we have identified to remain relevant: firstly, we will continue to focus on vulnerable consumers, working together to understand how best to support them; and secondly, we will focus on ensuring our sectors have the investment they need to sustain and enhance the infrastructure upon which we depend more than ever.

It’s difficult to see past the current crisis but the past year has been a successful one for UKRN. We published the first iteration of performance scorecards, bringing together metrics on the performance of banks, energy, water and telecoms companies to help drive improvements in quality of service.

We launched a new cross-sector project to improve outcomes for consumers in vulnerable circumstances. The power of data has been a key theme of this work. Highlights include our data audit, which brings together existing consumer research to understand the experiences of consumers in vulnerable circumstances across our sectors; a literature review bringing together research and best practice on identifying vulnerable consumers; and the commissioning of new research to understand consumers attitudes to the use and sharing of data. These issues will continue to be a key pillar of our work programme in 2020/21.

We also continued to work closely with our members on infrastructure and investment issues. We published our annual Cost of Capital report and a supplementary report on the use of debt betas, ran a joint event with the Long Term Infrastructure Investors Association (LTIIA) and contributed to the Digital Framework Task Group’s work on infrastructure data sharing, including by publishing our report on current approaches to data sharing in our sectors. In 2020/21 we will continue to collaborate closely on infrastructure and investment issues, including working together on a new, and crucially important, area for the UKRN: the role of regulators and regulated sectors in meeting the UK’s net zero targets.

We also, with our members, contributed to important debates about the role of regulation, such as the National Infrastructure Commission’s review of economic regulation and the Public Accounts Committee’s report on consumer protection. These processes provided useful challenge as well as a spur for us to further deepen our collaborative processes.
At this time of national crisis, collaboration between our members on the issues facing the sectors they regulate is more important than ever. Their work with each other and through their continued commitment through UKRN makes regulation more efficient, effective and responsive to the needs of consumers, the economy and the country overall.

Jonathan Oxley
Chief Executive, UKRN
2. **Summary**

UKRN brings together regulators to collaborate to improve outcomes for consumers and the economy. In 2019/20 we increased our capacity, working with our members on a range of issues across infrastructure investment, data sharing and support for vulnerable consumers. The ongoing issues around COVID-19 has illustrated the importance of investment in essential services and networks for all, and supporting their users who may find themselves in vulnerable circumstances. Therefore in 2020/21, we will build on this, with a focus on three priority areas:

**Priorities for 2020/21**

1. **Collaboration on infrastructure and investment**
   - We will work with members to understand the financial impact of COVID-19 on their sectors and investment in infrastructure, and consider how regulators can support them and ensure they have the investment they need to recover and grow.
   - We will continue to collaborate and share expertise on setting the cost of capital, an important input into our members’ price control decisions.
   - We will engage widely with the investment community to increase understanding about the current regulatory model, identify key challenges to securing future investment and explore how regulators, investors and others can work together to overcome these.
   - We will facilitate cross-regulator work on net zero, identifying the tools and approaches regulators can use to help ensure we have the infrastructure and investment we need to meet this challenge.

2. **Using data to support consumers in vulnerable circumstances**
   - We will work with members to understand the impact of COVID-19 on vulnerable consumers in their sectors, and consider how regulators can support them and ensure they have the requisite support.
   - We will work with members, regulated companies, consumer groups and government to embed the learning from new, cross sector research with consumers on attitudes to using data to identify and provide support for consumers who may be vulnerable.
   - We will work with our members to understand the barriers to regulators more effectively sharing data with each other, as well as bringing together existing anonymised research and data to produce greater insight into the experiences of and outcomes for vulnerable consumers across sectors.
   - We will engage with industry and consumer groups to identify and learn from examples of best practice.

3. **Working better together**
   - Our members, in common with organisations across sectors, are adapting and responding to the effect of COVID-19 for consumers and businesses. We will use
our Networks to share and co-ordinate on information and best practice for members’ business continuity, emerging critical and cross-sector issues, and published guidance and advice to consumers and businesses.

- We will engage with stakeholders across industry, investors, consumer groups and government to ensure our members are aware of their concerns and priorities and help make connections where these do not already exist.

