



House of Commons  
Committee of Public Accounts

---

# Regulating after EU Exit

---

**Nineteenth Report of Session 2022–23**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 22 September 2022*

## The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No. 148).

### Current membership

[Dame Meg Hillier MP](#) (*Labour (Co-op), Hackney South and Shoreditch*) (Chair)

[Shaun Bailey MP](#) (*Conservative, West Bromwich West*)

[Olivia Blake MP](#) (*Labour, Sheffield, Hallam*)

[Dan Carden MP](#) (*Labour, Liverpool, Walton*)

[Sir Geoffrey Clifton-Brown MP](#) (*Conservative, The Cotswolds*)

[Rt Hon Mark Francois MP](#) (*Conservative, Rayleigh and Wickford*)

[Mr Louie French MP](#) (*Conservative, Old Bexley and Sidcup*)

[Peter Grant MP](#) (*Scottish National Party, Glenrothes*)

[Kate Green MP](#) (*Labour, Stretford and Urmston*)

[Antony Higginbotham MP](#) (*Conservative, Burnley*)

[Craig Mackinlay MP](#) (*Conservative, Thanet*)

[Sarah Olney MP](#) (*Liberal Democrat, Richmond Park*)

[Angela Richardson MP](#) (*Conservative, Guildford*)

[Nick Smith MP](#) (*Labour, Blaenau Gwent*)

[Helen Whately MP](#) (*Conservative, Faversham and Mid Kent*)

[James Wild MP](#) (*Conservative, North West Norfolk*)

### Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No. 148. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

© Parliamentary Copyright House of Commons 2021. This publication may be reproduced under the terms of the Open Parliament Licence, which is published at <https://www.parliament.uk/site-information/copyright-parliament/>.

Committee reports are published on the [Committee's website](#) and in print by Order of the House.

### Committee staff

The current staff of the Committee are Jessica Bridges-Palmer (Media Officer), Ameet Chudasama (Committee Operations Manager), Sarah Heath (Clerk), Rose Leach (Committee Operations Officer), Heather Nathoo (Chair Liaison), Ben Rayner (Second Clerk).

### Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee's email address is [pubaccom@parliament.uk](mailto:pubaccom@parliament.uk).

You can follow the Committee on Twitter using [@CommonsPAC](#).

# Contents

---

<b>Summary</b>	<b>3</b>
<b>Introduction</b>	<b>4</b>
<b>Conclusions and recommendations</b>	<b>5</b>
<b>1 Regulatory strategy, capacity and capability post EU Exit</b>	<b>8</b>
Regulatory strategy	8
Skills and capability	9
Capacity and future resourcing	10
<b>2 Regulatory divergence and international cooperation</b>	<b>11</b>
EU data sharing and cooperation	11
Regulatory divergence	12
International engagement	14
<b>Formal minutes</b>	<b>15</b>
<b>Witnesses</b>	<b>16</b>
<b>Published written evidence</b>	<b>16</b>
<b>List of Reports from the Committee during the current Parliament</b>	<b>17</b>



## Summary

EU Exit has had a significant impact on UK regulators who have taken on new and expanded roles, but the development of long-term regulatory strategies post-EU Exit has been slow, and the future direction of regulation remains unclear. Regulators are facing challenges in accessing the skills they need to regulate effectively, including vets to monitor food safety and animal welfare in abattoirs, toxicologists to assess food risks and chemical safety, and lawyers and economists to enforce competition law and protect consumers. All three regulators have since been asked (along with the rest of government) to model headcount reductions of up to 40%, which, if carried out, would make the current regulatory models unsustainable unless it was alongside legislative change and fundamental reform. The regulators have also lost access to data sharing and cooperation arrangements with the EU and, while they have put in place mitigations, a lack of progress in taking forward regulatory cooperation agreed in the Trade and Cooperation Agreement, increases regulatory risks and costs. Over time, regulatory divergence between the EU and UK and within the UK internal market may make regulation less efficient and more costly for regulators, consumers and businesses if, for example, divergence creates barriers to trade or increases regulatory complexity. Equally, there are opportunities from adopting more agile regulator approaches outside of the EU that could deliver benefits in driving innovation and growth. There are important decisions ahead for Departments which will have an impact on the cost and complexity of regulation across a number of sectors. We will continue to monitor progress on these important issues in our future work.

## Introduction

---

On leaving the EU, UK regulators took on a range of new and expanded responsibilities previously carried out by the EU and its institutions. The Food Standards Agency (FSA) has an expanded role in the regulation of food imports and regulated products; the Competition and Markets Authority (CMA) is expanding its role in competition enforcement and taking on new functions in the Office for the Internal Market and the Subsidy Advice Unit; and the Health and Safety Executive (HSE) is operating an independent chemicals regulatory regime.

