

UKRN 2021 annual review and 2022 workplan

March 2022





Welcome to the UKRN's annual review and workplan, at the end of the first financial year of our multiyear workplan.

Reflecting back on this year, it is clear that UKRN has made important contributions to help shape the regulatory agenda against a challenging economic backdrop for our members, consumers, firms and the investment community.

UKRN has focused its activity to respond to the challenges around regulatory reform, customer affordability and climate change to ensure our members' knowledge and expertise is reflected in government policy and supports good outcomes for all those who have a stake in the regulated sectors. We shared our lessons learned from the pandemic, and hosted workshops and seminars on current questions around vulnerability and the pressure on cost of living. We stepped up our activity in key areas to maximise the benefits of working together:

- The COP26 event in Glasgow was a key milestone for net zero, and our Climate Change Network Group went from strength to strength, supporting the ambitions of our members in this space.
- Our work on cost of capital (CoC) intensified through a new task force to identify opportunities for greater consistency within the parameters of the different regulatory frameworks.
- Diversity and inclusion pledges from our members set out our commitment to embed good practice into regulators and the sectors that they regulate.

As I move into my second year as CEO of UKRN, our overarching priorities continue to be focused on supporting consumers in vulnerable circumstances; supporting innovation, growth and resilience; and strengthening regulatory capability to meet current and future challenges, including through encouraging investment. Transition to net zero remains an overarching goal. These priorities are interlinked and require careful balancing to deliver the best outcomes all round.

The multiyear workplan has been updated to reflect these challenges and the changing world around us. I'm grateful to our members for their continued commitment to UKRN and delivering our shared vision.



UKRN annual review 2021-22



What does UKRN do?

The UK Regulators' Network brings member regulators together, for the benefit of consumers and the economy.

Working closely with government to develop cross-sector approaches, we drive improvements for better outcomes for consumers through collaboration on common challenges by sharing shared expertise.

The UKRN is funded by 13 member fees and staffed by a small central office who are seconded from UKRN regulator 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.



ofwat
[click here](#)

Ofcom
[click here](#)

Civil Aviation Authority
[click here](#)

ORR
 OFFICE OF RAIL AND ROAD
[click here](#)

PSR Payment Systems Regulator
[click here](#)

ofgem
[click here](#)

Utility Regulator
 ELECTRICITY GAS WATER
[click here](#)

SSRO
 Single Source Regulations Office
[click here](#)

The Pensions Regulator
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ico.
 Information Commissioner's Office
[click here](#)

FCA FINANCIAL CONDUCT AUTHORITY
[click here](#)