- We will continue to help coordinate and facilitate input into to government debates on the future role and effectiveness of regulation and will continue to play a key role in cross-sectoral fora such as the Consumer Forum.

- We will bring our members together through our networks, sharing expertise and learning across our organisations on issues ranging from diversity to cyber, and with specialists ranging from lawyers to HR professionals.
3. About the UKRN

The UK Regulators’ Network brings regulators together for the benefit of consumers and the economy.

Our members

Our member regulators cover a wide range of sectors and issues, including transport, utilities and financial services. In 2019 the Information Commissioners’ Office (ICO) and The Pensions’ Regulator (TPR) joined the UKRN as members.

Civil Aviation Authority (CAA)  
Financial Conduct Authority (FCA)  
Financial Reporting Council (FRC)  
Information Commissioners Office (ICO)  
Legal Services Board (LSB)  
Office of Communications (Ofcom)  
Office of Gas and Electricity Markets Energy (Ofgem)  
Water Services Regulation Authority (Ofwat)  
Office of Rail and Road (ORR)  
Payment Systems Regulator (PSR)  
Single Source Regulations Office  
The Pensions’ Regulator (TPR)  
The Utility Regulator Northern Ireland (UREGNI)

The Legal Services Board has decided to not continue as a member of UKRN from 2020/21.

How we work

The UKRN was established by our members in 2014 and has developed strong relationships and a culture of collaboration and learning. We bring our members together to share knowledge, explore cross-cutting issues and build better ways of working, including by:

- Developing shared approaches to tackling common issues across the sectors we regulate.
- Engaging with external stakeholders to inform and contribute to policy debates, regulatory reviews and cross-sector issues.
- Facilitating events and discussions of topical issues with external audiences and in collaboration with partners.
- Networking to build links, expertise and experience between professionals across our members.

The impact of our work depends on our members, who apply the shared learning across their sectors in a way that is consistent with their individual regulatory frameworks.

The work of the UKRN is overseen by Jonathan Oxley, the UKRN Chief Executive and Competition Group Director and Board Member at Ofcom, who took up the role in December 2018. Jonathan chairs the UKRN CEOs group, who provide oversight of the
work of the UKRN. Day to day governance is provided by the UKRN Senior Representatives group, which includes representatives from each of our members.

The CEOs Network and UKRN’s Executive are advised by the Chairs of the full member regulators, and also by an independent Expert Panel drawn from industry, academic and consumer backgrounds.

The UKRN is funded by member fees and staffed by a small central office led by our newly appointed Director, Attricia Archer, which provides coordination for collaborative projects, manages the networks, engages with key stakeholders and provides secretariat support for the UKRN governance functions. Staff are seconded from UKRN members. Members also provide additional resources in the form of staff time allocated to projects, networks and events; meeting rooms; and event venues and support.
4. Looking back – what we achieved in 2019/20

Our 2019/20 work programme was focused around two pillars: improving outcomes for consumers in vulnerable circumstances and increasing collaboration on infrastructure and investment. In addition, we supported collaboration across our members through our networks, events and shared training and secondments programmes. Below we set out what we achieved in 2019/20.

Improving outcomes for consumers in vulnerable circumstances

Understanding and meeting the needs of consumers in vulnerable circumstances is a central part of our work at the UKRN. In 2019/20 our work has taken a practical, outcomes focused approach, ensuring we complement and build on the work already being done by members and stakeholders. It has had a particular focus on the role of data in identifying and providing support to consumers in vulnerable circumstances.

The work has taken a collaborative approach, bringing together consumer groups, industry, government and regulators to understand and recognise good practice, what remains to be achieved and how expertise and collaboration can be leveraged to make a bigger difference in future.

UKRN Vulnerability Event: driving fair outcomes for consumers in vulnerable circumstances

This collaborative approach was evidenced at our Vulnerability Event, held on 10th February 2020. The event, Driving fair outcomes for vulnerable consumers across UK Markets, focused on how data and research has and can be used to improve outcomes for consumers in vulnerable circumstances. It brought together over one hundred and twenty representatives from industry, government, regulators, academia and voluntary and consumer groups to highlight innovative approaches being taken and how these could be adopted more broadly.