EU Exit has created both challenges and opportunities for UK regulators. In the short-term, they must build their regulatory capacity and capability; address the loss of EU data sharing and cooperation arrangements; and find new ways of influencing internationally. In the long-term they may have greater scope to tailor the regulatory regimes to the UK context and regulate more efficiently and effectively.

## Conclusions and recommendations

1. **Progress on developing long-term regulatory strategies post-EU Exit has been slow and the future direction remains unclear.** It is clear it will take some time for the regulators to fully embed their new and expanded responsibilities as a result of EU Exit. For example: CMA expects the Subsidy Advice Unit to become operational in the autumn of 2022; it will be two years before the programme the HSE has put in place to transform its IT infrastructure and processes is completed; and FSA will not have full import checks on high-risk food imported from the EU until the end of 2023. The regulators have identified some areas of potential reform and opportunities to regulate more efficiently, for example, in FSA's approach to regulated products; and HSE's biocide and plant protection product regulations. However, in many instances, these reforms will require primary legislation, and the scope and timetables for this remain unclear. Progress may also be delayed by: uncertainty over the appetite amongst stakeholders for reform; the resources available both in the regulators and policy departments to progress reform quickly; and the implications of regulatory divergence for trade with the European Union.

**Recommendation:** *The regulators should write to the Committee in six months setting out progress in developing long-term strategies with relevant policy departments (including which reforms would require primary legislation and estimated timescales for implementation).*

2. **The regulators are struggling to recruit and retain the skills they need to regulate effectively after EU Exit.** Having left the EU, the regulators need additional staff to deliver their new and expanded responsibilities. CMA is competing with the private sector to recruit and retain competition lawyers and economists, while both FSA and HSE are struggling to recruit experienced toxicologists in sufficient numbers. A shortage of veterinarians to assure food safety and animal welfare in abattoirs is also a key risk for FSA, which in autumn 2021 had to put temporary measures in place to ensure it had enough veterinarians to deliver this critical role. The regulators are taking action to try to address these shortages, for example, investing in staff training in HSE, and reviewing the pay and conditions of veterinarians at FSA to make the career more attractive. However, the ability to recruit and retain the skilled staff they need remains a key risk to the future effectiveness of all three regulators.

**Recommendation:** *The regulators should work together to identify common skills shortages, and develop long-term strategies for recruiting, retaining, and training staff to ensure they have the skills they need in the future.*

**Recommendation:** *The FSA should work with the Department for Education and relevant professional bodies to address the shortage in qualified veterinarians.*

3. **Potential large-scale reductions in staffing levels in regulators will not be achieved without fundamental changes in regulatory approaches.** In the Spending Review 2021, the regulators received funding settlements they believed were sufficient to enable them to fulfil their post-EU Exit regulatory responsibilities. Since then, they have been asked (along with the rest of government) to model headcount reductions of 20%, 30% and 40%. Although it is not clear what cuts they may eventually be asked to make, all three regulators are clear that delivering their expanded responsibilities

with headcount reductions on this scale will be extremely challenging. For example, FSA's SR21 settlement provided for a growth in staff numbers to fulfil its new responsibilities after EU Exit and to directly employ veterinarians. Any future requirement to reduce its number of veterinarians would have a significant impact on the meat industry which, under current regulations, cannot place meat on the market in the UK or export it without veterinary oversight. Regulatory reform to adopt a more risk-based approach could reduce the need for veterinarians, but this would require legislative change.

**Recommendation:** *The regulators and policy departments should identify the impact of potential cuts on regulatory risk and set out where significant changes in the regulatory model would be needed to balance the two.*

4. **The loss of access to EU systems and lack of progress in taking forward the regulatory cooperation provisions set out in the Trade and Cooperation Agreement increase regulatory risks and costs.** On leaving the EU, the regulators lost access to EU data sharing and cooperation arrangements. CMA can no longer share confidential information with the European Commission or member states in merger, competition or consumer enforcement cases, impacting its ability to effectively enforce competition law. FSA has also lost full access to the EU's Rapid Alert System on Food and Feed (RASFF) which provides member states with information on food safety incidents, increasing the time and effort it takes to deal with food safety incidents. HSE no longer has access to the chemical safety data underpinning the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations. Industry has estimated it will cost £800 million to replicate this data in the UK REACH system. The regulators are taking action to mitigate these issues, but in some instances the alternatives are more time consuming and are likely to increase costs over time. The EU-UK Trade and Cooperation Agreement (TCA) recognises the value of voluntary cooperation on chemical regulation and includes provisions to establish a separate agreement on competition enforcement cooperation (including the sharing of confidential data). We are disappointed that no progress has been made in taking these issues forward, despite the regulators willingness to do so.

