

Building for the future: how better regulation can make the UK a magnet for investment

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The UK Regulators Network (UKRN), a group formed by the key sector regulators, and the Global Infrastructure Investor Association (GIIA), a membership body for the world's leading investors in infrastructure have discussed ways in which independent economic regulation can support investment and create economic growth.

Economic growth is the UK government's number one mission. To achieve sustained economic growth, significant international and domestic challenges need to be overcome, including:

- successfully navigate the unprecedented international economic environment
- replace and modernise much of its core infrastructure to create a more sustainable and resilient economy
- invest in ways to create improvements in the UK's productivity

With constrained public spending, the UK needs to attract private capital to fund the investment that will meet these challenges. Independent regulation, particularly in key infrastructure sectors, plays an important role in shaping the UK's overall attractiveness to overseas investors.

Several of the UK's economic regulators are currently subject to government-led reviews aimed at ensuring that the UK regulatory system supports innovation and economic growth, while ensuring accountability for the quality of regulations introduced. While this has created uncertainty, it also presents a valuable opportunity to reflect on what's working and what can be done to improve the UK's regulatory system.

The following key takeaways emerged from the discussion:

1. There were a range of views around the overall attractiveness of the UK for infrastructure investment compared to other countries, but broad agreement that the UK has some important long-term strengths on which to build going forward

Various factors are identified as impacting upon current investor sentiment towards the UK, including: a long period of relative political instability, the experiences of investors in the water sector, and the perceived increase in politicisation of the regulated utility sectors.

Set against this, there is strong support for the inherent strengths of the UK, including its legal and regulatory system, and the use of mechanisms such as the Regulated Capital Value model. Many 'competing' jurisdictions have modernised their own legislative and regulatory frameworks, catching up with the UK's standing on these traditional strengths.

Overall, it is important to distinguish between the UK's historical attractiveness and the impact of more recent trends. While the UK was once seen as a clear leader in its regulatory approach, growing global competition means it can no longer rely on legacy perceptions. Perceptions can shift quickly, and there was broad agreement that the UK Government's recent focus on growth and infrastructure investment is a step in the right direction, and that consistency in approach and a continued willingness to engage will be key.

2. There are opportunities to improve the UK regulatory system, building on strong fundamentals

Independent regulation was seen as an important source of stability over time for

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investors, and a way to secure fair access to important markets and infrastructure. Nevertheless, there are opportunities to improve how the UK's independent regulators work, including:

- simplifying regulators' duties
- ensuring greater consistency in how appeals work across sectors
- sharpening up administrative processes to deliver more efficient decision-making

Furthermore, there was discussion of how the Government can use 'strategic steers' to help regulators balance and trade-off their duties. There was a sense that focused, specific guidance was much more effective than a long list of areas that governments support.

The opportunities jointly identified by the UKRN and GIIA are consistent with the recommendations set out by Fingleton in its report for GIIA [How regulatory change can help drive the UK's growth agenda?](#), published in January 2025.

3. The focus provided by the government's growth agenda makes it a good time for investors and regulators to work together to deliver on significant shared interests

While there may be different views on individual regulatory decisions, there was strong support for more alignment in the long-term objectives of government, regulators and investors.

The complexity of processes can make it hard for investors to know when to engage with regulators on new ideas, and when the debate has shifted to decision making and implementation. To address this issue, there was strong support for identifying additional

opportunities for investors and regulators to share views and solve common problems.

Profiles



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Chris is a highly experienced regulatory leader. He draws on this expertise to help businesses navigate critical regulatory challenges and optimise their engagement with regulators. Chris' expertise in regulatory decision-making is founded on over 20 years' experience working for UK regulators and the government. Chris was also the CEO of the UK Regulators Network, which facilitates cooperation and joint working across its membership of 18 UK regulators.



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Guillermo helps investors to get ahead of regulatory and policy change. He has first-hand experience in developing and implementing innovative strategies to navigate complex regulatory environments, securing sustainable positive outcomes for businesses and consumers. Guillermo works closely with the GIIA and the wider investor community.