To support the discussion and sharing of knowledge we produced a video with consumers talking about their experiences and the impact it can have when companies get it right. We also published the first part of our data audit, setting out existing research and insight from across our sectors, and a set of case studies from across the sectors we regulate, setting out innovative practice. A Summary of the Vulnerability Event, and the Insights and Case Studies, has been published.

Making better use of data: UKRN and Whitehall & Industry Group Seminar

In October 2019, UKRN and the Whitehall Industry Group held a joint seminar: Using consumer data to improve consumer outcomes. The event brought together regulators, regulated industries, government and consumer representatives, with speakers from BEIS, the ICO, United Utilities and Doteveryone on the opportunities and challenges in using consumer data.
Making better use of data: sharing data across regulators
Using data effectively can improve outcomes for consumers in vulnerable circumstances by helping government, regulators or regulated companies to identify consumers who may be experiencing vulnerability, understand their needs and provide them with services and support to meet those needs.

In 2019/20 the Competition and Markets Authority (CMA), the Public Accounts Committee (PAC) and the National Infrastructure Commission (NIC) have set out the potential benefits of regulators sharing data with each other to help understand outcomes for consumers, particularly vulnerable consumers, across the sectors we regulate. Currently there are restrictions on the ways in which regulators can collect and share certain kinds of data, including billing or tariff data, that mean this is not possible, but UKRN has been working with legal and policy colleagues from across our members to understand the legislative changes required.

Making better use of data: UKRN vulnerability audit
Any legislative change would take time. In the shorter term we also recognise that there is considerable (aggregated and anonymous) data which we already publish and that can be better shared across regulators. At our event in February we therefore published the first draft of our research audit: an overview of available quantitative data and qualitative insight on consumer vulnerability. This is helping regulators and government to identify cross-sectoral insights and gaps in knowledge and will be used to inform discussions on how to best use, share and/or combine the consumer data we have already to positively influence outcomes for vulnerable consumers. We will be working with a range of stakeholders to interrogate this data and develop cross-sector insights, including through a planned data workshop with colleagues from the government’s behavioural insights team.

Making better use of data: new cross-sector qualitative research
In 2020 we have also commissioned joint, cross-sector qualitative research to understand the views of consumers who have experienced vulnerability on the use of their data. The research is intended to ensure the consumer voice is at the heart of discussions about the use of data. It will explore vulnerable consumers’ attitudes to the use and sharing of their data and possible data driven solutions, as well as identifying any underlying principles vulnerable consumers believe should inform the approach of government, regulators and companies in this area. We will be publishing the research findings later this year and will be working closely with members to understand the implications for policy making in this area.

Identifying vulnerable consumers: a literature review
In addition to commissioning new qualitative research, we are also aware that there is much high-quality research and analysis already available about how best to identify vulnerable consumers. In order to make this easier to access and apply, we have commissioned a literature review to bring together the existing research and good practice in this area. We will be publishing the results of the literature review, alongside a short, accessible guide for companies and policy-makers who are thinking about how best to identify consumers who may be vulnerable, in 2020/21.
**Priority services data sharing**
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 consumers in vulnerable circumstances and offer them seamless priority support, and to reduce the burden on those consumers in registering for support with multiple companies. We will continue to support the energy and water companies in achieving this goal, including looking at whether there are transferable lessons for other sectors such as telecoms.

**Best practice and minimum standards for consumers**
We have been working to identify existing best practice and develop a summary of support consumers in vulnerable circumstances should receive in regulated markets. We have been working with a range of experts as we develop this work, including colleagues from BEIS, Citizens Advice, Scope and the Money and Mental Health Policy Institute. A publication setting out how regulators will be taking this forward will be published in the coming weeks.

**Infrastructure and investment**
Our members regulate companies who invest in and operate a significant amount of critical infrastructure in the UK in the energy, water, transport, finance and telecoms sectors. These infrastructure assets are being invested in and updated to increase capacity, improve resilience and become ‘smart’ data-based networks. UKRN has been working closely with members and other stakeholders to share knowledge and insight on and facilitate shared approaches to infrastructure and investment issues.