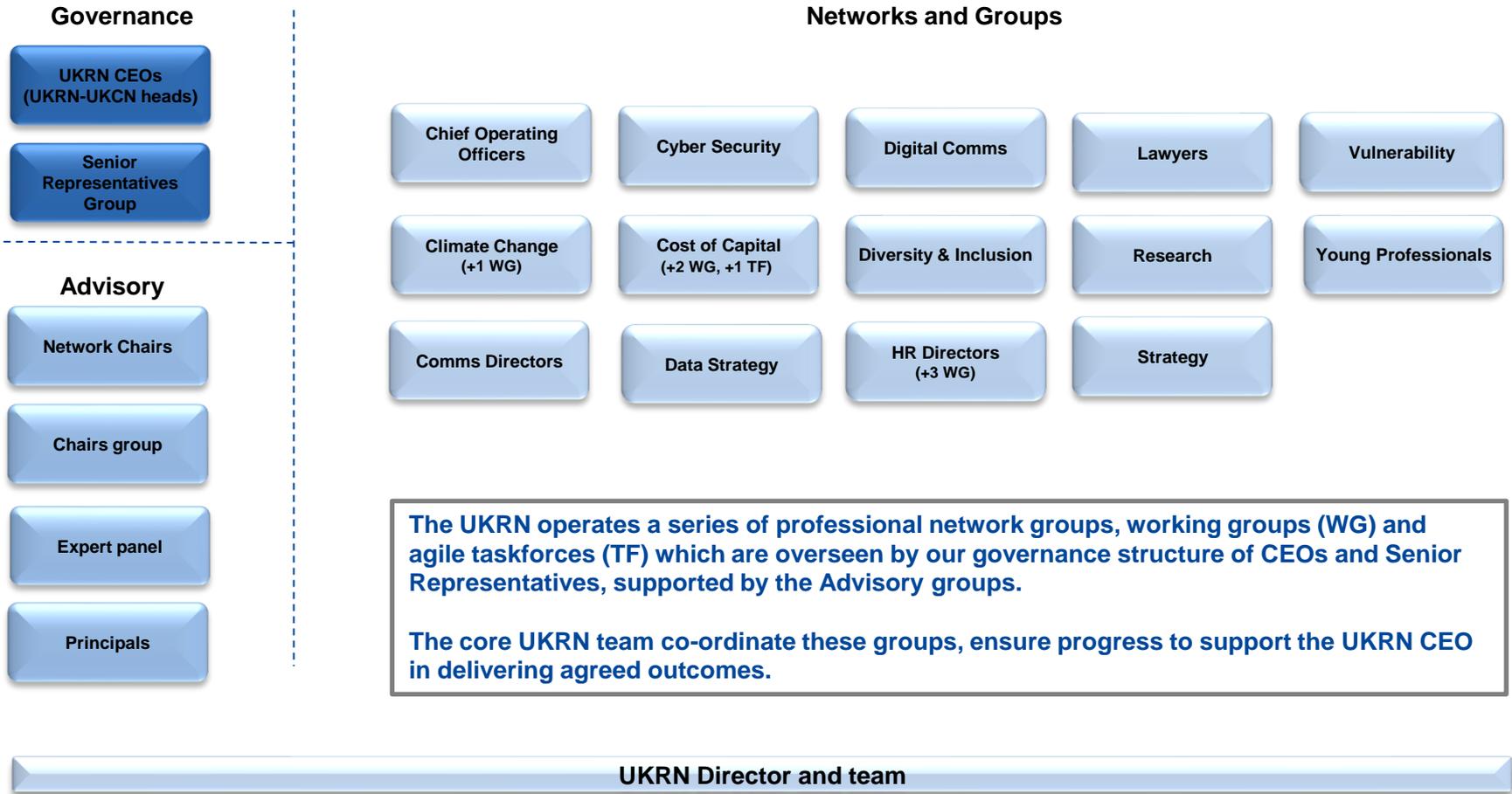
Regulator of Social Housing
[click here](#)

FRC
[click here](#)



UKRN governance and networks

Network Map





Key Achievements 2021



Supporting consumers in vulnerable circumstances



Member policy statement on **innovative use of data** to improve outcomes for consumers in vulnerable circumstances



Opened the conversation on Digital exclusion to understand common challenges and **improve cross sector digital exclusion**



Shared learnings from Covid responses to inform policy development and **improve support for consumers**



Built common understanding of **consumer challenges** for **debt & affordability** to improve policy outcomes



Collaboration on Infrastructure and Investment



Created new Climate Change working group to increase **understanding on cost and investment needs of net zero.**



New **Cost of Capital Task force** building consistency through reviewing cost of capital and allowed returns in economic regulation (ongoing)



Whitehall Industry Group (WIG)/UKRN engagement improved awareness and partnership working through

- The UK's 6th Carbon Budget, a roadmap to net-zero
- COVID-19's impact on consumer debt - Cross-sector approaches to economic recovery



Strong relationships with regulators developed **opportunities within the investor sector** . (ongoing)



Working better together



Next generation of NEDs scheme placed 13 applicants



Influenced developing government **policy on regulatory change** through consultation responses, workshops and ongoing engagement



Increased collaboration through relaunched network groups e.g. research and data strategy



Secured commitment to further collaboration on diversity and inclusion through Public Sector Equality Duties pledges



Improved common understanding across the membership through **251** days of network collaboration



UKRN 2021-22: key highlights

It has been a very busy and productive year for UKRN. The continuation of our multi-year planning means we react in an agile way as a group to the changing UK economic, social and political environment. While knowledge sharing and collaboration remains at the heart of UKRN, external facing engagement, communication and influencing has been an important component of our work as we ensure we keep up to date with the emerging needs of those for whom we regulate and the sectors that provide for those needs. Some highlights include:

