

UK to seize Brexit opportunities and unleash innovation by overhauling approach to red tape: 22 July 2021

For the first time in a generation, the UK has the freedom to make and implement rules that put British businesses and consumers first – freeing businesses from overbearing bureaucracy and reducing costs for consumers, whilst boosting competition, innovation and growth across the economy.

The consultation launched today marks an initial response to the report by the independent Taskforce on Innovation, Growth and Regulatory Reform (TIGRR) commissioned by the Prime Minister, exploring a number of recommendations on the UK's regulatory framework.

This includes looking at ways to dispense with unnecessary red tape that no longer meets the UK's needs, including those the UK inherited when it was a former member of the EU – for example reintroducing a way to 'offset' new regulations, like the One-In-Two-Out method whereby to introduce a new regulation, unnecessary regulations would need to be removed.

To enable innovative companies to trial ground-breaking ideas safely, the Government could also look to make more use and impact of 'sandboxes', where certain regulations are lifted to test new products in a real-world setting, under the regulator's supervision – this was another reform recommended by TIGRR.

Another TIGRR proposal to move away from the EU's excessive use of the 'precautionary principle' inherited in the UK and adopt a 'proportionality principle' in our regulatory framework has been set out. This would mean regulation is reset to focus on outcomes, not process, and be proportionate to the issues and impacts on businesses and people.

Proposals set out today also look at regulation across its lifetime, including:

- Changes to the process for making new rules, such as introducing tougher scrutiny of proposed regulations within government before they are implemented – helping to ensure regulations do not impose excessive burdens on businesses or consumers, or scrapping poor proposals for regulations before they become law.
- How best to measure their impact, with a swifter mandatory review of regulations two years after they are introduced, rather than after five years – repealing or adjusting them more quickly where they are not working as they should, are too burdensome or cost too much.
- Reviewing the role of regulators, including placing a duty on the regulator to promote innovation and competition – ensuring they contribute to the UK's economic growth while enforcing the rules and protecting people's rights.

Lord David Frost, Minister of State at the Cabinet Office, said:

Now is the time to think boldly about how we regulate, as we seize our new opportunities as an independent nation.

For the first time in a generation, we are free to implement rules that put the UK first. This is the next step in driving forward ambitious reform, following the work of the Taskforce on Innovation, Growth and Regulatory Reform.

Our job is to help people and businesses thrive across the UK. That was what taking back control was about. Reforming the way we regulate will be a big part of delivering that for people.

Business Secretary Kwasi Kwarteng said:

Taking back control means setting regulation in a way that works best for British businesses, workers and our wider economy.

As an independent trading nation once more, we will use our newfound freedoms to promote competition, unleash innovation and enable the development of new technologies – without imposing unwieldy burdens on business.

By taking a more nimble approach, suited to our national interest, we can maintain our valued high standards and cement the UK's status as an attractive place to start and grow business.

The consultation sets out five principles that will underpin the Government's approach to regulation to ensure it benefits the British people:

- A sovereign approach: the UK will use its freedoms to take a tailored approach to setting rules in a way that boosts growth and benefits the British people
- Leading from the front: we will act nimbly to support the development of new technologies
- Proportionality: where possible, the Government will use non-regulatory options, allowing markets to move dynamically, while acting decisively to put in place strong rules where they are needed
- Recognising what works: regulations will be thoroughly analysed to ensure they work in the real world.
- Setting high standards at home and globally: the UK will pursue robust regulatory diplomacy and help to solve global problems