**Cost of capital**
The UKRN’s cost of capital network work closely together to bring together experts from across our member regulators, sharing knowledge and best practice and ensuring our work in this area is aligned where appropriate.

In September 2019 we published our annual [Cost of Capital report](#). The report summarises the most recent cost of capital decisions and analysis by each regulator, providing an easily accessible reference document for those interested in our sectors. It also sets out where regulators share a common approach, and where approaches diverge to reflect differences between sectors, regulatory timings and structures.

In December 2019 we published our report [Considerations for UK regulators setting the value of debt beta](#) on approaches to debt beta estimation and the link between debt beta and gearing levels. The report was carried out by CEPA and is a review of the methodologies used to estimate the debt beta, and of the ways in which different regulators used debt beta in estimating the WACC. The report provides key insights for future regulatory determinations.

Both reports were produced by the UKRN’s cost of capital network. The network brings together specialists from across UKRN members, meeting regularly to share expertise and best practice, and to develop shared approaches where appropriate. The network also supports shared cost of capital training across our members and cross-regulator secondments to further consolidate this cross-sectoral knowledge sharing.
UKRN engagement with investors
The UK’s infrastructure will require substantial investment if it is to respond to the challenges of population growth, climate change and digital transformation, but this investment must also be delivered in a way that is seen as legitimate by the public and that reflects the needs of both current and future consumers. These are shared challenges and UKRN members have been working together to engage with the investment community to increase understanding about the UK’s regulatory framework and bring together the views of investors, consumer groups, regulated companies and academics.

In September 2019 UKRN and the Long-Term Infrastructure Investors Association (LTIIA) held a joint Seminar on Infrastructure Regulation. The half-day event brought together UK regulators, institutional investors in UK infrastructure, fund managers, government, advisers and industry bodies to discuss the differing perspectives and needs of consumers, investors, regulators and other stakeholders and how best to address future challenges facing regulation and investment in UK infrastructure.

During the course of the year Jonathan Oxley, UKRN CEO, also spoke at the UK Investors Forum and the GIIA Annual Seminar, where he set out the role of independent regulation, the need for future investment and the importance of trust and legitimacy in the regulatory system.

Infrastructure data sharing
Efficient and resilient infrastructure networks will be increasingly co-dependent and interconnected. Data on the location and operation of infrastructure assets can make their deployment and maintenance more efficient, and operational data will be essential to making networks ‘smart’ and cross-functional.

The UKRN is a member of the Digital Framework Task Group (DFTG), inputting into their work on sharing of infrastructure data. In September 2019 we published our Infrastructure Data Sharing report, looking at the extent of data sharing currently taking place across the transport, water, energy and telecoms sectors; the role of the regulators; and potential barriers inhibiting the progress of sharing data. The report was developed through a series of interactive sessions and discussions with representatives from infrastructure companies, government and regulators. It confirms that there is already much exciting activity in this area, and a growing industry commitment to share data. We will continue to participate in the DFTG, as well as exploring these issues through the UKRN’s data strategy network.

Coordinating infrastructure investment and deployment across sectors
We have been working with members to explore where a more coordinated approach to infrastructure investment and deployment would bring benefits and identifying the actions required to make this happen. This has included work led by the UKRN and Ofcom, with input from regulators in the rail, energy and water sectors, on facilitating and incentivising alternate access between telecoms, energy, water and transport assets to aid telecoms high capacity network deployment. We have consulted with members and industry representatives to identify the barriers, and potential remedies for these, and have fed in the results of this work to relevant government officials.
Working better together

UKRN has also played an important role in supporting collaboration across our members across a wide range of functions and activities, including through work on provision of information to consumers, supporting UKRN networks and engaging with government and stakeholders.

Performance Scorecards
Consumer markets work better where there is clear, comparable and accessible information about the providers of services and the experience of consumers across sectors. In 2019/20, UKRN, with the FCA, Ofcom, Ofgem, Ofwat and the Consumer Council for Water, worked together to develop a set of performance scorecards to measure customer experience across key sectors. Published on 9th January 2020 Performance scorecards: Moving forward together brought together metrics on the quality of the consumer experience across the finance, energy, water and telecoms sectors. Each regulator also published their own scorecard template, plus links to more detailed analysis, on their websites.