**Recommendation:** *The regulators should work together to share good practice on mitigations to address the loss of regulatory cooperation arrangements with the EU and write to the Committee in six months setting out progress in taking forward the cooperation arrangements set out in the Trade and Cooperation Agreement.*

5. **Regulatory divergence between the UK and the EU and within the UK internal market risks increasing costs for businesses, but also offers opportunities depending on the approach taken.** Following EU Exit there is already some divergence in regulatory approach between the UK and EU. For example, the EU recently banned titanium dioxide as a food additive, while the UK has not introduced a ban and FSA is carrying out its own risk assessment. There will also be divergence because regulatory decisions are made at different times and will take into consideration UK risk profiles and usage, for example, in the authorisation of specific chemicals or regulated food products. Outside the EU single market, there is also greater scope for England, Wales and Scotland to reach different regulatory decisions in areas of devolved competence. The regulators are working with the



devolved administrations under a set of ‘common frameworks’ to reach an agreed way forward where possible and coordinate the timing of regulatory decisions and their implementation. However, in areas like gene editing for example, it is not yet clear whether a common approach will be agreed. There is a risk that over time regulatory divergence (both between the UK and the EU and between the four nations of the UK) may lead to increased costs for business and consumers through administrative burden and regulatory costs. We are concerned that these costs may have a disproportionate impact on smaller businesses.

**Recommendation:** *The regulators should put in place robust monitoring to keep track of regulatory divergence and its implications, particularly for small businesses.*

6. **It will be vital for regulators to continue to develop their engagement on the world stage.** Outside the European Union, the regulators have taken steps to increase their international influence and engagement, recognising the importance of sharing good practice, increasing cooperation in the global marketplace, and working to improve standards worldwide. For example, CMA has both continued its engagement with the International Competition Network and the International Consumer Protection and Enforcement Network, and also agreed a new mutual assistance and cooperation framework with the competition authorities in the United States, Canada, New Zealand and Australia. FSA is strengthening its engagement with Codex Alimentarius, the international standard-setting body for food and feed, and it is investing in its work with the International Food Safety Authorities Network (INFOSAN) that supports international cooperation on the management of food safety incidents. HSE is also representing the UK at the UN globally harmonised system of classification and labelling of chemicals.

**Recommendation:** *The regulators should write to the Committee in six months setting out their plans for further international engagement including their objectives and timescales for action.*

# 1 Regulatory strategy, capacity and capability post EU Exit

---

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Competition and Markets Authority (CMA), the Food Standards Agency (FSA) and the Health and Safety Executive (HSE) on regulation after EU Exit.<sup>1</sup>

2. Regulation is used by government to deliver public policy outcomes in a wide range of areas, for example, to ensure food safety, protect the environment, or promote competition in the UK economy. As a member state of the European Union, the UK operated within an EU regulatory framework, with many regulations harmonised to facilitate the European single market.<sup>2</sup> On leaving the EU, UK regulators took on a range of new and expanded responsibilities previously carried out by the EU and its institutions. The Food Standards Agency (FSA) has an expanded role in the regulation of food imports and regulated products; the Competition and Markets Authority (CMA) is expanding its role in competition enforcement and taking on new functions in the Office for the Internal Market and the Subsidy Advice Unit; and the Health and Safety Executive (HSE) is operating an independent chemicals regulatory regime.<sup>3</sup>

3. EU Exit has created both challenges and opportunities for UK regulators. In the short-term, they must build their regulatory capacity and capability; address the loss of EU data sharing and cooperation arrangements; and find new ways of influencing internationally.<sup>4</sup> In the long-term they may have greater scope to tailor the regulatory regimes to the UK context and regulate more efficiently and effectively.<sup>5</sup>

## Regulatory strategy

4. It will take some time for UK regulators that have taken on new and expanded responsibilities following EU Exit to fully establish these new functions. For example, the Competition and Markets Authority (CMA) is in the process of setting up the Subsidy Advice Unit to provide advice to public authorities on subsidy schemes. CMA told us that it will not be fully operational until legislation confirms when it will formally start its functions, expected to be in autumn 2022.<sup>6</sup> The Health and Safety Executive also set out its plans to transform its chemical regulation IT and support services over the next couple of years;<sup>7</sup> while the Food Standards Agency (FSA) highlighted that import controls on high-risk food and feed from the EU have been delayed by the government until the end of 2023.<sup>8</sup>

5. In the longer-term EU Exit may offer scope for regulatory reform. For example, FSA told us there may be opportunities to change its approach to regulated products (certain food products that require authorisation before they can be placed on the market) to

