



The Retained EU Law (Revocation and Reform) Bill

PUBLIC BILL COMMITTEE

Submission from the City of London Corporation

Introduction

1. The Corporation is the governing body of the Square Mile. A principal aim of the Corporation is to support and promote London as the world's leading international financial and business centre, and to attract new business to the capital, and indeed the whole of the UK. The City of London is home to approximately 15,000 businesses across multiple sectors.
2. The Corporation also undertakes numerous other functions in varying guises. These include acting as local authority, police authority (for the City of London Police) and as the Port Health Authority for London and the tidal Thames. The Animal Reception Centre at Heathrow Airport, the Barbican Arts Centre, a number of state schools and an Academies Trust, the Guildhall School of Music and Drama, and numerous public spaces in London and the South East, including Epping Forest and Hampstead Heath, are amongst the Corporation's named portfolio.
3. This Bill has potentially wide implications across most, if not all, of the Corporation's named portfolio and the Corporation has considered its provisions in that context. The Corporation therefore has an interest in the Bill as owner, trustee and as a provider.

The need for the legislation

4. The Corporation recognises that the provisions of the Bill reflect the Government's proposal to abolish, for UK domestic law purposes, the principle of supremacy and other general principles of EU law after 2023. The Corporation also understands the need for appropriate powers to amend retained EU Law ("REUL"). Following the repeal of section 2(2) of the European Communities Act 1972, in some areas at least, the Corporation understands that there are limited or no powers to amend and update REUL, which might form a barrier to maintaining a regulatory landscape that is agile and adaptable. The Corporation supports the need for all legislation to be regularly reviewed, to consider what, if any, changes are needed.
5. The Bill sets out an end date for the legislative and regulatory review project in relation to REUL by virtue of a sunset clause of 31st December 2023. By this date, the Corporation understands this to mean that the review itself, the policy formulation phase that follows and the drafting of any necessary legislation will need to have taken place, as well as the Parliamentary processes attaching to the legislation brought forward as a result of the review. The Corporation wishes to highlight the need to consider the risks attached to this timetable. Allowing insufficient time risks that domesticating legislation will not be ready, and that important pieces of law will be lost as a result of the operation of the sunset clause with the consequences outlined in the remainder of this submission.

Regulatory impact

6. The Government has said that the Bill is designed to relieve burdens on business: the Bill itself provides that measures taken to revoke or adapt REUL must not increase the regulatory burden.
7. The Corporation notes that in relation to financial services, whilst the Bill exempts legislation in Schedule 1 to the Financial Services and Markets Bill from the sunset provision, there is REUL outside of that list which nevertheless impacts the financial services sector that will be subject to the sunset clause.
8. The Corporation would ask that serious consideration is given to the scale of the legislative change that is likely to be necessary by 1 January 2024, and whether that obligation of relieving and not increasing burden is able to be met in that timescale. Properly managing the regulatory impact on business also means allowing time for sufficient notice to be given of regulatory change once the policy is settled: such

notice will need to be proportionate to the scale of the change. The importance of such notice, and time for sufficient preparation and planning in the most cost-effective manner, is likely to be an even more significant issue, given any change is likely to come at a time of rising costs, with the prospect of economic strain.

Clarity and predictability

9. Clarity and predictability are important to the UK's attractiveness to global institutions. A reliable regulatory framework, enshrined clearly in legislation, provides a foundation for that clarity and predictability: it is in effect a critical part of infrastructure that businesses rely on to inform investment decisions. It is also important to the efficient and effective running of public authorities.
10. The timetable set by the current sunset clause date carries the serious risk that businesses, as well as public authorities, are faced with an uncertain landscape. The Corporation is of the view that such uncertainty is likely to act as a potential barrier to investment and growth, as well as posing a risk to the efficient use of the resources of public authorities. The certainty and predictability of the law, and its interpretation, are important elements in investment decision making for both national and international players as well as in the promotion of London as an international business centre more generally.

Resource requirements

11. The scale of civil service resource required over the next year, based on the current Bill provisions and timetable, is not for the Corporation to calculate. But the Corporation would ask that serious consideration is given to the extent of resource, including policy and legal resource, that is likely to be needed for the scale of the task, particularly given the timetable for it as currently set out in the Bill. In doing so, the need for consideration to be given to the likely impact of that resource need on other Government priorities, including those that support economic growth, is clearly important.

Conclusion

12. The Corporation considers that serious thought should be given to the sunset clause of 31st December 2023 and whether it is an achievable goal. A longer implementation

period (effected by specifying a later date in the sunset clause) would at least allow a more considered and targeted approach to the consideration of REUL, and any associated domestic legislation: and allow for prioritisation of those areas most in need of reform. It would also serve to minimise the risks set out above, allowing for the more effective use of resource in Government, the private sector and the wider public sector, and provide the most effective outcomes.

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