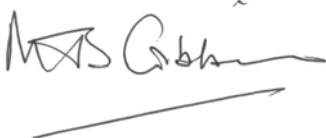




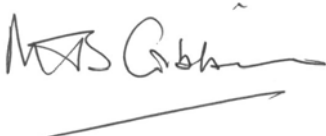

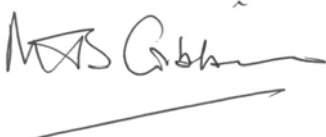

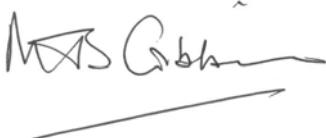

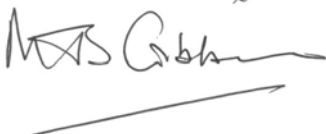
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment of The Civil Contingencies Act 2004 (Contingency Planning) (Amendment) Regulations 2012	
Lead Department/Agency	Cabinet Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	16/12/2011	
RPC Opinion date and reference	04/01/2012	RPC11-CO-0949(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The rationale for the proposed measure is presented clearly. However, although there are uncertainties regarding the cost and benefits of the proposal, the IA should provide a more considered analysis of the potential costs.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs.</i> The IA indicates that there would be no change in costs to stakeholders as a result of the proposed changes. Whilst we note that this was supported by the majority of consultation responses, a significant proportion of respondents either said that they expected an increase in costs or didn't know. We also note that the response rate to the consultation was low, and most respondents did not provide quantitative evidence. Whilst we accept that no additional cost may be a reasonable best estimate, the IA should provide a more considered analysis of the potential range of costs.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal relates to making preparation to manage an emergency, it is out of scope of 'One-in, One-out'</p>		
Signed 	Michael Gibbons, Chairman	


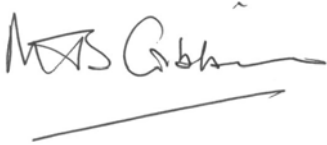
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reform Secondary Legislation 2012	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	16/12/2011	
RPC Opinion date and reference	04/01/2012	RPC11-DWP-0913(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our opinion of 08/12/2011 have been adequately addressed, except those relating to the removal of stakeholder designation requirements which will now be addressed in a separate IA. The IA should however present a summary of the evidence underpinning the costs and benefits of the requirement to issue a waiting period notice.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Analytical Approach.</i> When presenting the costs and benefits of the requirement to issue waiting period notices the IA repeatedly makes reference to DWP modelling which is explained in other documents. The IA should be a stand alone document and as such should present a summary of this work to support the figures provided.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£19m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed  	Michael Gibbons, Chairman	


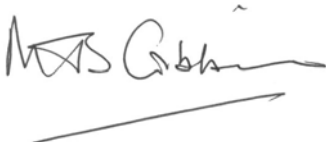
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removal of the Adventure Activity Licensing Regime	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	04/01/2012	RPC-11-HSE0969(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed both in terms of their scope and in terms of valuation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The costs and benefits are well presented as the IA considers the full range of potential impacts. Estimation of these impacts is supported with appropriate evidence and responses from the consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.142m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


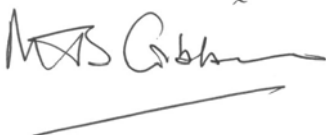
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A new English Scallop Order	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	11/01/2012	RPC11-DEFRA-1183(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion of 14/12/2011 have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>All of the issues raised in our previous Opinion of 14/12/2011 have been addressed. The IA now correctly estimates the cost from a reduced catch and provides a better explanation of the behaviour of large scallop vessels.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Net Cost to Business (EANCB) of £0.2m. This is consistent with the current One-in, One-out methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


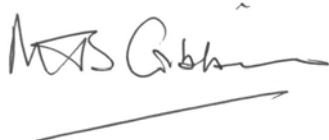
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Bidding in Auctions of Emissions Allowances	
Lead Department/Agency	HM Treasury	
Stage	Consultation	
Origin	European	
Date submitted to RPC	19/12/2011	
RPC Opinion date and reference	11/01/2012	RPC11-HMT-1200
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out that the Department intends to test the assumption that 20 regulated firms will seek authorisation to bid in auctions of emission allowances during the consultation period, which will be important in estimating the costs of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits of authorisation.</i> The IA explains that there is no mandatory requirement for the relevant UK-based persons to purchase emissions allowances. Instead the direct impact of the proposal will only be incurred by those who consider that doing so will provide a financial return, as well as the resource cost incurred by the Financial Services Authority.</p> <p><i>Fees.</i> The IA says that a fee will be charged to applicants that reflect the cost borne by the Financial Services Authority in authorising that UK-based person to bid in auctions of emission allowances. The IA says that this resource cost varies according to whether that firm is already regulated by the FSA or not (page 6), although in estimating the cost the IA assumes that only regulated firms will apply for authorisation. It is important that the Department tests this assumption during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>Although this proposal is of European origin, there is evidence that this goes beyond the minimum requirements. However, the ‘gold-plating’ is only in regards to certain bidders that are not UK-based. As this does not result in increased direct costs to UK-based business and/or civil society organisations, it is out of scope of ‘One-in, One-out’.</p>		
Signed 	Michael Gibbons, Chairman	


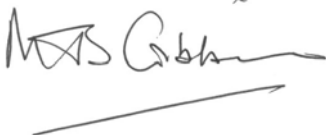
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Increasing dangerous dogs index fee	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DEFRA-0731(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However, given that the <i>“intended effect is to recover the cost of issuing the certificate of exemption and administering the Index and remove the need for Government funding to support the operation of the index”</i> (page 1), the IA should explain why the proposal does not appear to operate at full cost recovery.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of administering the Index.</i> The IA makes it clear that under the proposal the Government will still contribute £35,000 pa towards administering the Index. Given that the <i>“intended effect is to recover the cost of issuing the certificate of exemption and administering the Index and remove the need for Government funding to support the operation of the index”</i> (page 1), the IA should explain why the proposal does not appear to operate at full cost recovery.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of ‘One-in, One-out’ according to the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	


