Detailed Summary: Regulation Action Plan - Progress Update and Next Steps

Tackling Complexity and the Burden of Regulation

Modernising Corporate Reporting

The Government will:

- Exempt medium-sized private companies from producing a strategic report in their Annual Report.
- Exempt wholly owned subsidiaries from producing a strategic report where they are covered by the reporting of a UK parent.
- Remove the requirement to produce a directors' report, with some provisions to be removed entirely, and others relocated elsewhere in the Annual Report.

Tax Administration

- HMRC will become a digital-first organisation with a minimum of 90% of all customer interactions undertaken digitally by 2029-30.
- HMRC will build upon the findings from its Customer Experience Surveys to increase the number of businesses who respond positively.
- HMRC will announce further steps to improve the experience of UK business, following on from its Transformation Roadmap.

Planning and Environmental Permitting

- Before the end of the year the Ministry of Housing, Communities & Local Government will consult on a set of National Policies for Decision Making to support a more "rules-based" approach to planning, intended to provide quicker and more certain outcomes.
- By the end of the year, DEFRA will publish Strategic Policy Statements for the Environment Agency and Natural England.
- DEFRA have launched their first Lead Environmental Regulator pilot on the Lower Thames Crossing project, as committed to in the Regulation Action Plan.
- DEFRA is reviewing its 'top ten pieces' of guidance.
- The Government will introduce new measures to modernise the digital certification process for energy infrastructure planning applications.

Business Focused Reform

The Government has launched a Call for Evidence to support efforts to reduce the administrative burden imposed by the UK's licensing regime on highstreets.

Simplifying and Streamlining the Regulatory Landscape

- HMT will consolidate the anti-money laundering and counter-terrorist financing supervisory functions of 22 professional services supervisory bodies.
- The Government will abolish the British Hallmarking Council and consolidate its functions alongside wider product regulation functions.

Reducing Uncertainty Across our Regulatory System

Clarifying Duties

- The Government will reform the Growth Duty so that the legal framework is clearer, more focused and ensures regulators must consider and promote growth.
- By the end of 2025, the Government will set out an updated approach to economic regulation.

Stronger Performance and Accountability

- The Government will launch a Regulator Dashboard, displaying performance against KPIs and authorisation processing times across the 16 key regulators identified in the initial Action Plan.
- The Government will convene a Regulators Council, chaired by the Business Secretary, which will be attended by the CEOs of these key regulators.
- The Government will deliver independent expert performance reviews for the key regulators, starting with the Office of Rail and Road.
- The Government will undertake a targeted deep dive to review the burden of central government regulation implemented at the local level.

Providing Certainty for Investors, Businesses and Consumers

- In the coming weeks, the Department for Business and Trade will consult on proposals to:
    - Provide greater certainty for businesses on whether transactions will be subject to merger controls.
    - Ensure remedies are regularly reviewed.
    - Change how the CMA makes decisions in mergers and markets investigations.
- The Government will bring forward a consultation on specific reform proposals to strengthen predictability, incentivise alternatives to litigation and ensure effective consumer protection.
- By February 2026, the Department for Transport will complete the rollout of an online portal to simplify GB type approval applications for vehicle manufacturers.
- By early November, the Financial Reporting Council will clarify the UK Corporate Governance Code guidance to make clear that the payment of non-executive directors in shares is appropriate.
- The Government has asked the Investment Association to discontinue their Public Register as this is duplicative of the UK Corporate Governance Code.
- The Government will develop proposals for greater digitisation and streamlining of processes within the aviation, space, and maritime sectors.
- The Civil Aviation Authority (CAA) is implementing several improvements to enhance operational improvements for users, including digitising operational approvals through the UK Specific Operations Risk Assessment.
- The Government will “drastically” improve the digital experience in complying with regulations through archiving outdated pages, producing clearer guidance for businesses, digitising PDF form applications, enabling cross-government data sharing, and making legislation more machine-readable.
- The Government will drive improvements in the performance and efficiency of the export licensing system.

