

UK Regulators' Network Strategy 2024-27 Public consultation

Response from the National Preparedness Commission

About the National Preparedness Commission (NPC) and this response

The Commission comprises around 50 leading figures from public life, business, academia and civil society. Its objective is to promote policies and actions to achieve better preparedness in the UK for a major crisis or incident. In the three years since its first meeting the Commission has established its reputation as the leading body focussing on national preparedness.

This response draws on the experience and expertise of members of the Commission, and, where relevant, on research and findings from the Commission's growing body of work. NPC has to date commissioned 19 major reports, many of which have been discussed in closed roundtables, involving civil servants, policymakers, academics and subject matter experts in the topic under discussion. We have published well over 100 shorter articles, discussion papers and thought leadership briefs on specific aspects of national preparedness. NPC has also provided commentary and responses to key policy and framework documents, including the following which are germane to the topic of regulation and wider resilience:

- Commentary on the <u>UK Government Resilience Framework</u>
- Commentary on the Integrated Review Refresh
- Commentary on the latest National Risk Register

Focus of this response

This response is focussed on how the UKRN can best achieve its objectives, bearing in mind our own understanding of how regulation can support national preparedness and the resilience of key infrastructures and services. A major strand of the NPC's work has been on models and mechanisms for the governance, scrutiny and measurement of preparedness. NPC stakeholders frequently turn the topic of conversations to one or other of two popular panacaeas – insurance (for questions of who picks up the bill or underwrites the risk) and regulation (for questions of who influences behaviour and assures outcomes).

Regardless of whether this is an accurate reflection of what regulators believe their role to be in pursuit of a UK that is more resilient and better prepared for major shocks, there are opportunities to make a significant contribution to national preparedness by paying due attention to what is expected from the regulatory regime and who determines what that regime contains. Such an approach would have the dual corollary benefits of clarifying some shared outcomes on which UKRN members can collaborate and demonstrating the organisation's relevance and value.

On the Strategy itself

As advised in the consultation brief, NPC will not include detailed views on the UKRN 2024-27 Strategy in this response. We would be pleased, however, to open separate discussions and an exploration of how our mutual interests can be better aligned.

In that regard, we draw UKRN's attention to a forthcoming major report (due February/March 2024), which responds to the question of whether the UK regulatory landscape is 'fit for resilience'. Since much of the UKRN Strategy is built on the need to anticipate and respond to key risks and disruptors, we believe that a discussion on this report will be useful.

Using the Strategy to fulfil UKRN's purpose

Section 3 of the Strategy outlines the organisation's purpose and operating frameworks. The UKRN was established in 2014 as a basis for effective co-operation between the regulators on important issues and to encourage greater efficiency and better results for businesses, consumers and the economy. Its activities are listed as collaboration, operational support and thought leadership.

Given the economic, social, climate and geopolitical environment we are now living in, the need for cross-sector collaboration to secure more reliable outcomes has never been greater. The UK's recently-refreshed Integrated Review of Defence, Development and Foreign Policy (the Integrated Review, or IR) outlines ambitions to:

- 1. Shape the international environment
- 2. Deter, defend and compete across all domains
- 3. Address vulnerabilities through resilience
- 4. Generate strategic advantage.

In an increasingly connected, interdependent and globalised world, strong governance and regulatory environments are essential to achieving these ambitions. The IR, alongside other strategies and frameworks, such as the newly-published Critical Imports and Supply Chains Strategy, demonstrate how Government is planning to maintain UK's position on the global stage as well as protecting domestic interests.

At the same time, the National Risk Register outlines some 89 key risks that would cause major disruption to the nation, including the risk of a severe economic downturn. This, and related documents, collectively cite multiple risks that have regulatory challenges at their heart and imply the need to develop a number of national capabilities that can only be developed within an appropriate regulatory system. Much of this is challenging because it involves the coherent regulation of more than one sector — a challenge that is growing as core infrastructure, services and national capabilities transcend traditional market boundaries.

Arguably, optional alignment between regulatory bodies may not be sufficient to support these goals, and the case for purposeful collaboration could not be stronger. There is mounting evidence that the UK needs its regulators to collaborate well in order to, for example:

- Incentivise modernisation and innovation
- Deliver resilience and connectedness within and between national infrastructures
- Develop joined-up ways of working at the boundaries or intersections of individual purviews
- Encourage long-term investments by the private sector
- Deliver regimes that underpin policy and are aligned and coherent across sectors.

It is not NPC's place to comment on legal or membership structures, but we would urge a review of the stated *purpose* of the collaboration, for which UKRN has become recognised, along these lines.

Prioritising to maximise impact

UKRN's strategy encompasses the overarching principle that 'we focus on those things only UKRN can do. By forming effective internal and external partnerships, we are vigilant as to when work is best undertaken elsewhere and take an agile approach to our own portfolio.'

This is a sensible approach for a body that is formed on a voluntary membership model, and with limited central resources. Key selection criteria are applied to see if the resulting work is: tackling real or potential consumer harm, filling a gap best addressed by joint action, representing the interests of a significant group of its members.

Whilst these tests are also sensible, a portfolio approach to selection would ensure a programme of activity that has an appropriate balance across consumer, market and national resilience outcomes. This could be achieved by slightly re-focussing the goals outlined in the strategy, which currently map to a set of 6 core objectives and ensuring a spread of activities across those objectives. Some mapping of project outcomes and dependencies will also be useful.

The following table suggests an evolution of UKRN's objectives and supporting goals, which would further crystallise the purpose of the UKRN, both in the eyes of its members (increasing reasons to engage) and from the perspective of external stakeholders (demonstrating relevance and impact). Changes from the original are shown with grey highlighting.

Facilitating collaboration	1.	UKRN and its members are able to show the added value of purposeful collaborative activities to address challenges and seize opportunities. This value is likely to be found at the interfaces and overlapping areas of member purviews, or in managing dependencies.
Drive innovation and investment in the Net Zero Transition	3.	UKRN has enabled regulators to work together to address risks of climate change, working with partners and key stakeholders including government. This is especially relevant in complex systems that may be regulated by more than on UKRN member, and where collaboration can remove barriers to progress. UKRN has brought about a better understanding of the impacts, benefits and risks of the Transition for those in vulnerable circumstances.
Protect vulnerable groups and individuals	4.5.	UKRN has maintained and broadened our members' knowledge and understanding of relevant vulnerability issues including cost-of-living factors, through engagement with relevant external stakeholders. UKRN has contributed to improved outcomes through facilitating cross-sector data sharing and alignment of action between members in the interests of consumers, noting that vulnerability factors may vary according to risk context.
Supporting sustainable economic growth and environmental and social resilience	6.	UKRN has supported the building of capability and capacity across member regulators to better support their contribution to sustainable growth, innovation and investment, whilst balancing the needs of achieving environmental and social resilience.
Championing effective regulation	7. 8.	UKRN has supported the understanding of the role of effective regulation within government, regulated parties and consumers. UKRN has actively informed and supported the evolution of regulatory practice, to meet current and future regulatory challenges.
Making regulation sustainable	9.	UKRN has worked to make regulation an attractive career choice by celebrating UKRN's impact and that of its members, facilitating recruitment retention and diversity in regulators and ensuring toolkits and skills are maintained and remain fit for purpose.