---

1 C&AG's Report, *Regulating after EU Exit*, Session 2022–23, HC 61, 18 May 2022

2 C&AG's Report, para 1.1

3 C&AG's Report, paras 2.3, 3.5 and 4.3

4 C&AG's Report, para 1.14

5 C&AG's Report, para 1.4

6 Qq 5, 24

7 Q 37

8 Qq 3, 40

introduce a more proportionate risk-based and quicker system.<sup>9</sup> It also highlighted the possibility of reforming meat hygiene controls in the meat industry to introduce a more risk-based approach.<sup>10</sup> HSE also raised the possibility of regulating differently, explaining that it currently operates separate biocide and pesticide regulatory regimes, but, given that all pesticides are biocides by definition, there could be scope to regulate differently and more efficiently in the future.<sup>11</sup>

6. However, in many instances, regulatory reform will require legislative change, and the scope and timetable for this remains unclear. For example, CMA told us it welcomes government proposals for reforms to its consumer protection and competition powers, but timescales for this legislation (as well as legislation to confer new powers on its Digital Markets Unit) are not yet known.<sup>12</sup> The regulatory reforms FSA and HSE described would also require primary legislation, and the regulators told us the speed of regulatory reform will, in part, depend on the appetite for reform across government and the resources available in policy departments and regulators to take it forward.<sup>13</sup> FSA also pointed out that regulatory divergence could impact on trade with the European Union. For example, changes to meat hygiene controls could prevent meat exports to the European Union if products were produced to different standards.<sup>14</sup>

## Skills and capability

7. Having left the EU, the regulators need additional staff to deliver their new and expanded responsibilities. CMA told us that it has always been in competition with the private sector for skilled competition lawyers and economists, and the expansion of its role after EU Exit means the scale of this challenge has increased.<sup>15</sup> FSA and HSE are both struggling to recruit skilled toxicologists to carry out toxicological assessments in the chemicals and food regulatory regimes.<sup>16</sup> Difficulties recruiting and retaining veterinarians to carry out meat hygiene controls was also raised by FSA. Current regulations require veterinarians to be on-site in abattoirs to oversee food hygiene and animal welfare and although this requirement has not changed as a result of EU Exit, the demand for veterinarians has grown, in part because of increased controls on exports to the EU. FSA also told us that 95% of the veterinarians providing this service are from overseas and a significant number used to come from the EU.<sup>17</sup> Since EU Exit, these veterinarians must meet English language requirements to be eligible for professional registration and this has been challenging.<sup>18</sup> The implications of this were made clear by FSA, which told us that in autumn 2021 the number of official veterinarians it had available dipped to 210 (when it typically needs 260). It described the situation as ‘hand-to-mouth’ as staff no longer in front-line veterinary roles pitched-in to ensure that all shifts in abattoirs were covered.<sup>19</sup>

---

9 Q 40

10 Qq 11, 30

11 Q 8, 39

12 Q 36

13 Qq 39–41

14 Q 30

15 Qq 12–13

16 Qq 10, 14–17

17 Qq 3, 9–11, 25–29

18 C&AG’s Report, para 2.15

19 Qq 25–26

8. The regulators set out a number of ways in which they are addressing these skills shortages. On recruitment and retention of veterinarians, FSA has worked with the Royal College of Veterinary Surgeons to agree a temporary arrangement that allows veterinarians who do not meet the language requirements to be employed for twelve months while they improve their English skills. It is also looking at ways to make a career in veterinary public health more attractive to UK-qualified vets as well, including directly employing veterinarians to provide more career progression; reviewing pay and exploring ways to make roles more flexible.<sup>20</sup> CMA told us that the interesting and influential nature of it works helps to attract staff and it is participating in a HM Treasury pilot that gives it more pay flexibility.<sup>21</sup> In the case of HSE, it has invested significantly in training, with 25% of staff time in its Chemicals Regulation Division spent on training in 2021–22 as it has taken on a significant number of recent graduates to build its capacity post-EU Exit.<sup>22</sup> However, it is clear that risks remain, with all three regulators identifying challenges in the recruitment and retention of appropriately skilled staff as one of the key risks to their post-EU Exit regulatory regimes.<sup>23</sup>

### Capacity and future resourcing

9. In the Spending Review 2021 (SR21), the regulators received funding settlements they believed were sufficient to enable them to fulfil their post-EU Exit regulatory responsibilities. FSA, for example, agreed a £122 million budget covering its work in England and committed to maintaining its 2019 headcount levels, with the exception of growth in staff numbers to fulfil its new responsibilities after EU Exit and to directly employ veterinarians.<sup>24</sup> Across its full range of responsibilities, including its new role as building safety regulator, HSE is expecting to grow from around 2,500 staff to between 3,000 and 3,500 over the spending review period. It told us that its SR21 settlement was sufficient to enable it to carry out its role.<sup>25</sup>