- Our *event to capture learning from the response to Covid* and understand the ongoing impact was extremely well attended by senior staff from government, members, trade associations and consumer organisations and the learning has been fed into our project development and network group activity ([Reflections on responding to the impact of Covid and the way forward: findings from a UKRN event | UKRN: the UK Regulators Network](#))
- Policy *development on government reform of regulation* has picked up pace in a post Brexit post Covid lockdown environment where it has been key to build back better. Our members have worked closely in real-time with sponsor departments and particularly BEIS and HMT to progress policy and ensure emerging proposals are underpinned by a good understanding of the real experience of consumers, firms and members in the affected sectors. We have responded publicly on the Reform of Competition and Consumer consultation, ([here](#)), the Better Regulation consultation ([here](#)) and informally on financial and Economic Regulatory reforms which are important to members. We have also improved our engagement with Project Speed to improve understanding of the requirements for good infrastructure and investment.
- We continue to look at areas which will benefit from intra member learning, collaboration and knowledge sharing and where consistency would genuinely help deliver greater support for consumers, investors and firms. In this context we **set up our Cost of Capital Task force**, reflecting that harmonising WACC methodology is a key government priority.
- We made public our members' *commitment to Diversity and Inclusion* through our pledges (to be finalised) and worked in partnership with WIG and the Collaboration Network to improve understanding of the needs of vulnerable consumers and topics such as debt and affordability.

The following slides provide an in-depth view of our activity on projects and workplan during the past year.



A look back at the last financial year 2021-22: ways of working

The UKRN multi-year work plan set our 3 priorities:

- Improving outcomes for consumers in vulnerable circumstances or those with additional needs
- Adapting our regulatory approach where appropriate to support the innovation and investment necessary for economic recovery, resilience and growth
- Strengthening joint regulatory capabilities to meet shared current and future challenges

This has been the first year of our new three-year workplan and UKRN has been proactive in themes across all three priority areas. We have tasked our networks to focus even more clearly this year on our strategic goals and supported this ambition by ensuring each network group has clear Terms of Reference and a Chair. This has enabled greater cross network alignment and a productive year as we emerge from the intense period of reacting and adapting to Covid.

We reviewed our network groups to ensure each remains relevant in the light of our strategy and relaunched our research and data strategy networks to reflect key activity and member priorities. These groups have added real value both providing a link to external initiatives and linking to the ongoing work on vulnerability and climate change/net zero.

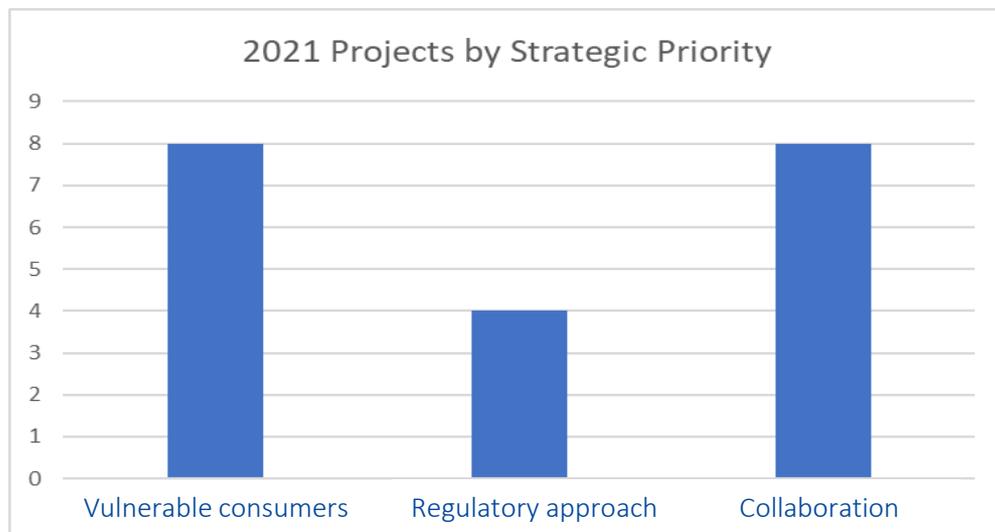
We have also introduced a new system for capturing our progress against the workplan and reporting this to our Governance groups, enabling greater transparency, improved integrated governance and accountability for the plan.