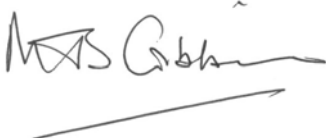
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extending Dangerous Dogs Act to Private Property	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DEFRA-1192
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should clarify whether non-wage labour costs have been incorporated into the average hourly wage assumptions (paragraph 29) to reflect the full cost of employee time.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Labour costs.</i> The IA should clarify whether non-wage labour costs have been incorporated into the average hourly wage assumption (paragraph 29) as is acknowledged as best practice in paragraph 31. If not, this should be done with the IA updated accordingly, prior to consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of 'One-in, One-out' because it will not have any direct impacts on business or civil society organisations. This appears to be a reasonable assessment.</p>		
Signed 	Michael Gibbons, Chairman	


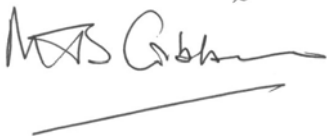
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Allow owners of non-dangerous prohibited type dogs to retain possession of their dogs during court and Index registration processes	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DEFRA-1193
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it appears from the IA that the department are yet to co-ordinate with other government departments to seek supporting evidence for a number of assumptions. This information should be sought and incorporated into the IA prior to consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Assumptions.</i> It appears from the IA that the department are yet to co-ordinate with other government departments to seek supporting evidence for a number of assumptions i.e. annual numbers of dogs destroyed (page 4), numbers of kennels used by the police (page 4). This information should be sought and incorporated into the IA prior to consultation so as to maximise its impact.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal will have no direct impact on business and civil society organisations and is therefore out of scope of One-in, One-out. This appears to be a reasonable assessment.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Public Bodies Reform Bill Marine Management Organisation charges	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	16/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DEFRA-1197
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. The IA could be clearer on what specific information is being sought from the public consultation so as to maximise its impact.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The costs and benefits of the proposal have been adequately assessed, with the costs of obtaining a marine licence being transferred from the Marine Management Organisation (MMO) to business. To facilitate a more effective consultation the IA could be clearer on what specific information is being sought from the public. In addition, the IA refers to a review that the MMO is conducting at the end of 2011 (pages 4 and 9). This wording should be updated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' according to the current methodology</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementation of 2010/79/EU on the adaptation to technical progress of Annex III to Directive 2004/42/EC of the European Parliament and of the Council on the limitation of emissions of volatile compounds	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DEFRA-1199
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. However, the assumption that firms <i>would choose to undertake around five tests per year</i>" (page 5) should be tested through consultation so that it can be strengthened for final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits to business.</i> The IA assumes that the firms affected "<i>would choose to undertake around five tests per year</i>" (page 5), although no explanation is given for the basis of this assumption. Given that this is a key parameter in estimating the benefits to business of the proposal, this assumption should be tested through consultation so that it can be strengthened for final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal relates to the recast of a European Directive, resulting in reduced costs to business, it is appropriately identified in the IA as an 'OUT'. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened through consultation so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

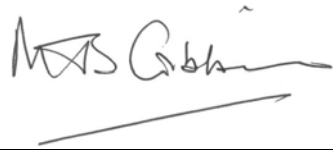
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	09/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-DfT-0860(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could explain why it is expected that there will be no associated cost to industry of changing the existing process of inspection.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of the proposal.</i> The IA says that the requirement for tanks to be inspected by a body appointed by the competent authority will continue. However <i>instead of working to a written scheme of examination, the appointed inspection bodies will perform the inspection in accordance with the Vehicle Certification Agency document ; and that UK tank inspection (is) to be conducted by an appointed inspection body in accordance with the Procedures for Inspection Bodies</i>". The IA could explain why it is expected that there will be no associated cost to industry of changing the existing process of inspection.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Call Out of members of the Reserve Forces for Urgent Work of National Importance	
Lead Department/Agency	Ministry of Defence	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/12/2011	
RPC Opinion date and reference	12/01/2012	RPC11-MOD-1188
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for the intervention is clear, and the potential costs and benefits to each affected party have been identified. To enhance understanding of the proposal the IA could provide more examples of when the extended powers may be used.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA explains clearly the potential costs and benefits of the proposal to each affected party. Although the impacts have not been monetised, this approach appears reasonable given that it appears impossible to predict when and where a new power would be used. However, in order to enhance understanding of the proposal, the IA could provide more examples of when the extended powers may be used.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). However, given the exceptional nature of the circumstances in which these costs may arise, the proposal has been classified as an 'IN' where the Equivalent Annual Net Cost to Business (EANCB) cannot be realistically scored. This appears to be a reasonable assessment.</p> <p>The business assessment on page 2 ought to be updated to reflect this position.</p>		
Signed 	Michael Gibbons, Chairman	


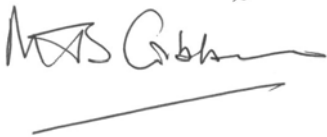
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reforming the Air Travel Organisers' Licensing (ATOL) Scheme	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	09/12/2011	
RPC Opinion date and reference	13/01/2012	RPC11-DfT-0908(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could be clearer why it is assumed that the likelihood of failing for an additional supplier included in the Flight-Plus category is the same as for those currently covered by the ATOL scheme.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Flight-Plus category.</i> The IA says that the Flight-Plus proposal should help <i>secure the scheme's finances by increasing the number of holidays covered by it and thus APC income</i> (paragraph 43) but acknowledges that there is a cost from the possible failures of additional travel companies. Given the importance of this assessment, the IA could be clearer why it is assumed that the likelihood of failing for an additional supplier included in the Flight-Plus category is the same as for those currently covered by the ATOL scheme (paragraph 99). This would help provide useful context to the costs that are assessed.</p> <p><i>Impact on consumers.</i> The IA says that the proposed reforms are likely to <i>increase costs to business which would be expected to at least in part be passed on to consumers through higher holiday prices</i> . This increase in costs is expected to be small, but the IA could provide more analysis on the likely impact of these price increases on consumers and businesses.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £6.5m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