10. The regulators have since been asked (along with the rest of government) to model headcount reductions of 20%, 30% and 40%, which would have significant impacts on these plans. In HSE's case, it explained that if the reductions are modelled on its existing headcount, the cuts will include all planned growth in addition to 20–40% reductions. It told us that reductions in headcount would mean it was not resourced to take on its new functions and maintain existing ones.<sup>26</sup> We questioned FSA on how 20% cuts in veterinarians would impact on it, and it told us that it would have a significant impact on the meat industry which, under current regulations, cannot place meat on the market in the UK or export it without veterinary oversight. It explained that current regulations prescribe the role of veterinarians in meat hygiene controls and changes would not be possible without a change in the law.<sup>27</sup>

---

20 Qq 10, 27, 29

21 Qq 12–13

22 Q 14, C&AG's Report, para 4.11

23 Q 3

24 Qq 42–44

25 Qq 42, 48

26 Qq 8, 48

27 Q 11

## 2 Regulatory divergence and international cooperation

---

### EU data sharing and cooperation

11. On leaving the EU, the regulators lost access to EU data sharing and cooperation arrangements. CMA can no longer share confidential information with the European Commission or member states in merger, competition or consumer enforcement cases.<sup>28</sup> FSA has also lost full access to the EU's Rapid Alert System on Food and Feed (RASFF) which provides member states with information on food safety incidents. It no longer has access to 'real time' data on all incidents, receiving information only on UK-relevant alerts by email. These changes have increased the time and effort required to deal with food safety incidents, with FSA estimating it requires around 65% more staff resource to deliver the same international information exchange on food safety incidents now than it did before.<sup>29</sup> HSE no longer has access to the chemical safety data underpinning the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations. Industry has estimated it will cost £800 million to replicate this data in the UK REACH system.<sup>30</sup>

12. The regulators told us they are taking action to mitigate issues around access to data. For example, in competition and consumer law enforcement, CMA can investigate itself and use its own powers to gather information.<sup>31</sup> Despite no longer being able to share confidential data, it also told us that it has good working relationships with the European Commission and has launched three cases in parallel.<sup>32</sup> To monitor food safety, FSA has developed a horizon-scanning data application that extracts information on food safety incidents from open-data sources. It told us the tool has helped it identify 27 food safety incidents, including listeria in some mushroom imports.<sup>33</sup> However, it told us this does not compensate in full and managing food incidents is more work than it was before.<sup>34</sup> HSE explained it is working closely with the Department for Environment, Food & Rural Affairs (Defra), which is responsible for Registration, Evaluation, Authorisation and Restriction of Chemicals policy, to find a solution to the loss of data from EU REACH that will cost significantly less than the industry estimates for replicating the data. It also told us that in general, the core safety data it needs to assess chemicals safety is available from public sources and data it already holds.<sup>35</sup> However, we received written evidence from Green Alliance raising concerns that Defra's proposals to take a more risk-based approach to the data requirements (based on usage and exposure data in a UK context) are the result of efforts to reduce the costs involved rather than any benefits to human health and the environment.<sup>36</sup>

13. The EU-UK Trade and Cooperation Agreement (TCA) includes a provision to establish a separate agreement on competition enforcement cooperation (including the

---

28 Q 52,

29 Q 52, C&AG's Report, para 2.17

30 Q 57–58

31 Q 56

32 Q 65

33 Q 54

34 Q 52

35 Qq 57–58

36 [REE0002](#)

sharing of confidential data). CMA told us this agreement has not yet been agreed, and progress on this would be welcome as it would remove a significant barrier to effective competition enforcement.<sup>37</sup> The TCA also includes broad commitments to facilitate the exchange of non-confidential information on chemicals between the EU and UK, but it does not extend to full data sharing arrangements.<sup>38</sup> HSE told us that while overall trade policy between the UK and the EU settles down, there is tight control from the centre of government over when and how they talk to co-regulators in the EU. In due course, it expects information exchange between it and EU regulators to become more straightforward.<sup>39</sup> We questioned FSA on whether, in the future, there is scope for better information sharing with the EU on food safety incidents and it told us that it does not feel optimistic about it at the moment because it had recently been asked to leave the Heads of Food Safety Agencies, an informal European network for encouraging cooperation and sharing good practice.<sup>40</sup>

## Regulatory divergence

14. Following EU Exit there is already some divergence in regulatory approach between the UK and EU. The regulators gave us examples where divergence was happening or could happen due to differences in opinion on what the evidence said or how this related to the UK. For example, the CMA told us that it had taken the decision to block a global merger of companies that sell equipment for container shipping which has been conditionally cleared by the European Commission, and that its decision had been accepted.<sup>41</sup> The FSA explained that the EU recently banned titanium dioxide as a food additive, while the UK has not introduced a ban. FSA is carrying out its own risk assessment, as the UK committee on toxicity is not convinced that a ban is necessary.<sup>42</sup> FSA explained that its consideration of risk would also take into account the specific consumption patterns in Great Britain, which could be different to those in Europe. As an illustration, the FSA explained that because children in Britain drink more orange squash than in the EU, the FSA might therefore come to a more cautious view on what additives were allowed in squash.<sup>43</sup>