Our work has been well balanced between proactive work on vulnerability and diversity for example and positive timely engagement with developing government policy in relation to regulatory reform across sectors represented by our membership.

The following slides provide a high-level overview of our work against each of the priorities and how our work has evolved in line with our expectations against the 3 year rolling plan. This provides a clear direction of travel which we will update accordingly in our revised plan rolling out for the coming years to 2023/24.

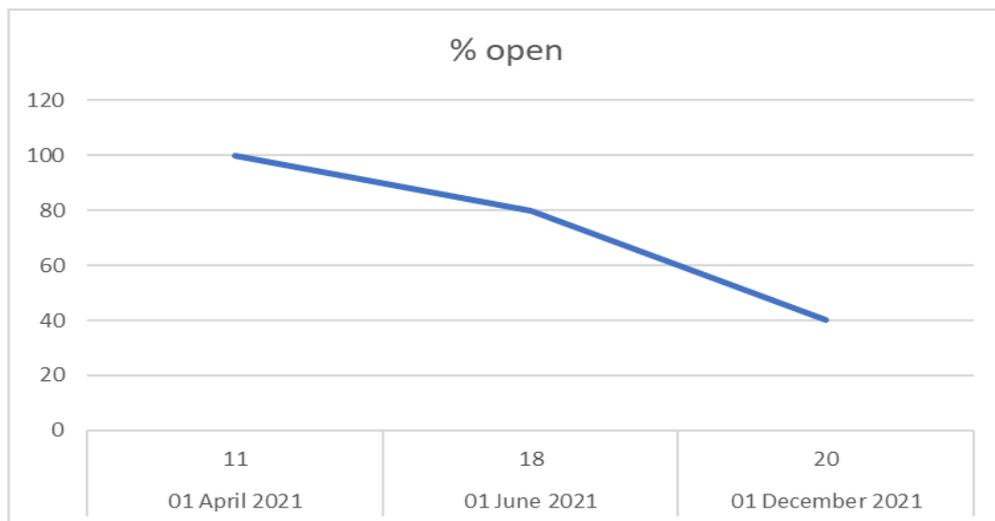


2021 project delivery



Open projects

As expected, the number of projects have increased throughout the year, which reflects our dynamic response to sector priorities



The tracked closure rate indicates a steady operating rhythm in closing projects, with the open project rate remaining stable throughout the year

20 projects progressed (increased from 11)



Key Achievements – collaboration on government policy development

Events

- Throughout 2021 an increased level of engagement with appropriate Government Departments helped shape our areas of focus. Initially focussed on infrastructure collaboration we adopted a broader approach encompassing changing government policy developments.
- Harmonising the approach to WACC is a key government priority. The creation of the Cost of Capital Taskforce focussing on the review of the regulatory approach to WACC, the cost of capital and allowed returns in economic regulation across sectors.

Publications

- CoC Annual report in production to be released Q1 2022.
- UKRN responses to BEIS consultations, which closed on 1 October 2021:
 - [Reforming the Framework for Better Regulation](#)
 - [Reforming Competition and Consumer Policy](#)

Other

- During the summer we have held sessions and workshops with Government and the CMA on:
 - Project Speed
 - Economic Regulation Reform
 - Competition and Consumer Reform
 - Better Regulation
 - Government Data Strategy



Key Achievements – supporting consumers in vulnerable circumstances

Events

- Roundtables on impact of Covid - [*Reflections on responding to the impact of Covid and the way forward: findings from a UKRN event | UKRN: the UK Regulators Network*](#)
- Roundtables on data recording and subsequent data use policy statement from members
- Roundtables on Debt & Affordability
- Joint UKRN / WIG event on changing profile of consumers in debt.