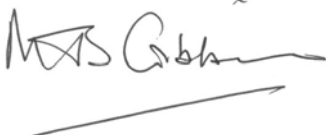
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transforming Bailiff Action	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/12/2011	
RPC Opinion date and reference	13/01/2012	RPC11-MoJ-1191
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, in order to maximise the impact during consultation the IA should highlight the risks and sensitivities associated with the conclusion that the proposal will have a zero net cost to business. Also, the IA should provide further evidence to support the assumption that the proposal will not <i>have an impact on the actual collection of debt, but only on the method used</i>" (page 20).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits to business.</i> The IA concludes that each of the individual impacts on business of the various parts of the proposal will act to cancel each other out, and as a result the proposal will have a zero net cost to business. However, the IA should highlight the risks and sensitivities associated with this analysis more clearly in order to use the consultation and address the current gaps in the analysis. In particular, this information will be required to allow the assessment of the impact on business to be validated at final stage.</p>		
<p><i>Impacts on debt collection.</i> The IA assumes that under the proposal <i>"the volume of cases and effectiveness in enforcing debt remain the same"</i> as the proposal <i>"is not expected to have an impact on the actual collection of debt, but only on the method used"</i> (page 20). This assumption is the basis for concluding that the level of debt recovery will remain unchanged, and so there will be no associated cost to creditors. However, the IA should have had more evidence to support this assumption. This should therefore be fully tested through consultation and assessed at final stage.</p>		
<p><i>Summary sheets.</i> A large proportion of the information required on the summary sheets has not been filled out. The summary sheets should be completed to facilitate an effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal will have zero net costs to business. However, as mentioned above, it is difficult at this stage to assess whether there will be no net impact on business. Therefore evidence supporting the 'One-in, One-out' assessment will need to be further strengthened so that the Equivalent Annual Net Cost to Business (EANCB) can be validated at final stage.</p>		


Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".

Michael Gibbons, Chairman

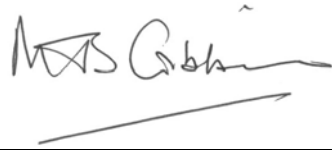
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Plant Health (Plant Passport Fees) (England) Regulations 2007 and the Plant Health (Plant Passport Fees)(Wales) Regulations 2007	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/01/2012	
RPC Opinion date and reference	16/01/2012	RPC11-DEFRA-1064(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impact of the proposed increase in fees has been adequately assessed and the rationale for the proposal clearly explained.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly explains the rationale for this proposal and why the increase in fees is needed to remove a subsidy from sellers in relation to plant passport fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' according to the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Plant Health (Licence Fees) (England and Wales) Regulations 1996	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/01/2012	
RPC Opinion date and reference	16/01/2012	RPC11-DEFRA-1065(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impact of the proposed increase in fees has been adequately assessed and the rationale for the proposal clearly explained.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly explains the rationale for this proposal and why the increase in fees is needed to remove a subsidy from sellers in relation to inspection fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' according to the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to Tier 5 of the Points Based System and Overseas Domestic Worker routes of entry	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/12/2011	
RPC Opinion date and reference	16/01/2012	RPC11-HO-1171 (RPC11-HO-0931)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed based on the evidence available at the time of the IA preparation and submission to RPC. However, the RPC notes that the Migration Advisory Committee's (MAC) report of January 2012 provides some further evidence and recommendations regarding the impact of migration on labour market which may affect the analysis presented in this IA. The department should consider the findings of the MAC report and revise the IA accordingly before it is published.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The costs and benefits of the proposal have been adequately assessed based on the evidence available at the time of the IA preparation and submission to the RPC. The IA acknowledges that several key assumptions used in the cost-benefit analysis may change as a result of the recommendations of a recent report on the impacts of migration published by the Migration Advisory Committee (MAC). The RPC notes that the MAC report contains additional evidence that may affect the analysis and final numbers included in the IA. Therefore, before the IA is published it should be further changed to take into account the additional new evidence presented in the MAC report.</p>		
<p><i>Costs of the proposal.</i> The IA estimates the costs of the proposal as equal to the reduction in GDP resulting from the lost output from dependents of migrants. While we have some reservations about this we accept that it is how the department has chosen to value the cost of reduced migration and that the MAC report may be containing additional evidence to strengthen these estimates.</p>		
<p><i>Costs to business.</i> The IA claims that there will be no direct costs to business as a result of having less tier 5 and Overseas Domestic Workers migrants. This is a result of the assumption that the dependents of the migrants represent marginal hires, and that any loss of output from no longer hiring them will be fully reflected in reduced wage costs. Given the evidence provided in the IA regarding the nature of the affected labour markets we accept this as a reasonable assessment.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says the proposal is an IN with an estimated Equivalent Annual Net Cost to Business (EANCB) of £0m (page 1). While this policy will have a cost to business it will be sufficiently small as to round to £0 in EANCB terms. This appears reasonable.