Outcome-Focused Regulation

- The Government will consult on introducing statutory independent regulation of the enforcement (bailiff) sector.
- The Department for Culture, Media and Sport and the Department for Business and Trade will shortly publish the response to the consultation on new consumer protections for ticket resales.

Challenging and Shifting Excessive Risk Aversion in the System

Proportionate on Risk

- The Department for Health and Social Care and MHRA are conducting a statutory review of the UK’s medicines and medical device regulatory framework, which will be published in the first half of 2026.
- The Department for Transport and CAA are carrying out consultations on airspace modernisation.
- Beginning in Autumn 2025, the Ministry of Defence will run a series of targeted sprints to review the regulatory environment governing key capability areas, starting with Autonomous Systems.
- The Department for Business and Trade will run a series of policy sprints across specific sectors to identify regulatory barriers which affect companies with innovative business models and high

potential scale ups.
- The Government will work with regulators to consider further measures to boost regulators' service capability for frontier businesses.
- The Department for Energy Security and Net Zero will work in partnership with Ofgem to explore how the energy retail market can work better for consumers.

Harnessing Innovation

On AI in healthcare, the Regulatory Innovation Office (RIO) is:

- Providing £1m to the MHRA to pilot AI-assisted tools to support experts in scientific advice, clinical trial assessments, and licensing.
- Partnering with the Department for Health and Social Care, the Office for Life Sciences, MHRA and the Academy of Medical Science to explore how the UK's regulatory environment can support safe and effective use of AI in drug development. This includes the announcement of new funding through the AI Capability Fund to the MHRA to develop an AI tool for validation of drug-drug interactions in cardiovascular patients and to pilot the use of synthetic data in clinical trials**.**

On space, following work between the CAA, Department for Transport, Department for Science, Innovation and Technology, UK Space Agency and RIO, the publication announces:

- Over the next six months, the CAA will work with HMG to explore with industry the potential of licensing operators instead of individual missions. The CAA aim to deliver a more flexible regulatory framework by early 2027.
- From early 2026, the CAA will publish key performance metrics, as well as reviewing and improving orbital licence terms, conditions, and reporting requirements, and publishing clear licence templates for orbital activities.
- By January 2026, the CAA will deliver a Discovery Project, exploring options for updating IT systems for licensing and monitoring applications from space operators.
- The RIO, Department for Transport, Department for Science, Innovation and Technology, UK Space Agency, and HMT are exploring financial reforms.
- The RIO will work with all relevant Government Departments, the devolved governments and regulators to improve coordination on environmental information requirements for marine licensing across UK spaceports and launch activities.

Commercial Drone Operations

- The Department for Business and Trade is working with the RIO and the CAA to ensure that KPIs for drone regulation promote transparency and support business operations.
- As part of the AI Capability Fund, the RIO is funding the CAA to explore the use of AI tools to process UK Specific Operation Risk Assessments applications quicker and more effectively.
- The Department for Transport is working with the CAA to go further to remove friction within the regulatory environment, including by:
    - Enabling transitional recognition of EU standards in the Open category until 1 January 2028 and exploring further measures for mutual recognition of flightworthiness in the Specific category with the EU.
    - The CAA is streamlining the approval process for low-risk specific category operations.
    - The Department for Transport has commissioned the BSI to develop guidance or operators to facilitate compliance with higher-risk operations.
    - The CAA has developed a process to check secondary regulatory approval; under the dangerous goods policy.
    - The Department for Transport has commissioned a report to map regulatory governance around Future of Flight use cases.
    - Supporting local authorities by developing clear guidance and practical tools to help them to integrate drones and future flight technologies into their local communities.
    - This Autumn, they will consult on changes to the Air Navigation Directions and Guidance.

Harnessing the Benefits of Transformative Technological Change

- Consult on establishing an AI Growth Lab, which is a cross-economy sandbox to allow the supervised deployment of innovative AI products.
- The findings of this sandbox will provide “real-world evidence” for regulatory changes.