15. The regulators also provided examples of divergence where the UK and EU were making decisions to different timetables. HSE has been able to get a chemical onto the market quicker than the EU as it has carried out reviews of the active substance and the product simultaneously, rather than one after the other; it estimates this has reduced the time for approval by 18 months without changing the risk.<sup>44</sup> The Government is bringing legislation on gene editing before the House, which will represent potentially quite a significant divergence from EU standards. However, FSA suggested that the EU was also examining gene-editing and was likely “to come out in a more similar place to where the English Government are on that”.<sup>45</sup>

---

37 Qq 52, 56

38 C&AG’s Report, para 4.15

39 Q 52

40 Q73; C&AG’s Report, para 2.21

41 Q8

42 Q60

43 Q67

44 Q61–63

45 Q66

16. CMA stated that “there is some benefit, particularly for business certainty, in there being consistency as between the UK and the EU.”<sup>46</sup> This applies more widely than just in the area of competition and consumer protection, although the overall impact of divergence on trade with the EU is not yet clear. FSA suggested that a UK producer of cannabidiol (CBD) products may not be able to sell them in the EU when the EU has completed its own risk assessments. FSA also acknowledged a potential risk around how the EU might treat “contamination”, for example for crops grown near to those which have been gene-edited, but did not appear to have deeply considered the issue.<sup>47</sup> As FSA spelt out in the case of titanium dioxide, Northern Ireland remains subject to EU rules and this will affect its access to products if these rules differ to those in the UK.<sup>48</sup>

17. Outside the EU single market, there is also greater scope for England, Wales and Scotland to reach different regulatory decisions in areas of devolved competence, which include food and environmental protect. The regulators are working with the devolved administrations under a set of ‘common frameworks’ to reach an agreed way forward where possible.<sup>49</sup> For FSA, this approach involves shared committees of officials and coordinating timing of key steps such as putting advice to ministers at the same time. As a particular example, FSA has worked with Scotland and Wales to ensure all ministers agreed to lift controls on Fukushima products.<sup>50</sup> However, in areas like gene editing for example, it is not yet clear whether a common approach will be agreed.<sup>51</sup>

18. There is a risk that over time regulatory divergence (both between the UK and the EU and between the four nations of the UK) may lead to increased administrative burden and regulatory costs for businesses. All three regulators use fee models, in whole or in part, to fund their work. Both FSA and HSE are in the process of reviewing their fees, and recognising that budgetary pressures, as well as the level of work required, may have an impact on what might need to be charged.<sup>52</sup> We are concerned that these costs may have a disproportionate impact on smaller businesses. FSA noted that fees tended to be more bearable for bigger abattoirs and that they offered “more of a discount” for smaller businesses.<sup>53</sup> HSE fees for chemicals regulation are charged on an application basis, which will be proportionately larger for smaller companies. It also noted that applications for CBD products were of a lower quality than it was used to receiving, because these companies were “not used to working with a regulator”. These applications were taking longer to validate, presumably increasing burdens and costs for both HSE and the company.<sup>54</sup> However, it is worth noting that both FSA and HSE have responsibilities for making sure the Northern Ireland protocol works in practice, and while they felt that changes to the protocol might increase their workload, neither considered that it would have a substantive impact on levels of safety or on the costs of regulation.<sup>55</sup>

---

46 Q60

47 Q66

48 Q60

49 Qq 60, 67

50 Q60

51 Q60

52 Qq 45–51 are on fees.

53 Q50

54 Q21

55 Q64

## International engagement

19. While the UK was an EU member state, the regulators exerted international influence primarily through the EU, even where they took part in international fora as individual organisations.<sup>56</sup> The regulators now represent the UK's interests outside of the EU. The regulators recognise the importance of strengthening their international links to share knowledge, establish best practice and improve standards, and develop cooperation arrangements.<sup>57</sup> The regulators told us that for this reason they are beginning to develop strategies for increasing their international presence outside of the EU.<sup>58</sup> FSA has recently established a new International and UK Affairs Directorate to lead on its international strategy.<sup>59</sup> CMA told us that now it is taking on larger and more complex global competition cases that had previously been reserved to the European Commission, there is “more international attention” paid to its decisions. Similarly, HSE emphasised the importance of sharing knowledge and scientific evidence with counterparts in other developed economies to ensure the UK “remain[s] a globally leading and safe place to do business”.