Signed

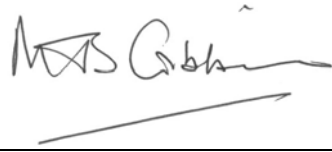
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Michael Gibbons, Chairman


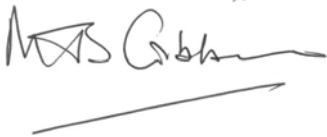
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to Tier 2 Settlement Rules	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/12/2011	
RPC Opinion date and reference	16/01/2012	RPC11-HO-1172 (RPC11-HO-0931)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed based on the evidence available at the time of the IA preparation and submission to RPC. However, the RPC notes that the Migration Advisory Committee's (MAC) report of January 2012 provides some further evidence and recommendations regarding the impact of migration on labour market which may affect the analysis presented in this IA. The department should consider the findings of the MAC report and revise the IA accordingly before it is published.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The costs and benefits of the proposal have been adequately assessed based on the evidence available at the time of the IA preparation and submission to the RPC. The IA acknowledges that several key assumptions used in the cost-benefit analysis may change as a result of the recommendations of a recent report on the impacts of migration published by the Migration Advisory Committee (MAC). The RPC notes that the MAC report contains additional evidence that may affect the analysis and final numbers included in the IA. Therefore, before the IA is published it should be further changed to take into account the additional new evidence presented in the MAC report.</p>		
<p><i>Costs of the proposal.</i> The IA estimates the costs of the proposal as equal to the reduction in GDP resulting from the lost output from migrants who will no longer settle in the UK. While we have some reservations about this we accept that it is how the department has chosen to value the cost of reduced migration and that the MAC report may be containing additional evidence to strengthen these estimates.</p>		
<p><i>Costs to business.</i> The IA claims that there will be no direct costs to business as a result of hiring less tier 2 migrants. This is a result of the assumption that the migrants represent marginal hires, and that any loss of output from no longer hiring them will be fully reflected in reduced wage costs. Given the evidence provided in the IA regarding the nature of the affected labour markets we accept this as a reasonable assessment.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


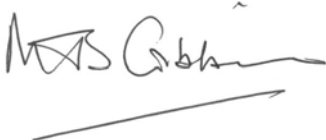
The IA says the proposal is an IN with an estimated Equivalent Annual Net Cost to Business (EANCB) of £0.06m. This appears reasonable.


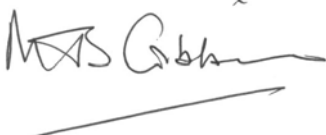
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Plant Health (Import Inspection Fees) (England) Regulations 2010 and the Plant Health (Import Inspection Fees) (Wales) Regulations 2010	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/01/2012	
RPC Opinion date and reference	16/01/2012	RPC11-DEFRA-1039(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impact of the proposed increase in fees has been adequately assessed and the rationale for the proposal clearly explained.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly explains the rationale for this proposal and why the increase in fees is needed to remove a subsidy from sellers in relation to inspection fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' according to the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	

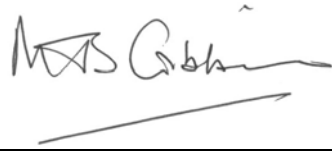
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of The Seed Potatoes (Fees) (England) Regulations 2006 and Seed Potatoes (Fees) (Wales) (No. 2) Regulations 2006	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/01/2012	
RPC Opinion date and reference	16/01/2012	RPC11-DEFRA-1066(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impact of the proposed increase in fees has been adequately assessed and the rationale for the proposal clearly explained.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly explains the rationale for this proposal and why the increase in fees is needed to remove a subsidy from sellers in relation to inspection and sampling fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' according to the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed changes to streamlining information requirements for planning applications	
Lead Department/Agency	Department for Communities and Local Government (DCLG)	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	16/12/2011	
RPC Opinion date and reference	17/01/2012	RPC11-CLG-1196
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However the estimates in the IA are based on a range of assumptions, some of which do not appear to have a significant analytical basis. To facilitate the consultation, the IA should provide more context to the assumptions that are being made. Furthermore the One-in, One-out impact of the proposal appears to be overestimated but will be tested during consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimates of costs and benefits and assumptions.</i> The estimates in the IA are based on a range of assumptions, some of which (for example, those on page 7 and page 10) do not appear to be based on any particular evidence or analysis. Thus, whilst the IA explains that the proposal is likely to be de-regulatory in nature, it is difficult to validate the level of potential burden reduction at this stage. To facilitate the consultation, the IA should provide more context to the assumptions that are being made.</p> <p>In addition, the sensitivity analysis given does not provide any indication of the most likely factors that could impact on the results. We note that the consultation questions are adequately phrased to provide information that might serve to fill data and evidence gap in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is an OUT with an Equivalent Annual Net Cost to Business (EANCB) of (-) £6.7 million. This is based on the assumption that all “..major and minor planning applications are made by business..” (page 14) and so this will have to be specifically tested during the consultation so that the EANCB can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Permitted development rights for installations of microgeneration equipment on non-domestic premises	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	16/12/2011	
RPC Opinion date and reference	18/01/2012	RPC11-CLG-1194
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA considers the appropriate scope of costs and benefits from the proposal. However, as a number of costs and benefits are not monetised, there remains uncertainty about the level of impact. In addition, the IA would benefit from further explanation of why the proposal is cost neutral to local authorities, and explanation of why, for the projects affected, the benefits from less energy use offset costs to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits.</i> The IA considers the appropriate scope of costs and benefits, although it does not monetise a number of these, though they would appear amenable to monetisation. These include, amongst others, negative impacts from installation, e.g. noise, and costs from applications for certificates of lawful development, where the proposal makes these more likely. The IA would benefit from a clearer explanation that if these impacts were monetised they would not change the direction of the impact of the proposal.</p>		
<p><i>Risks.</i> The IA says that if Local Authorities receive an increased number of enquiries as a result of the proposal “..they should be able to meet these enquiries with their existing resources, and therefore there would be no net additional costs. ” (Page 7). In addition, the IA considered that the permitted development rights would result in an element of transfer of resources from dealing with planning application queries to permitted development rights’ queries that will broadly net out overall.” (Page 13) The IA would benefit from further elaboration as to the robustness of these assumptions and discussion of the associated risks with respect to additional queries.</p>		
<p><i>Projects affected.</i> The IA would be improved by a clearer explanation why, for those projects expected to be impacts, the benefits of investing in microgeneration are assumed to offset the costs to business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is an OUT with an Equivalent Annual Net Cost to Business</p>		

(EANCB) of (-)£258,000. On the basis that non-monetised impacts are not significant this would appear a reasonable estimate.