Publications

- Bereavement letter to BEIS (May 2021) setting out regulators' expectations of the sectors we regulate.
- We have agreed a Joint Policy Statement on innovative use of data to improve outcomes for consumers in vulnerable circumstances. - [*Data use statement \(ukrn.org.uk\)*](#)

Other

- Digital exclusion has been raised as theme by Research and Vulnerability networks and will lead to a working group to coordinate work and understand cross sector challenges.
- Work with Vulnerability Academy by Money Advice Trust to deliver training for staff in Member regulators – this programme is tailored to regulators wanting to delve into how to create effective change for consumers in vulnerable circumstances
- Routine engagement with organisations and charities which deal with vulnerable consumers



Key Achievements – working better together

Events

- Covid event for key stakeholders - [*Reflections on responding to the impact of Covid and the way forward: findings from a UKRN event | UKRN: the UK Regulators Network*](#)
- 2 Whitehall Industry Group events; Carbon budget and consumer debt
- Member event on Project Speed
- Member event on government digital data strategy
- Member event on Reform of Competition and Consumer
- Collaboration network joint event where UKRN were panel member. Also UKRN Chaired a December session

Publications

- UKRN Membership Newsletters:
[*UKRN newsletter, October 2021 edition | UKRN: the UK Regulators Network*](#)

Other

- Next Generation Neds scheme launched and placements started. Also work continues on the Wider Community of Interest and developing lessons learnt
- PSED workshops will continue in 2022
- Reinstated the Research, Data strategy and Strategy Networks
- Development of opportunities within the investor sector and relationship with regulators. Proposed solution to be delivered in 2022.



Our expert panel

The UKRN expert panel consists of four independent advisors who hold expertise in different fields and advises the CEOs groups and also provides feedback and challenge to the project teams. This year we appointed a completely new panel for an initial 3 year term, and we have aligned their work more closely to the workplan, in order to ensure that they add value to the project delivery and outputs of the network groups and policy engagement.

Following an interactive programme of induction for our new experts alongside the panel Chair, Bill Emery (our Chair of the Chairs Group) the team and Panel co-created an exciting discussion programme for the year to complement the key priorities. Discussions covered:

-  Climate control and vulnerability
-  Vulnerability and data principles
-  Outcomes Measurement
-  Regulatory Appeals
-  Debt and Affordability
-  Future of Regulation
-  Infrastructure and the NIS



Helen Undy



Suzanne Rab



Chair: Bill Emery



Mick McAteer



Cloda Jenkins

Expert panel bios

Relevant UKRN network group chairs attended the appropriate discussions providing a feedback loop to the projects and Panel Members were introduced to the CEOs and provided feedback on their work with UKRN in September.



UKRN 2022 workplan



UKRN 2022 Workplan

In 2021 UKRN continued to mature as an organisation led from the front by our CEO group and as a result the work delivered throughout the year showed a strong representation of our members collective voice and solidified our position as an enabler and influencer in government.

The impact of Brexit and Covid on the social, economic and regulatory landscape have driven changes including regulatory reform and the growing impact of inflation and squeeze on cost of living including from energy price rises mean that our priorities have come more clearly into focus and appear increasingly intertwined.

Our three-year workplan has allowed us to adapt to changing member and government priorities and enabled us to develop agile solutions which recognise the resource demands of regulators and industry peaks across all sectors.

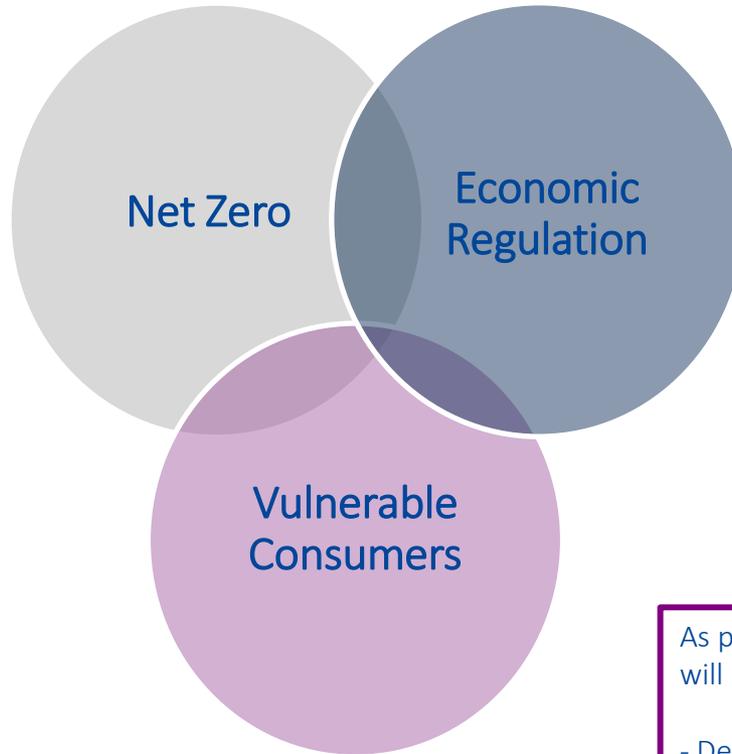
The underlying framework of our multi-year plan will continue into 2022, we will complete work on the themes and projects that began in 2021 and have consulted our members on new projects for 2022. In particular, we have seen change emerging in the priorities of the themes that impact multiple networks, such as Net Zero and Digital exclusion.