Kelly Tolhurst MP, then Minister for Small Businesses, Consumers and Corporate Responsibility at BEIS, said that: “Performance scorecards will be a welcome step for customers: providing them with trusted, impartial information to compare how well companies deliver for their customers. This will help people make an informed judgement about who should provide them their water, telecoms, energy and essential financial services – but it will also incentivise companies to improve their performance to attract customers and beat their competition. I will continue to work with the UK Regulators Network and regulators to expand the information available in the scorecards.”

UKRN members, including the regulators involved in this project, will continue to work together to evaluate the scorecards project and agree the next steps.

Engaging with government on increasing regulatory collaboration
Regulators aim to be transparent and accountable and consider where regulation is meeting its objectives or could be improved. In the last year we have engaged with the Government and public bodies on a number of reviews of regulation, setting out how our members are currently collaborating and where the priorities should be for future collaboration.

UKRN, together with Ofwat, Ofgem and Ofcom, engaged extensively with the National Infrastructure Commission (NIC)’s study into the regulation of the UK’s telecoms, water and energy industries, and are now working with all of our members to consider the recommendations in their report. We agree with the NIC’s twin focus on the need to invest in future infrastructure, particularly in the context of the UK’s net zero targets, and the need to ensure fair prices for consumers, and our workplan for 2020/21 reflects these priorities.

We engaged with the Public Accounts Committee’s report on Consumer Protection, working closely with the FCA, Ofcom, Ofgem and Ofwat on a shared response to the
report and coordinated activity on data sharing, evaluation of impact and joint working on consumer outcomes.

UKRN is also an active member of BEIS’s Consumer Forum and Consumer Forum working group, providing detailed input on the regulators’ priorities for and progress on collaboration and leading key work areas.

In 2019/20 we also commissioned a review of the effectiveness of economic regulation from the Centre for Competition at the University of East Anglia, which will be published in 2020/21.

**Working through our networks**

The UKRN Networks bring together colleagues from across members to share experiences, identify challenges and share best practice. In addition to the UKRN’s governance networks, we have over fifteen networks bringing colleagues together from a wide range of operational and professional disciplines and subject expertise to share information and best practice.

In 2019/20 we brought together over 200 representatives from UKRN’s members through our networks, as well as engaging with colleagues from a range of other external regulators and organisations as either observers or presenters, including the CMA, the National Cyber Security Centre (NCSC), Office of National Statistics, DCMS, Defra and BEIS.

The Networks also initiate, and provide input and review into, collaborative projects through the UKRN and are involved in the shaping of UKRN events, publications and communications. For example, in 2019/20:

- The Cyber Security Network have been working alongside the NCSC to put together a paper on cyber threats for the UKRN Chairs group;
- The Cost of Capital group commissioned and UKRN published a study on Considerations for UK regulators setting the value of debt beta; and
- The Lawyers Network have been working alongside policy colleagues to identify legal barriers to data sharing between regulators and firms.

There have also been several examples of collaboration between regulators outside of particular projects as a result of members attending UKRN networks, which makes for more effective and efficient regulation. For example:

- Members have used networks to find relevant interested contacts from other regulators in, for example, use of payment networks in rural areas or dependence on fixed line phone services;
- Several of our members have visited and collaborated on office design in the course of moving offices or redesigning existing offices;
- Regulators have spoken with each other regarding their approaches to diversity and inclusion through the UKRN Diversity Network;
- Regulators have worked together on understanding the requirements for and identifying best practice in document accessibility;
- Regulators co-ordinate and feedback on their attendance at international events and conferences - for example OECD events;
- Regulators have worked together on organisational resilience and business continuity planning; and
- Regulators have worked together to form a set of principles for evaluation to help better understand the impact of regulatory activity.

The Networks also work together in identifying and considering emerging themes where collaboration will be important. These have informed our workplan for 2020/21.