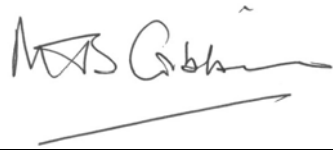
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for the Town and Country Planning (Tree Preservation) (England) Regulations 2012	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	18/01/2012	RPC11-CLG-1207
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would be improved by explaining more clearly the rationale behind the existing system, and by scoring the impact on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Protection of Trees.</i> The IA should provide greater information on the current system to enable a fuller comparison to be made with the proposal, particularly in terms of tree protection. The IA says that the proposal “..will not change the level of protection provided to trees..” (page 4), but lacks detail on why this will be the case. An example of how the proposal compares to the current situation, for example with regard to trees with TPO adjoining properties with multiple occupancies, would help make this clearer.</p>		
<p><i>Cost savings.</i> The IA does provide an estimate of total administrative savings from the proposal, but does not provide an estimate of the impact on business. The IA says this is because “..to quantify these benefits would require a disproportionate amount of resources..” (page 8). Given that the proposal has been subject to a full-scale public consultation, the IA should elaborate on why information emerging from that exercise was not appropriate for informing an estimate of the impact of the proposed measure on business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is an OUT, which appears reasonable given the extent of simplification (though the regulations also introduce a new requirement). However, the IA does not score the size of impact and therefore no Equivalent Annual Net Cost to Business (EANCB) has been claimed.</p>		

Signed

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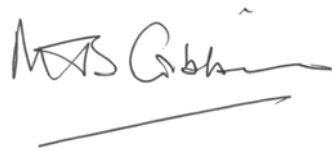
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Independent producers and local TV	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	18/01/2012	RPC11-DCMS-1202
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly why the rationale for the regulations at a national level is not considered to be important at a local level. Furthermore, with respect to the 25% limit of local broadcaster ownership by independent producers, the preferred option appears to be considering either relaxing or completely removing the ownership ceiling. If both are being considered, they should be treated as distinct options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Risk of single producers dominating local TV.</i> The IA explains that the existing regulations have been successful in their objectives for national TV in increasing the variety of opinions, styles and genres available, and in preventing dominance of national TV broadcasters. However, it concludes that dominance at a local level is unlikely to have significant detrimental effects. The IA should explain more clearly why <i>if a particular production company sought to dominate local TV broadcasters for its own reasons, the ill-effects are unlikely to be significant</i>". Also, for the benefit of consultees' understanding, this should be highlighted under the risks and assumptions section (pages 11-12).</p>		
<p><i>Options considered.</i> The IA presents two deregulatory measures for consultation. However, it is somewhat ambiguous as to whether one of the proposals is to relax, or to completely remove <i>the regulatory barrier preventing independent producers from having more than a 25% commercial stake in the local TV broadcast services without losing their independent status</i>" (page 1). The IA says on page 9 that the proposal is to remove the regulation, but on page 10 it says it is <i>"to remove or relax the ownership ceiling"</i>. If both are being considered, they should be presented clearly as two separate options.</p>		
<p><i>Questions for the consultation.</i> The IA highlights clearly a number of areas where the department would welcome views to enhance their analysis. However, these tend to relate only to the potential benefits of the proposal. For example, <i>"on whether exempting local TV services from the 10% independent production quota will give local TV service providers greater flexibility in programming decisions and also reduce the administrative burden on them"</i> (page 8). The IA would also benefit from strengthening the evidence base for any potential costs of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been</p>		



identified and are they robust?


The IA says that the proposal is in scope of 'One-in, One-Out' (OIOO) with a Zero Net Cost to business, although an Equivalent Annual Net Cost to Business (EANCB) has not been estimated and no explanation is provided to support this assessment. Given that this is a deregulatory measure which appears to be beneficial to business, this measure may be considered an 'OUT'. The evidence gathered through consultation should be used to strengthen the EANCB at final stage.

Signed

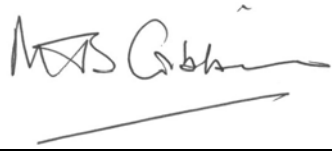
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for The Port of Portland, Port of Grangemouth, Port of Workington, Port of Milford Haven, Port of Liverpool, Port of Tees and Hartlepool and Port of Aberdeen Designation Orders 2012	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	18/01/2012	RPC11-DfT-1215
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the requirements of the Directive and provides reasonable estimates of the likely resource costs for the UK ports.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Cost impacts.</i> The IA outlines the requirements of the Directive and provides estimates of the likely resource costs for the UK ports, which have been informed by initial discussions with the UK ports industry. The IA acknowledges that <i>as the Listed Ports may differ noticeably from those on which the estimates are based, these may be revised as necessary for the port concerned in light of the comments received from the consultation</i> . Since the assumptions that have been made are clearly set out in the IA, this is likely to help facilitate an effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reforms: Cross-Border Workers	
Lead Department/Agency	Department for Work and Pensions	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/12/2011	
RPC Opinion date and reference	19/01/2012	RPC11-DWP-1224
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly how the number of affected workers has been calculated, and what options other than the preferred option have been considered.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Number of dual-status workers.</i> The IA estimates that auto-enrolment would have increased the number of employees enrolled in schemes by 7,000. This is based on 45,000 cross border workers (excluding expatriates), of whom 9,000 are dual-status, eligible and not saving in a pension scheme. Of those 9,000, 7,000 are assumed not to opt-out under auto-enrolment. However, it is not clear how the department have arrived at the figure of 9,000 for dual-status, eligible employees and how this has been reduced to 7,000 subsequently. The IA should provide a clearer explanation of dual status workers and clearly set out how the number of affected employees was estimated.</p> <p><i>Options.</i> On the summary page (page 1) the IA says that several alternative options were considered and provides a brief explanation of why these were not taken forward. The IA should provide more detail on the other viable options and explain better why only one option is being taken forward to public consultation.</p> <p><i>Impact on pension providers.</i> The IA says that the proposal will result in decreased revenue for pension providers. It also says that these costs should be balanced against the costs of administering a cross-border pension scheme. The department should seek more evidence during the consultation process and provide some quantification of these impacts.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business(an OUT) with an Equivalent Annual Net Cost to Business (EANCB) of (-) £7.4m. This is consistent with the Current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the EANCB should be further strengthened so that it can be validated at final stage.</p>		