The following two slides provide an outline of UKRN's priorities in 2022 and reflect the overlapping nature of emerging themes and project work.



The net zero transition will cut across sectors, will lead to costs and investment needs, new challenges in changing or replacing networks, infrastructure and service provision.

UKRN will support members to ensure we remove barriers and facilitate change with responsive, agile regulation, whilst recognising the variation in government steer and duties across members.



Economic regulatory reform is high on the Government policy agenda. This will continue to be an important area for members to engage with to ensure the approach reflects experience and provides good regulatory outcomes. This connects to regulatory reform in train more generally.

As part of the vulnerability workstream we will be focusing on the following themes:

- Debt and affordability
- Cost of living
- Digital exclusion
- Data use
- Net Zero impact on vulnerable consumers

This diagram outlines the overlapping priorities of UKRN work going into 2022 and the involvement of multiple networks and working groups facilitated by UKRN.



Strategic themes, 2022 workplan highlights

Vulnerable consumers

- Cost of Living, Debt & Affordability
- Data Use
- Review of Net Zero transition implications for vulnerability
- Vulnerability Academy

Economic regulation

- Conclude Cost Of Capital Taskforce work
- Engaging BEIS / HMT reform agenda, including a review of utility regulators' duties and accountability

Collaboration

- PSED / D&I pledges & next steps
- Next Gen Neds Scheme next steps
- Digital exclusion working group set up and facilitation
- Investment workstream identifying observed synergy and challenges across sectors
- Third party outreach;
 - Regulation and Emerging Technologies: Balancing agility with certainty (WIG)
- Enabling cross network collaboration