**Sharing 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.

**UKRN Member Networks**
5. Members commitment to UKRN

The UKRN was set up as a forum for collaboration. We have learned from each other, we have developed ways of sharing resources and we have increasingly delivered projects together that are improving outcomes for consumers across our sectors.

As regulators we are working in a fast-changing environment in which there are wide ranging challenges that need to be addressed.

Commitment to UKRN in 2020/21

In the 2018 Budget Statement, regulators committed to increasing the resourcing for and commitment to the UKRN, agreeing a fee increase of 25% across all members for 2019/20. Members also contributed additional funding and staff, in addition to the fee increase, to resource the cross-sector vulnerability project.

For 2020/21, members have agreed to maintain the increased level of resources and staffing, including bringing the additional funding and staff committed in 2019/20 into the core budget. This translates into a further increase to the core budget by all members of 15%.

The UKRN’s 2020/21 work programme reflects the challenges facing our members. We have continued to organise the work programme around our two key pillars: consumers in vulnerable circumstances and infrastructure and investment, but also highlight a third pillar: working better together. This is in recognition of the breadth of important work the UKRN does to facilitate collaboration across the functions of our members and engagement with a wide range of stakeholders on cross-sectoral issues. All three of these work areas will continue projects begun in 2019/20 and evolve to incorporate new areas of collaboration during the course of the year.

Pillar one: using data to support consumers in vulnerable circumstances

Understanding and meeting the needs of consumers in vulnerable circumstances remains a central part of our work at the UKRN and one of the key pillars of our 2020/21 work plan. COVID-19 has shown how essential it is that those in vulnerable circumstances receive the necessary support.

In light of the outbreak, we will adapt our work in an effort to address the issues that it has raised. Specifically, we will place greater attention on how consumers in vulnerable circumstances can be identified and on how the use and sharing of data can improve outcomes, allowing them to be more readily supported in the event of such a crisis. This work will continue to build on the work already being done by regulators and the work co-ordinated by the UKRN during 2019/20.

We will work with members to understand the impact of COVID-19 on vulnerable consumers in their sectors, and consider how regulators can support them and ensure they have the requisite support. There will also be a strong emphasis on identifying best practice and learning from each other, which we will do through our Vulnerability Network,

This work will be split into three parts, taking place concurrently, allowing us the flexibility to respond to emerging issues and priorities.

Embedding learning from our research

The UKRN’s research on how consumers in vulnerable circumstances feel about the use and sharing of their data will be conducted and published during 2020/21, as will the results of the literature review on identifying vulnerable consumers. The learning from this research will help to inform the potential solutions implemented by member regulators, as well as government and other organisations. We will launch the research with an event, bringing together conclusions from the research with practical examples and experience of data sharing.
**Making better use of regulator data**
We will continue to build on the work with our members to understand how we can make better use of the data held by regulators to understand the cross-sector consumer experience, with the objective of improving consumer outcomes.

This will include continued work with legal and policy representatives from our members to understand the legislative changes that would be appropriate to enable better data sharing, the benefits that data sharing would bring and the potential issues that would need to be considered, including those arising from the sharing and processing sensitive personal information and likely commercially sensitive information from regulated companies.

It will also include work to more effectively share existing aggregated and anonymous data across regulators, with a particular focus on consumer insight and market research, in order to improve our cross sector understanding of consumer attitudes and outcomes.

**Engagement with industry and consumer groups**
Building on the momentum and contacts generated by our February 2020 Vulnerability Event, we will work to reach out and engage with industry and consumer groups, bringing together insight and seeking to understand what interventions work to improve outcomes and how these can be implemented across sectors.

**Pillar two: collaboration on infrastructure and investment.**

Our members regulate companies who invest in and operate a significant amount of infrastructure in the UK. UK infrastructure networks are already being invested in and updated to increase capacity, improve resilience, make the transition to Net-Zero carbon and to become ‘smart’ data-based networks. COVID-19 has shown how essential and inter-dependent the transport, energy, water, telecoms and financial networks are to UK consumers and the economy more widely.

However, the very significant impact of COVID-19 in the short term, in reducing or increasing usage and impact on revenues from consumers, will have an ongoing impact on the finances of network operators and effect on long term investment plans.