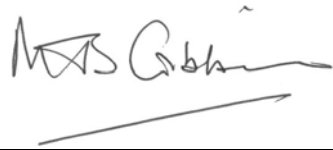
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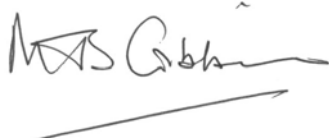
Michael Gibbons, Chairman


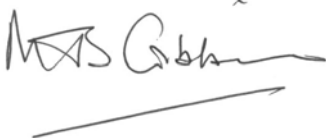
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	New opportunities for sustainable development and growth through the reuse of existing buildings	
Lead Department/Agency	Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	16/12/2012	
RPC Opinion date and reference	19/01/2012	RPC-CLG-1195
Overall Assessment	AMBER	
<p>The IA is fit for purpose, given the stage of the policy development. The IA uses the current level of fees income to help identify the potential resource savings as a result of the envisaged lower levels of planning requirements in the future. However, the IA says relatively little on the potential costs and benefits of the proposal and does not provide any monetary estimates along these lines. It is thus difficult at this stage to gauge the full economic impact of the proposal and the gap in robust quantitative evidence should be addressed during consultation and presented at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Resources saved from relaxation of planning requirements.</i> The IA uses the current levels of fee income to estimate the resources saved from lower planning requirements from the proposal. The IA would benefit from being clearer in its treatment of transfers and resource impacts to maximise its impact during consultation.</p> <p><i>Costs and benefits from relaxing planning requirements.</i> The IA says relatively little on the actual costs and benefits from the proposal itself, in terms of, for example, any increases in economic activity and/or any adverse impacts from change of use. Given that this is likely to be the main economic impact of the proposed measure, the IA should at least provide more qualitative detail of the proposal to enable consultees to gauge the extent of the current problems in this area which could be addressed by the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is an OUT with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.39 million. This will need to be refined following consultation to consider the full economic impact of the proposal on business prior to validation.</p>		


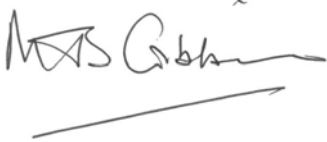
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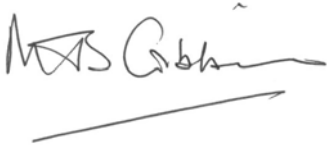
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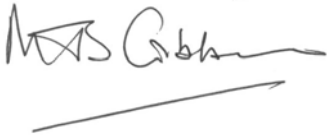
Michael Gibbons, Chairman


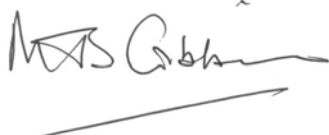
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Companies Act 2006 (Amendment of Part 23) (Investment Companies) Regulations	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	17/01/2012	
RPC Opinion date and reference	20/01/2012	RPC11-BIS-1184(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous opinion of 04/01/2012 have been adequately addressed. The IA however should have attempted to provide clearer, non-technical explanation of the proposal and its linkage with the parallel legislation introduced by HMRC.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits.</i> The revised IA addresses most of the issues raised in our previous opinion of 04/01/2012. In particular, it now better explains how the additional benefits to investment companies will be created as a result of the proposal. Due to the uncertainty and lack of sufficient evidence the department is not claiming any monetised benefits, which appears a reasonable assessment. The IA however should provide a clearer, non-technical explanation of the proposal and its linkage with the parallel legislation introduced by HMRC. Since the proposal will allow distributions to be made out of the capital profits, the IA should explain how investment companies use these profits now so that the benefits of the proposal can be better understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure. As the Department have been unable to assess the benefit to business, no Equivalent Annual Net Cost to Business (EANCB) has been scored. Based on the evidence presented it appears reasonable to treat the measure as an OUT for One-in, One-out purposes.</p>		
Signed 	Michael Gibbons, Chairman	