Net Zero



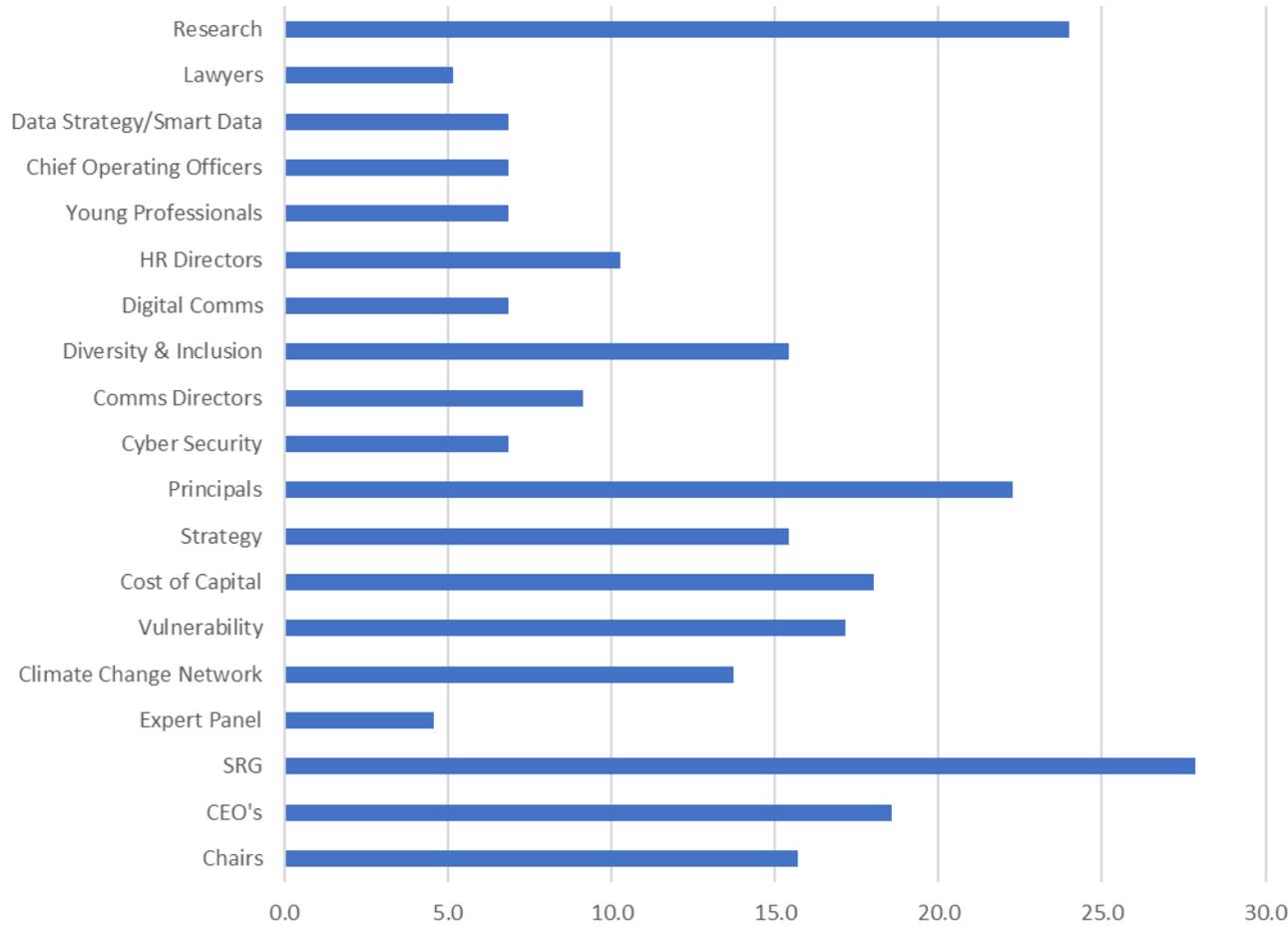
Appendices





Network collaboration

Collaboration: Total Number of Days Per year by Network



Total days of collaboration
251.6
(via networks, per year)



Climate change network project update

| Title | Description | Status | Commentary |
|--|--|-------------|--|
| Annual UKRN CWG report | Case studies; Cross sector innovation, opportunities and best practice within the net zero space; support for and dissemination of external events principally COP26 | Completed | Framework and guidance from consistency created and activity embedded in the CCN ways of working. Presentations from Ofwat and ORR delivered, which more scheduled for 2022. |
| Common understanding for the role of the regulators in addressing net zero | <ul style="list-style-type: none">• Consider use of existing regulatory powers and duties, where relevant• Agreed set of common principals• Forms of measurement and reporting | In progress | Carried over into 2021. Initiated new Net Zero Cost & Investment Working Group in December, 2021. |
| Net Zero Directors Discussion | NZR Director discussion November 2020. UKRN to facilitate a further meeting for Directors to meet with the NZR team between the closing date (23/1) and expected final publication (Spring 2021). | Cancelled | Carried over from 2020, decision made to discontinue given the focus required to support COP26 and other activities which add greater value. |
| Net Zero Consumer Focus | Net-zero consumer focus research; UKRN to facilitate shared learning and best practice with Climate Change Network | Completed | April 2021 led by Barbara Perata-Smith, CAA. Presentation and deep dive network discussion on consumer research, plus implementation following up session in 2021. |
| WIG events | Continued partnership with the WIG events - theme CCC's 6th Carbon Budget Report | Completed | Two events delivered as planned, one event related to climate change; <ul style="list-style-type: none">• 27th May 2021 (6th carbon budget) |



