

## Welcome to the July 2020 newsletter

### UKRN Covid-19 response



The last few months have been an extremely busy period for the UKRN, supporting our members with their changing priorities. We have been particularly focused on working with our members and

government to develop a coordinated approach to consumer debt during the Covid-19 crisis and we hope the output from this work will see real improvements for consumers. We were pleased to have Paul Scully attend CEOs call in June, focusing on Government priorities following COVID-19 and consumer forum which we and members continue to participate in.

We have also further developed our Net Zero workstream. The recently established UKRN climate working group will enable members to share learning and coordinate effort in support of fair and efficient investment in climate mitigation, engaging with relevant external stakeholders including the Committee for Climate Change, the National Infrastructure Commission and Citizens Advice.

The UKRN team continues to work in line with government guidelines during this crisis and we will continue our efforts to maintain communication channels to assist our member regulators well in these difficult and uncertain times.

*Attricia Archer, UKRN Director*

### Appointment of new UKRN CEO, Chair and full member

We have announced that Rachel Fletcher, CEO of Ofwat, has become UKRN CEO from July and a Chair will be appointed later in the year. We also welcome the Regulator of Social Housing as a new UKRN full member. For announcements on our website please use the link below:

<https://www.ukrn.org.uk/rachel-fletcher-to-become-ukrn-ceo-regulator-of-social-housing-joins-ukrn-membership/>

### Rachel Fletcher, CEO, UKRN



One month into the UKRN CEO role, I thought I would share some early reflections:

- I'm pleased that UKRN's focus remains targeted on supporting customers in vulnerable circumstances and I look forward to working with fellow CEOs to raise our ambition to make a real difference in this area, especially in the face of the economic downturn. UKRN will show its full value when we hold ourselves accountable for delivering tangible improvements for customers that are "greater than the sum of its parts". It's important that we challenge ourselves to do all we can through better data sharing across industries and other means, to provide wrap around support for the most vulnerable in society.
- Having a strong cross-regulator network has never been more valuable. This system of support has helped us all respond with confidence and speed to Covid-19 related issues. For example, our HR Directors have supported each other in managing our organisations going into and coming out of lockdown and we've all benefitted from understanding how fellow regulators are thinking about and tackling the regulatory response to the pandemic. We will be able to build on this now to share our thoughts on how our sectors can be part of a Green Recovery.
- There is real strength in having financial regulators and the Information Commissioner's Office sitting alongside utility and infrastructure regulators. And I am delighted to welcome the Regulator for Social Housing as a new member. This gives us a holistic view, bringing expertise on how households pay for and use services alongside experience in attracting investment and regulating data, assets, services and associated markets. This wider view should allow us to be more effective, particularly as we turn our minds to regulating for the long-term path to net zero.

- Questions about the need for (so many) independent regulators have not abated and we experience push back from investors and regulated businesses when we act to protect the long-term interests of customers. As UKRN CEO, I am keen to play a proactive role in promoting the attractiveness of our sectors to responsible long-term investors and to advocate for a continuation of the model of independent regulation.
- We have a knowledgeable, dedicated and passionate team in the UKRN office under Attricia's leadership. I've been impressed by the span of work they've been handling (from customer research on data sharing through to WACC and everything in between) and how well they have positioned UKRN, particularly to work as a partner with BEIS on customer indebtedness. Many thanks to all of them for helping me settle in. I'm looking forward to seeing what we can all achieve together in the months ahead.

## Fiona MacGregor, CEO, Regulator of Social Housing



Established in October 2018, the purpose of the Regulator of Social Housing (RSH) is to promote a viable, efficient and well-governed social housing sector, able to deliver homes

that meet a range of needs. Our key priorities tend to focus on the governance and financial viability of providers, to maintain confidence of investors and ensure that providers focus on maintaining their homes safely.

We are very pleased to be joining UKRN at a time of potential change for the RSH and challenges for regulators in general. I am very keen that we use the network and its various groups to share experiences and learn from good practice. But overall, as a relatively new stand-alone body we welcome the opportunity to network with other established regulators who we can share experiences with and learn from others' expertise of market diversification.

[Link to RSH website](#)

## UKRN update

### Workplan

Due to the impact of Covid-19, events and publications that were planned from spring through to autumn have been postponed or rescheduled.

Our 3 existing areas of focus – infrastructure investment, vulnerability and working together, will remain the priority but within them we're developing a new focus on sharing approaches and lessons learned for handling the impact of Covid-19.

### Publications

We published the [Minimum Standards report](#) in April with a soft launch to avoid confusion with COVID-19 initiatives around vulnerable consumers.

We have summarised regulators' responses and guidance to consumer on providers of essential services on our website.

<https://www.ukrn.org.uk/regulators-response-to-covid-19/>

### Consumer debt

We are prioritising work on consumer debt and deferred payments to service providers as a result of COVID-19. This includes active engagement with BEIS through a Director's working group.

### Regulators' Pioneer Fund: Round 2 (RPF2)

Funding (£10m) was announced for RPF2 in the March 2020 Budget with the purpose to boost regulators' capacity to unlock the potential of emerging technologies. Much like RPF1, in which a number of UKRN members received funding, this will support regulators to help businesses to develop innovative products and services. The two-fold ambition of the RPF is to:

- (i) keep the UK at the forefront of regulatory thinking and experimentation; and
- (ii) develop a UK regulatory environment that encourages business innovation and investment.