 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to provisions which allow merging of registered trade	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	12/01/2012	
RPC Opinion date and reference	20/01/2012	RPC11-BIS-1182
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from appropriate sensitivity analysis, rather than just varying the NPV figure by an arbitrary 10 per cent on either side.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Sensitivity analysis.</i> The IA provides an adequate assessment of the main impacts of the proposal. However, the IA would benefit from appropriate sensitivity analysis. rather than just varying the NPV figure by an arbitrary 10 per cent on either side. Properly assessing how the main results are affected from varying the projected values of important variables would also allow any identified risks to the estimated results to be more appropriately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that as the proposal will simplify the current provisions of the trade marks legislation it should be considered as an OUT. This is correct in accordance with the current OIOO Methodology. However, the IA does not score the size of impact and therefore no Equivalent Annual Net Cost to Business (EANCB) has been claimed.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The online infringement of copyright (Initial Obligations)(Code of Practice) Order 2012	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/01/2012	
RPC Opinion date and reference	23/01/2012	RPC11-DCMS-1084(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA adequately addresses the issues raised in our Opinion of 13/10/2011. However, the IA should include the additional information that has been provided separately to us, explaining how the Equivalent Net Cost to Business (EANCB) figure of £2.9m was calculated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA adequately addresses the issues raised in our Opinion of 13/10/2011. In particular, the level of appeals, which ultimately determines the impact on the proposal, is adequately assessed. However, the IA should include the additional information that has been provided separately to us, explaining how the Equivalent Net Cost to Business figure of £2.9m was calculated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Net Cost to Business (EANCB) of £2.9m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removal of the Competent Authority provisions in insolvency	
Lead Department/Agency	Insolvency Service / Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/01/2012	
RPC Opinion date and reference	24/01/2012	RPC11-BIS-1187
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide more discussion about the potential loss to those insolvency practitioners who will stop being regulated directly by the Secretary of State (SoS).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA appears to identify the appropriate scope of costs and benefits from the proposal. However, as the IA acknowledges, compared to the base case the proposal is to restrict the number of bodies an insolvency practitioner (IP) can register with to discharge its regulatory obligation.</p> <p>The IA says that IPs currently pay more to register with the SoS than with the available other bodies. As they are doing this voluntarily they must be obtaining a benefit from registering with the SoS that is at least equal to the cost. The IA should provide more discussion about the loss of the benefit for these IPs. The IA should also explain more clearly the problem under consideration and provide more information from the outcome of public consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure ('an IN') with a zero net cost to business. Based on the evidence presented this appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

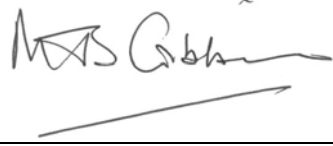
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Making an Order under Section 14 of the Planning Act 2008	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	09/01/2012	
RPC Opinion date and reference	24/01/2012	RPC11-DEFRA-0924(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA sets out the likely impacts for project promoters from streamlining the planning application process for major sewer projects.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA sets out the likely impacts for project promoters from streamlining the planning application process for major sewer projects. The IA explains that if the proposed capacity threshold because if it is set too low, this could <i>capture projects that should continue to be most effectively dealt with by a few Local Planning Authorities</i> . To mitigate against this risk, the IA shows how the proposed volume-based threshold has been informed by experience of large projects within the past 10 years.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.5m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Localism Act Community Right to Bid	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	25/01/2012	RPC10-CLG-0703(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. It clearly explains the rationale for intervention and provides reasonable estimates of the likely impacts, which have been revised in light of additional costs that have been identified with regard to compensation claims for loss of asset value; and administration costs to local authorities.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Revised cost estimates.</i> The IA has been updated in light of additional costs that have since been identified. Local authorities are now expected to incur additional enforcement costs for placing a restriction on an asset that is considered to have community value, while the government will bear the cost of establishing an appeals process. The net impact on business is not expected to change, as the compensation scheme mean that business will be reimbursed for any loss of value to the asset as a result of the moratorium.</p> <p><i>Indirect benefits of the Community Right to Buy Scheme.</i> The IA clearly explains the rationale for intervention and provides reasonable estimates of the likely impacts. We note that the monetised benefits would largely be considered indirect as a result of the grants and loans that are provided, although these are subject to inherent uncertainties associated with the policy. However, there is sufficient supporting evidence-base, backed up by qualitative arguments, which explains the process through which it is expected that these benefits accrue.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that since there will be a compensation scheme for any costs incurred by business, the proposal will have a neutral impact on business. Based on the information provided, this appears a reasonable assessment. The proposal should therefore be treated as a 'zero IN' with an Equivalent Net Cost to Business (EANCB) of £0m.</p>		
Signed 	Michael Gibbons, Chairman	