20. The regulators are taking steps towards increasing their participation in international fora, as well as developing bilateral agreements and relationships with counterparts.<sup>60</sup> CMA signed a mutual assistance and cooperation framework with its counterparts in the United States, Canada, New Zealand and Australia, and also told us it had agreed a common approach to mergers with its German and Australian counterparts.<sup>61</sup> FSA and HSE have focused on developing their participation and influence within international bodies, including at the OECD and the United Nations (UN). HSE told us it is participating in the UN globally harmonised system of chemicals classification and labelling and chairs some of its subgroups. FSA's former global affairs director is now the chair of Codex, the international food standards-setting body. FSA also told us it is developing its involvement in the International Food Safety Authority Network (INFOSAN) for exchanging information on food safety incidents, although it recognises that there is “still a way to go” to improve its effectiveness.

---

56 C&AG's Report, para 2.22, 3.22, 4.21

57 Q65

58 C&AG's Report, para 19

59 C&AG's Report, para 2.22

60 Q65; C&AG's Report, para 19

61 Q65



# Formal minutes

---

## Thursday 22 September 2022

Members present:

Dame Meg Hillier

Olivia Blake

Dan Carden

Sir Geoffrey-Clifton Brown

Mr Louie French

Peter Grant

Kate Green

Sarah Olney

### ***Regulating after EU Exit***

Draft Report (*Regulating after EU Exit*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

*Resolved*, That the Report be the nineteenth of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

### **Adjournment**

Adjourned till Thursday 13 October at 9:30am

## Witnesses

---

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Monday 13 June 2022

**Michael Grenfell**, Executive Board Member, Competition and Markets Authority; **Emily Miles**, Chief Executive, Food Standards Agency; **Sarah Albon**, Chief Executive, Health and Safety Executive

[Q1-74](#)

## Published written evidence

---

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

REE numbers are generated by the evidence processing system and so may not be complete.

- 1 Green Alliance ([REE0002](#))
- 2 National Measurement Laboratory (NML) at LGC ([REE0001](#))

# List of Reports from the Committee during the current Parliament

---

All publications from the Committee are available on the [publications page](#) of the Committee's website.

## Session 2022–23

Number	Title	Reference
1st	Department for Business, Energy & Industrial Strategy Annual Report and Accounts 2020–21	HC 59
2nd	Lessons from implementing IR35 reforms	HC 60
3rd	The future of the Advanced Gas-cooled Reactors	HC 118
4th	Use of evaluation and modelling in government	HC 254
5th	Local economic growth	HC 252
6th	Department of Health and Social Care 2020–21 Annual Report and Accounts	HC 253
7th	Armoured Vehicles: the Ajax programme	HC 259
8th	Financial sustainability of the higher education sector in England	HC 257
9th	Child Maintenance	HC 255
10th	Restoration and Renewal of Parliament	HC 49
11th	The rollout of the COVID-19 vaccine programme in England	HC 258
12th	Management of PPE contracts	HC 260
13th	Secure training centres and secure schools	HC 30
14th	Investigation into the British Steel Pension Scheme	HC 251
15th	The Police Uplift Programme	HC 261
16th	Managing cross-border travel during the COVID-19 pandemic	HC 29
17th	Government's contracts with Randox Laboratories Ltd	HC 28
1st Special Report	Sixth Annual Report of the Chair of the Committee of Public Accounts	HC 50

## Session 2021–22

Number	Title	Reference
1st	Low emission cars	HC 186
2nd	BBC strategic financial management	HC 187
3rd	COVID-19: Support for children's education	HC 240
4th	COVID-19: Local government finance	HC 239
5th	COVID-19: Government Support for Charities	HC 250
6th	Public Sector Pensions	HC 289

<b>Number</b>	<b>Title</b>	<b>Reference</b>
7th	Adult Social Care Markets	HC 252
8th	COVID 19: Culture Recovery Fund	HC 340
9th	Fraud and Error	HC 253
10th	Overview of the English rail system	HC 170
11th	Local auditor reporting on local government in England	HC 171
12th	COVID 19: Cost Tracker Update	HC 173
13th	Initial lessons from the government's response to the COVID-19 pandemic	HC 175
14th	Windrush Compensation Scheme	HC 174
15th	DWP Employment support	HC 177
16th	Principles of effective regulation	HC 176
17th	High Speed 2: Progress at Summer 2021	HC 329
18th	Government's delivery through arm's-length bodies	HC 181
19th	Protecting consumers from unsafe products	HC 180
20th	Optimising the defence estate	HC 179
21st	School Funding	HC 183
22nd	Improving the performance of major defence equipment contracts	HC 185
23rd	Test and Trace update	HC 182
24th	Crossrail: A progress update	HC 184
25th	The Department for Work and Pensions' Accounts 2020–21 – Fraud and error in the benefits system	HC 633
26th	Lessons from Greensill Capital: accreditation to business support schemes	HC 169
27th	Green Homes Grant Voucher Scheme	HC 635
28th	Efficiency in government	HC 636
29th	The National Law Enforcement Data Programme	HC 638
30th	Challenges in implementing digital change	HC 637
31st	Environmental Land Management Scheme	HC 639
32nd	Delivering gigabitcapable broadband	HC 743
33rd	Underpayments of the State Pension	HC 654
34th	Local Government Finance System: Overview and Challenges	HC 646
35th	The pharmacy early payment and salary advance schemes in the NHS	HC 745
36th	EU Exit: UK Border post transition	HC 746
37th	HMRC Performance in 2020–21	HC 641
38th	COVID-19 cost tracker update	HC 640
39th	DWP Employment Support: Kickstart Scheme	HC 655