BEIS will launch a competition in Autumn (2020), giving eight weeks for submitting bid proposals, with awards to be made in early 2021. For further details please contact [regulators.pioneerfund@beis.gov.uk](mailto:regulators.pioneerfund@beis.gov.uk)

**Performance scorecards 2** – following the success of [moving forward together](#), the intention is for ‘Scorecards 2’ to be published towards the end of the year, or early in 2021. If you have any questions please contact Kevin Smith on [kevin.smith.ukrn@caa.co.uk](mailto:kevin.smith.ukrn@caa.co.uk)

**UKRN/WIG joint event on Net Zero targets** - sustainable investment in infrastructure and innovation has been rescheduled for September 30th. For further details, and to register, please see:

<https://www.wig.co.uk/event/wig-ukrn--sustainable-infrastructure-investment.html>

**Cost of capital events** - planning for events around the Cost of Capital report and finance of infrastructure investment with the GIIA and LTIIA for Q3 / Q4 2020

## Changes to the UKRN team

### Matthew Bourne returning to Ofcom August 2020



It’s been an eventful but enjoyable year in understanding and balancing our members’ interests, engaging with stakeholders on their behalf and addressing common concerns and areas for collaboration. Attractia, Seema and the team will continue to grow the scope, scale and success of UKRN.

### Seema Mistry, UKRN Manager, returns to UKRN



I’m absolutely delighted to be returning to UKRN following my maternity leave. Coming back to work in the midst of a pandemic that has shifted our ways of working and our priorities so much was always going to be challenging, but the team have done an excellent job of getting me up to speed on all our different projects and workstreams. It’s also great to be back with an enlarged team in place, a new CEO and a busy agenda and I look forward to working with you all closely moving forward.

## Covid-19, a view from the aviation regulator – Richard Moriarty, CEO, UK CAA



The philosopher who offered, as a good wish to others, the phrase “may you live in interesting times” clearly did not have the foresight to think about aviation and the impact from the Covid-19 pandemic!

One of the distinguishing features of aviation regulation is our need to respond in an agile way to ‘events’. In the last few years we have had several to test us including the Volcanic Ash cloud, several high-profile airline and tour operator insolvencies, the ‘Gatwick drone for Christmas’, and the grounding of the Boeing MAX jet. But none has been more profound in its impact and will be perhaps as far reaching in its consequences, as the current Covid-19 pandemic. Aviation traffic has fallen to less than 10 per cent of normal levels and much effort is going into establishing political and public confidence to get the balance right between protecting public health and reconnecting the UK to the world.

Sadly, in a battle for their survival we are seeing many of the major industry players downsize, with tens of thousands of aviation jobs lost up and down the country. As the regulator we have not been immune to the challenges ourselves, including moving quickly to a remote working-based operating model and dealing with the significant impact the state of the industry has on our own financial position.

An uncomfortable irony is that although our sky has never been clearer of aircraft, the CAA has never been busier. We have focused on upholding our vital role to support the industry, government and consumers in ways we never could have imagined before. And, we have been clear that we have three key priorities throughout this period:

- Provide effective regulatory oversight to support consumers and the industry.
- Build our strategic capability to support the industry of the future.
- Support our colleagues and secure our financial resilience.

The choices we have made to support these priorities are not easy ones. Many colleagues have taken on more or different responsibilities along the way, highlighting our aim to be part of the solution. A great many colleagues earning above our average annual salary have also made direct personal sacrifices in terms of accepting a temporary pay cut to help us through this crisis. We have had to work in new ways, find new solutions to new problems, and be creative – all the while discharging our core public purpose of protecting the public in terms of safety, security, consumer rights, and financial and economic regulation. I am immensely proud to serve an organisation of people for whom ‘Do The Right Thing’ and ‘Support Each Other’ are unofficial credos. As a multi-faceted regulator, we are very fortunate to belong to the UKRN and really value the opportunity to work alongside our colleagues across the network. We also really value working with the core UKRN team that is based in our London office and for whom we consider a part of our extended family.

Aviation will come back. How quickly and in what form no one quite knows, and there could be some continued turbulence en route. But the underlying demand to connect with people and businesses around the world remains strong for when the time is right. The future of aviation is also an exciting one in terms of technology changes. Integrating drones into the aviation system is just one such change. We are also working on electric flight and flying taxis. The UK had the third largest aviation and aerospace economy in the world pre-Covid-19 and I truly hope it can maintain and enhance on this position when we come through the other side.

While Covid-19 related obstacles seem to dominate professional conversations, we are looking to capitalise on the opportunities presented, including within our new working environment. Our duty to stakeholders and the wider aviation industry is clear. But internally, we also have a duty to our people to uncover the ways in which we can evolve and become an even better and stronger CAA on the other side of Covid-19. Issues of flexible working, modernised technology and connectivity cannot be temporary solutions, but long-term assets to the way in which we work.

There is still much to be done and we all know that the recovery from the impacts of Covid-19 will take some time. But, we must all continue to do our part and carve out productive pathways where possible, recognising that we are truly stronger when we work together. Thank you to our colleagues across the UKRN. It’s times like this that the advice and support that we benefit from really make the difference.

## Contact the UKRN team

For questions about the UKRN, or to sign up to our newsletter, please get in touch with the team:

Attricia Archer, UKRN Director ([Attricia.Archer\\_UKRN@caa.co.uk](mailto:Attricia.Archer_UKRN@caa.co.uk))

Nicole Trinder, Business support co-ordinator ([Nicole.Trinder\\_UKRN@caa.co.uk](mailto:Nicole.Trinder_UKRN@caa.co.uk))

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