# **United Kingdom**

Indicators of Regulatory Policy and Governance 2021







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# Overview and recent developments

The United Kingdom continues to invest in broadening the scope of its regulatory policy system. In response to an OECD IRC review published in 2020, the government has committed to develop an IRC strategy for the whole-of-government. A question was added to the RIA template in 2019, asking if a new measure was likely to impact on international trade and investment. The government published a White Paper in 2019, "Regulation for the Fourth Industrial Revolution", containing policies for reforming the regulatory system to support innovation. As part of this suite of policies, a new Regulatory Horizon Council has been established to advise the government on regulations that may need to be reformed to keep pace with technological change. Furthermore, an Innovation Test has been piloted to ensure that the impact of regulation on innovation is considered in the early stages of policy making.

However, the UK's regulatory policy system continues to have a particular focus on business, as the Small Business Enterprise and Employment Act 2015 obliges the government to set a target for the change of regulatory burdens on business and civil society organisations for each Parliament. Government departments regularly conduct post implementation reviews, in particular for all measures with a significant impact on business. In addition, at the pre-implementation and review stages, new regulatory measures with significant regulatory impacts on business are expected to have full RIAs and be submitted to the Regulatory Policy Committee (RPC) for scrutiny. The United Kingdom may benefit from extending the focus of its current

regulatory policy agenda on business on other elements important for sustainable and inclusive growth.

The RPC is a non-departmental advisory body responsible for providing the government with external, independent scrutiny of evidence and analysis supporting new regulatory proposals in RIAs and *ex post* evaluations of legislation. Significant changes to the scope of the RPC's scrutiny function were introduced during 2017-19. A new higher de minimis (threshold) rule was introduced to the better regulation framework, whereby only measures with significant regulatory impacts on businesses (greater than -/+ GBP 5m) are expected to have full RIAs and be submitted to the RPC for scrutiny.

The Better Regulation Executive (BRE), located within the Department for Business, Energy & Industrial Strategy, is responsible for better regulation policy and is the lead unit in the UK government for promoting and delivering changes to the regulatory policy framework. The Cabinet Office is responsible for the Guide to Making Legislation and providing training and support to government departments making legislation. It is also in charge of convening cross-government policy positions, mainly through the collective agreement process.

Public consultations occur systematically for new regulations in the United Kingdom and are conducted over the internet. To enhance the accessibility of consultations, the United Kingdom could introduce minimum consultation periods with the general public.

### Indicators of Regulatory Policy and Governance (iREG): United Kingdom, 2021



Notes: The more regulatory practices as advocated in the <u>OECD Recommendation on Regulatory Policy and Governance</u> a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (89% of all primary laws in the UK). Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <a href="http://oe.cd/ireg">http://oe.cd/ireg</a>.

### United Kingdom: Transparency throughout the policy cycle



#### Inform the public in advance that:

A public consultation is planned to take place	Some
Regulatory impact assessment (RIA) is due to take place	No
Ex post evaluations are planned to take place	Some



#### Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	All



#### Publish online:

Ongoing consultations*	All
Views of participants in the consultation process	Yes
RIAs	All
Evaluations of existing regulations	Yes



#### Policy makers use:

Interactive website(s) to consult with stakeholders	No
Website(s) for the public to	
make recommendations on	Yes
existing regulations	



#### Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in ex post evaluations	Sometimes

<sup>\*</sup> Publish on a single central government website.

Note: The data reflects United Kingdom's practices regarding primary laws initiated by the executive. Source: Indicators of Regulatory Policy and Governance Survey 2021, <a href="http://oe.cd/ireg">http://oe.cd/ireg</a>.



## THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- Systematic adoption comprises formal requirements and how often these requirements are conducted in practice;
- Methodology presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- Oversight and quality control reflects the role of oversight bodies and publicly available evaluations; and
- Transparency comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

#### Related links:

- Regulatory Policy Outlook 2021
- · Indicators and underlying data and methodology
- 2012 Recommendation of the Council on Regulatory Policy and Governance
- OECD Measuring Regulatory Performance Programme
- OECD work on regulatory policy

#### **Contact:**

Measuring Regulatory Performance programme <a href="mrp@oecd.org">mrp@oecd.org</a>