Number	Title	Reference
40th	Excess votes 2020–21: Serious Fraud Office	HC 1099
41st	Achieving Net Zero: Follow up	HC 642
42nd	Financial sustainability of schools in England	HC 650
43rd	Reducing the backlog in criminal courts	HC 643
44th	NHS backlogs and waiting times in England	HC 747
45th	Progress with trade negotiations	HC 993
46th	Government preparedness for the COVID-19 pandemic: lessons for government on risk	HC 952
47th	Academies Sector Annual Report and Accounts 2019/20	HC 994
48th	HMRC's management of tax debt	HC 953
49th	Regulation of private renting	HC 996
50th	Bounce Back Loans Scheme: Follow-up	HC 951
51st	Improving outcomes for women in the criminal justice system	HC 997
52nd	Ministry of Defence Equipment Plan 2021–31	HC 1164
1st Special Report	Fifth Annual Report of the Chair of the Committee of Public Accounts	HC 222

### Session 2019–21

Number	Title	Reference
1st	Support for children with special educational needs and disabilities	HC 85
2nd	Defence Nuclear Infrastructure	HC 86
3rd	High Speed 2: Spring 2020 Update	HC 84
4th	EU Exit: Get ready for Brexit Campaign	HC 131
5th	University technical colleges	HC 87
6th	Excess votes 2018–19	HC 243
7th	Gambling regulation: problem gambling and protecting vulnerable people	HC 134
8th	NHS capital expenditure and financial management	HC 344
9th	Water supply and demand management	HC 378
10th	Defence capability and the Equipment Plan	HC 247
11th	Local authority investment in commercial property	HC 312
12th	Management of tax reliefs	HC 379
13th	Whole of Government Response to COVID-19	HC 404
14th	Readying the NHS and social care for the COVID-19 peak	HC 405
15th	Improving the prison estate	HC 244

<b>Number</b>	<b>Title</b>	<b>Reference</b>
16th	Progress in remediating dangerous cladding	HC 406
17th	Immigration enforcement	HC 407
18th	NHS nursing workforce	HC 408
19th	Restoration and renewal of the Palace of Westminster	HC 549
20th	Tackling the tax gap	HC 650
21st	Government support for UK exporters	HC 679
22nd	Digital transformation in the NHS	HC 680
23rd	Delivering carrier strike	HC 684
24th	Selecting towns for the Towns Fund	HC 651
25th	Asylum accommodation and support transformation programme	HC 683
26th	Department of Work and Pensions Accounts 2019–20	HC 681
27th	Covid-19: Supply of ventilators	HC 685
28th	The Nuclear Decommissioning Authority's management of the Magnox contract	HC 653
29th	Whitehall preparations for EU Exit	HC 682
30th	The production and distribution of cash	HC 654
31st	Starter Homes	HC 88
32nd	Specialist Skills in the civil service	HC 686
33rd	Covid-19: Bounce Back Loan Scheme	HC 687
34th	Covid-19: Support for jobs	HC 920
35th	Improving Broadband	HC 688
36th	HMRC performance 2019–20	HC 690
37th	Whole of Government Accounts 2018–19	HC 655
38th	Managing colleges' financial sustainability	HC 692
39th	Lessons from major projects and programmes	HC 694
40th	Achieving government's long-term environmental goals	HC 927
41st	COVID 19: the free school meals voucher scheme	HC 689
42nd	COVID-19: Government procurement and supply of Personal Protective Equipment	HC 928
43rd	COVID-19: Planning for a vaccine Part 1	HC 930
44th	Excess Votes 2019–20	HC 1205
45th	Managing flood risk	HC 931
46th	Achieving Net Zero	HC 935
47th	COVID-19: Test, track and trace (part 1)	HC 932
48th	Digital Services at the Border	HC 936
49th	COVID-19: housing people sleeping rough	HC 934

<b>Number</b>	<b>Title</b>	<b>Reference</b>
50th	Defence Equipment Plan 2020–2030	HC 693
51st	Managing the expiry of PFI contracts	HC 1114
52nd	Key challenges facing the Ministry of Justice	HC 1190
53rd	Covid 19: supporting the vulnerable during lockdown	HC 938
54th	Improving single living accommodation for service personnel	HC 940
55th	Environmental tax measures	HC 937
56th	Industrial Strategy Challenge Fund	HC 941