Department for International Trade

Department for Business, Energy & Industrial Strategy

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Lord Purvis
House of Lords
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Dear Jeremy,

Thank you for your engagement with the Professional Qualifications Bill to date.

I am writing to set out the Government's position in relation to regulator fees and to clarify the intention of the PQ Bill in this area, in addition to the clarifications I made during Committee on 9 June.

A number of noble Lords raised the issue of the Government's approach in the PQ Bill to regulators setting and approving fees, which are charged to applicants seeking registration in their profession.

Lord Purvis of Tweed raised questions regarding the variety of processes regulators must navigate to get approval for the level of fees charged to applicants, including the involvement of the Privy Council and, in some cases, the Scottish Parliament.

Lady Bloomfield of Hinton Waldrist, Lord Purvis of Tweed and the Rt Hon. Lord Lansley also mentioned that in a recent consultation on *Regulating healthcare professionals, protecting the public*, the Department of Health and Social Care (DHSC) stated that four healthcare regulators can set registrant fees without any Parliamentary oversight. The consultation then proposes that in the healthcare sector, "all regulators should be able to set their fees in rules without Parliamentary oversight". This consultation brought forward by the DHSC is specific to the healthcare sector and tailored to its needs.

As you are aware, the PQ Bill is a framework Bill. It revokes the current prescriptive EU-derived system for the recognition of professional qualifications and, in doing so, gives UK regulators more autonomy to set recognition arrangements for their professions. As part of

this, the Bill gives the Government and the Devolved Administrations powers to establish unilateral recognition routes for regulators, if necessary.

Where regulations establish a unilateral recognition route, Clause 1(5)(e) allows the regulations to provide for fees to be paid by a person who applies under that route. Similarly, where regulations are used to implement an international recognition agreement, under Clause 3(2)(c) the regulations could include provisions about fees in connection with applications made under that agreement. Without these provisions, there could be doubt about the Government's ability to authorise regulators to charge fees in these circumstances.

So the Bill is an enabling Bill, including powers that can be used if necessary. The powers under the Bill could, in theory, be used to support regulators in disparate sectors, with varying needs and requirements and varying existing practices about fees. It is not practicable nor desirable to set a one-size-fits-all approach to fees in the Bill. Indeed, this would encroach on regulator autonomy.

Where the Government uses the Bill's powers, we would of course engage with the relevant regulator and all interested parties in deciding what to say about fees in the regulations. We believe that regulators should be able to charge appropriate fees to recover the costs of any applications they process.

I hope my responses above are helpful ahead of debating the Bill further at Committee Stage.

Yours sincerely,

Lord Grimstone of Boscobel, Kt
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