We will work with members to understand the financial impact of COVID-19 on their sectors and investment in infrastructure, and consider how regulators can support them and ensure they have the investment they need to recover and grow. This will have a bearing across our projects for 2020-21:

**Cost of capital**
The cost of capital is an important input into our members’ price control decisions. The UKRN’s cost of capital network continues to be an important place for sharing of expertise and, where appropriate, aligning regulators’ approaches. We will continue to facilitate regular meetings of the Cost of Capital Network and Directors group and will again publish
our annual Cost of Capital report, setting out regulators’ decisions, explaining where these are aligned and the rationale for any differences.

**Engaging with investment stakeholders**
We will be engaging with a wide set of stakeholders in the infrastructure and investment community to increase understanding about the current regulatory model, identify key challenges to securing future investment and explore how regulators, investors and others can work together to overcome these. This will include external stakeholder events and UKRN member representation at key infrastructure and investment events. This will support our members in building a strong dialogue with a wide range of stakeholders and help ensure we get the balance right between encouraging investment for the future and delivering fair outcomes for current consumers.

**The role of regulators in meeting the UK’s net zero targets**
The UK Government has committed to achieving net zero carbon emissions by 2050, which will require action across the economy. The recent National Infrastructure Commission (NIC) regulatory study\(^1\) highlighted the need for action on delivering the infrastructure investment needed to meet these targets and to mitigate the impact of climate change.

The role of our members in addressing these issues will vary depending on their duties and the sector they regulate. However, there is real value in members working together to learn from each other’s approaches and develop a shared understanding of the risks and mitigation strategies across sectors, the tools available to regulators and the role they could and should play in this area. We will bring our members together to learn from each other, as well as from external experts from academia, industry, government and the third sector. We will have a particular focus on enabling regulators to understand best practice on measuring/reporting progress on decarbonisation in their sectors, on building consideration of net zero into business- and regulatory-decisions, and on regulatory tools and approaches that drive progress. We will also create a working group to support regulators’ work on reducing their own carbon footprint.

**Pillar three: Working better together**

**UKRN Member Networks**
Our members face many common organisational challenges and pressures, often with limited budget and resource to meet them all.

This is particularly the case now and in the next months where our members, in common with organisations across sectors, are adapting and responding to the effect of Covid-19 for consumers and businesses. Collaboration between our members on the issues facing the sectors they regulate is more important than ever.

Through our HR Directors Network we have been sharing information and best practice on organisational issues, remote working and internal communications. Our COOs Network

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\(^1\) [https://www.nic.org.uk/publications stratégic-investment-and-public-confidence/]
have also been in regular correspondence on the essential services in their own sectors, potential cross-sector issues and on engagement on these with Government.

Many of our members have already issued guidance and advice for consumers and companies to provide clarity and certainty for them at this time. We have published links to these sources on the UKRN website and will continue to work through our Networks on how best to engage and assure stakeholders. Sharing knowledge and developing shared approaches can make regulators more efficient and effective in meeting their duties. We will continue to operate the UKRN Networks and training programmes, with a focus on how these work together to develop skills and improve policy and practice. The Networks and programmes are operating remotely and online in the current circumstances.

**Engagement with stakeholders**

UKRN is in a unique position to engage with stakeholders on shared issues. We will continue to engage with a wide range of stakeholders across industry, investors, consumer groups and government. We will help stakeholders understand the shared issues our members face and the ways in which we are working together to tackle these. We will also ensure our members are aware of the concerns and priorities of our stakeholders and help make connections where these do not already exist.

We will continue to help coordinate and facilitate input into government debates on the future role and effectiveness of regulation, and will continue to play a key role in cross-sectoral fora such as the Consumer Forum.

Following the success of our Vulnerability event, when the circumstances allow we will resume a programme of a regular drumbeat of events linked to our workplan that bring our members and the wider stakeholder community together. These will include events around the cost of capital, future consumer markets, and infrastructure investment in the context of net zero. We will also be engaging with Parliamentarians to help them understand the UK’s regulatory framework, our members’ priorities and who to contact should they need to provide support to their constituents.