



# Legislative and Regulatory Reform Act 2006

## 2006 CHAPTER 51

### PART 2

#### REGULATORS

##### *Exercise of regulatory functions*

#### **21 Principles**

- (1) Any person exercising a regulatory function to which this section applies must have regard to the principles in subsection (2) in the exercise of the function.
- (2) Those principles are that—
  - (a) regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent;
  - (b) regulatory activities should be targeted only at cases in which action is needed.
- (3) The duty in subsection (1) is subject to any other requirement affecting the exercise of the regulatory function.

#### **22 Code of practice**

- (1) A Minister of the Crown may issue and from time to time revise a code of practice in relation to the exercise of regulatory functions.
- (2) Any person exercising a regulatory function to which this section applies must, except in a case where subsection (3) applies, have regard to the code in determining any general policy or principles by reference to which the person exercises the function.
- (3) Any person exercising a regulatory function to which this section applies which is a function of setting standards or giving guidance generally in relation to the exercise of other regulatory functions must have regard to the code in the exercise of the function.

*Status: Point in time view as at 08/01/2007.*

*Changes to legislation: Legislative and Regulatory Reform Act 2006, Cross Heading: Exercise of regulatory functions is up to date with all changes known to be in force on or before 08 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (4) The duties in subsections (2) and (3) are subject to any other requirement affecting the exercise of the regulatory function.

### 23 Code of practice: procedure

- (1) Where a Minister of the Crown proposes to issue or revise a code of practice under section 22, he shall prepare a draft of the code (or revised code).
- (2) The Minister shall, in preparing the draft, seek to secure that it is consistent with the principles specified in section 21(2).
- (3) The Minister shall consult the following about the draft—
- (a) persons appearing to him to be representative of persons exercising regulatory functions;
  - (b) such other persons as he considers appropriate.
- (4) If the Minister determines to proceed with the draft (either in its original form or with modifications) he shall lay the draft before Parliament.
- (5) Where the draft laid before Parliament under subsection (4) is approved by resolution of each House of Parliament, the Minister may issue the code (or revised code).
- (6) A code (or revised code) issued under subsection (5) shall come into force on such date as the Minister may by order made by statutory instrument appoint.

#### Subordinate Legislation Made

P1 [S. 23\(6\)](#) power fully exercised: 6.4.2008 appointed by {[S.I. 2007/3548](#)}, art. 2

### 24 Functions to which sections 21 and 22 apply

- (1) Sections 21 and 22 apply to regulatory functions specified under this section.
- (2) A Minister of the Crown may by order in accordance with this section specify regulatory functions as functions to which sections 21 and 22 apply.
- (3) A Minister may not under subsection (2) specify—
- (a) a regulatory function so far as exercisable in Scotland, if or to the extent that the function relates to matters which are not reserved matters;
  - (b) a regulatory function so far as exercisable in Northern Ireland, if or to the extent that the function relates to matters which are transferred matters; or
  - (c) a regulatory function exercisable only in or as regards Wales.
- (4) The Assembly may by order in accordance with this section specify regulatory functions exercisable only in or as regards Wales as functions to which sections 21 and 22 apply.
- (5) An order under this section may not specify regulatory functions conferred on or exercisable by any of the following—
- (a) the Gas and Electricity Markets Authority;
  - (b) the Office of Communications;
  - (c) the Office of Rail Regulation;

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- (d) the Postal Services Commission;
  - (e) the Water Services Regulation Authority.
- (6) Before making an order under this section, the authority making the order must consult the following—
- (a) any person (other than the authority) whose functions are to be specified in the order;
  - (b) such other persons as the authority considers appropriate.
- (7) An order under this section may make such consequential, supplementary, incidental, or transitional provision (including provision amending any enactment) as the authority making it considers appropriate; and may make different provision for different purposes.
- (8) An order under this section must be made by statutory instrument.
- (9) A Minister of the Crown may not make a statutory instrument containing an order under this section unless a draft has been laid before, and approved by resolution of, each House of Parliament.
- (10) In this section—
- “reserved matter” and “Scotland” have the same meanings as in the Scotland Act 1998 (c. 46);
  - “transferred matter” and “Northern Ireland” have the same meanings as in the Northern Ireland Act 1998 (c. 47);
  - “Wales” has the same meaning as in the Government of Wales Act 1998 (c. 38).

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