Cost of Capital network project update

| Title | Description | Status | Commentary |
|-----------------------------|---|-------------|--|
| Enhancing Sector Resilience | * Report on impacts of Covid on infrastructure investment. | Cancelled | Option reviewed and added value considered. GIIA approached to provide some detailed information. |
| | * Explore cross-sector financial resilience and monitoring | In Progress | Ofwat Report published Dec 2021 and shared with group. Ofgem review to be delivered 2022. Both reports shared and discussed with group. |
| Infrastructure Investment | * Creation of new Annual UKRN Investment report * Continuation of the Cost of Capital Annual report | Cancelled. | Following review of content, considered that elements would be duplicated (or included into) Annual Report and therefore additional report not required. |
| Annual Report | Publication of 2021 annual report | In Progress | Publication in Q1 2022 to enable reflections on 2021. Delivery to be led by Ofcom. |
| Partner Events | Partner events, Cost of Capital Network (consider 2 events planned); investor community joint events with investor infrastructure community | In Progress | UKRN relationship with GIIA developed in 2021. Joint events to be considered during 2022. Scope for workstream to publish a paper in progress for 2022 delivery. |
| Cost of Capital Taskforce | Review cost of capital and allowed returns in economic regulation | In Progress | Led by William Godfrey, Ofwat. Programme of activity being delivered to respond to BEIS/HMT challenge for consistency. |



Diversity & inclusion project update

| Title | Description | Status | Commentary |
|----------------------|---|-------------|---|
| PSED Workshops | <p>* Director level workshops to share common challenges and opportunities in incorporating external aspects of PSED and D&I into regulatory practices.</p> <p>* Aims to identify where any coordination or collaborative next steps would be beneficial.</p> | In Progress | Workshops completed in September. Pledges drafted and work into 2022 to decide next steps for UKRN to add value. |
| Next Generation NEDS | Widening the talent pool and raising the profile of the role of non-exec director. | In Progress | Thirteen placements have been made across twelve Boards, Committees, Panels hosted by ICO/Ofgem/Ofwat/Ofcom/ORR during this 2021/22 pilot phase. These Next Gen NEDs will also receive mentoring from the existing NEDs on the Board, Committee or Panel they are observing. The group are also developing the Wider Community of Interest. |



Vulnerability project update

| Title | Description | Status | Commentary |
|---|---|-----------|--|
| P1; Debt support joint comms - part (i) | <ul style="list-style-type: none">(i) Consumer-targeted comms to effectively raise awareness of debt support available. Work with BEIS, other govt sponsor dept, MaPS.(ii) Firm-targeted comms. NB: some regs may have set clear guidance / expectations, so this might be update of UKRN publication consolidating this across sectors, following up with sectors where no clear comms. | Cancelled | Project cancelled following discussion with BEIS and regulator network, it was agreed that joint comms was not a suitable approach at this time. |
| P2; Roundtable on debt and affordability | <ul style="list-style-type: none">* Internal roundtable with presentations and sharing of best practice and lessons learned on regulatory approaches and innovative approaches from firms on consumer debt and affordability issues.* Discussion on potential future work or next steps on this topic. | Completed | Task completed: round table events held 19 and 21 October. Roundtable outputs shared with regulator members and discussions with BEIS continue. |
| P3; Roundtable on firms recording customer vulnerability and needs data | To organise and facilitate a regulators' round table discussion to understand: <ul style="list-style-type: none">i) The drivers for recording vulnerability data (requirements or voluntary, and how these came about)ii) How this information impacts operation/practical use of it | Completed | The roundtables were completed in July 2021. Outputs shared with regulator members. Joint policy statement has been published. |
| P4; Roundtable on regulation post Covid | <ul style="list-style-type: none">- Internal roundtable with presentations and sharing of best practice and lessons learned on regulatory approaches to vulnerability and impact of Covid- Discussion on potential future work or next steps on this topic. | Completed | Roundtables completed. Outputs shared with regulator members. |
| P5; Bereavement notification | Work with BEIS, Gov Registry Office and other stakeholders as relevant. To explore and better understand the bereavement notification process across sectors, if any consumer detriment/harm, and if any steps to address these should be taken. | Completed | May 2021 - final bereavement letter completed by members and signed by Attricia Archer. Sent to BEIS on 16 May 2021. |



Vulnerability project update

| Title | Description | Status | Commentary |
|---|--|-----------|---|
| P6; National Strategy for Disabled People | Coordinating engagement between relevant members and CO's Disability Unit on development and implementation of its NSfDP. | Completed | Vulnerability network group reviewed and decided no further action necessary. |
| P7; Power of Attorney Update | Facilitate and coordinate responses to the update of the Power of Attorney guide 1 - To liaise with OPG in the delivery plan for the updated guide. 2 - For regulators to have the opportunity to review and comment on updates to the Power of Attorney Guidance published in 2019. | Ongoing | This will carry over into 2022 workplan. |