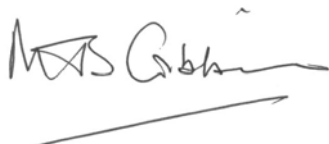
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Infrastructure Planning (Environmental Impact Assessment) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	European	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	25/01/2012	RPC11-CLG-1204
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it provides no monetisation of its impacts though it does say these are expected to be minimal. In accordance with IA Guidance, the infraction costs avoided through implementation should be treated in the risks section of the IA rather than in the benefits section, though they are not monetised in the IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA says the major benefit is the avoidance of possible infraction fines. However, in accordance with IA Guidance, the infraction costs avoided through implementation should be treated in the risks section of the IA rather than in the benefits section. In addition, the IA provides no monetisation of the impact of the proposal, though it does say these are expected to be minimal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that as the proposal will “..remove a small element of gold-plating.”(page 1) it should be considered as an OUT. This is correct in accordance with the current OIOO Methodology. However, the IA does not score the size of impact and therefore no Equivalent Annual Net Cost to Business (EANCB) has been claimed.</p>		
Signed  	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Review of section 138 of the Equality Act 2010 and the need for the obtaining information Question and Answer Forms	
Lead Department/Agency	Home Office (Government Equalities Office)	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	25/01/2012	RPC11-GEO-1213
Overall Assessment	AMBER	
<p>The IA is fit for purpose as it appears to identify the appropriate range of costs and benefits resulting from the proposal. However, for the benefit of consultees, the IA should provide additional information on the extent to which existing alternatives could provide suitable recourse to employees who suffer discrimination from employers in the future.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Benefits of current arrangements.</i> The IA says, ‘..there is no evidence to suggest that the Questions and Answers forms have been effective either in preventing claims proceeding to tribunal, or in improving the efficiency of how claims are handled once brought’. However, we note that the current arrangements have only recently been introduced via the 2010 Equality Act. In order to provide the basis for a more meaningful consultation, the IA should expand on the reasoning behind the ineffectiveness of the forms, any action taken to put this right; and evidence and/or expanded qualitative discussion around why the regulation is considered disproportionate.</p>		
<p>The IA does discuss the potential loss of benefits to employees from the removal of the current Questions and Answers forms. However, it is important that the consultation identifies more precisely the benefits individuals currently receive from the use of forms, which if the regulatory change is introduced will be foregone. Consultees may benefit from additional information on the extent to which existing alternatives could provide suitable recourse to employees who suffer discrimination from employers in the future.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Ofgem Consumer Redress	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/12/2011	
RPC Opinion date and reference	26/01/2012	RPC11-DECC-1209
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA explains the rationale for the proposal and the likely impacts have been set out. The consultation will have to be used to gather more information on the extent of the transfer payments to energy consumers, and to identify whether there will be any additional resource costs of the options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains clearly that currently if there is a breach of a requirement or licence condition, Ofgem can impose a fine but is unable to compel business to compensate consumers or other business for their losses so consumer interests are not necessarily protected. Whilst the likely impacts of the proposal have been set out, the consultation will have to be used to gather more information on the extent of the transfer payments to energy consumers, and to identify whether there will be any additional resource costs of the options (pages 10 – 12).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fines and penalties on non-compliant businesses, it is out of scope of 'One-in, One-out'.</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Microchipping of Dogs	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/12/2011	
RPC Opinion date and reference	26/01/2012	RPC11-DEFRA-1211
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately identified for consultation, and the IA provides a range of evidence to support the relationship between the prevalence of microchips and the proportion of stray dogs returned to their owner.</p> <p>However, the IA should explain why the difficulties of enforcing the preferred option are not deemed to have any impact on the level of compliance relative to the alternative options. In addition, there are a number of assumptions made within the IA that should be given further consideration so that they can be strengthened at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Enforcement of the preferred option.</i> The IA explains that although Option 1 has the lowest Net Present Value (NPV) of the three options, it is preferred because it is expected the ‘big bang’ approach of Options 2 and 3 “<i>would create a significant burden for database operators in having to process up to 2.6 million registrations in a short period of time</i>” (page 16). However, the IA also explains that the preferred option would be difficult to enforce as the gradual progressive approach would make it difficult to ascertain whether or not a dog is legally obligated to have a chip (page 22). The IA should clarify why this is not deemed to have any impact on the level of compliance with the regulation, and thus on the effectiveness of the proposal in meeting the policy objectives.</p> <p><i>Assumptions.</i> There are a number of assumptions made within the IA that should be given further consideration so that they can be strengthened at final stage.</p> <p>As a central scenario, the IA assumes that “<i>the proportion of strays which are chipped remains around 35 percentage points below that in the overall population (i.e. at 90% in the population, 55% of otherwise unhomed strays would be chipped)</i>” (page 19). However, this linear relationship may not be correct, especially as the percentage of the dog population that is microchipped converges towards 100 .</p> <p>The IA also assumes that, as the number of strays with microchips increases, the number of dogs returned to their owner through other means such as a collar remains constant. This assumption appears increasingly questionable as the policy</p>		

objective is achieved and the proportion of dogs that are microchipped converges towards 100 . The IA should consider whether the number of dogs returned to their owner through other means would reduce under the proposal.

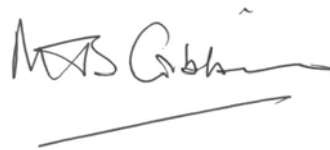
The IA says “for the purposes of assessing costs and benefits that the number of stray dogs are constant.” (page 19). However, evidence is presented which suggests the proportion of the dog population which are strays has risen in recent years. The IA would benefit from greater evidence that this is a result of previous under-reporting, rather than a continuing trend.

Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


The IA says that the proposal is a regulatory measure and is therefore classified as an ‘IN’ under the prevailing One-In, One-out methodology. This appears to be a reasonable assessment.

However, the IA should explain why the benefits to civil society organisations have not been included within the calculation for the Equivalent Annual Net Cost to Business (EANCB). As discussed above, a number of key underlying assumptions supporting the estimated costs and benefits should be strengthened so that the EANCB can be validated at final stage.

Signed

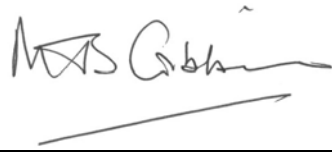


Michael Gibbons, Chairman


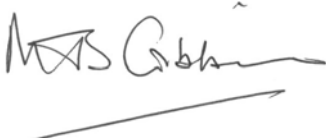
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Review of the need for employment tribunals to have the power to make wider recommendations	
Lead Department/Agency	Home Office (Government Equalities Office)	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	26/01/2012	RPC11-GEO-1214
Overall Assessment	AMBER	
<p>The IA is fit for purpose as it appears to identify the appropriate range of costs and benefits resulting from the proposal. In order to inform a more meaningful consultation, the IA should expand on the reasons behind the lack of take up of the power, any action taken to put this right; and evidence and/or expanded qualitative discussion around why the regulation is considered disproportionate. The IA should also provide evidence supporting the claim that employers are concerned with the current regime.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits of current arrangements.</i> The IA says, ‘We have not seen evidence that employment tribunals have used the power to make wider recommendations to date’ and that, ‘There is therefore no evidence, so far, to show that the extended power is necessary or that it is an appropriate or effective remedy’. However, we note that the current arrangements have only recently been introduced via the 2010 Equality Act. In order to inform a more meaningful consultation, the IA should expand on the reasons behind the lack of take up of the power, any action taken to put this right; and evidence and/or expanded qualitative discussion around why the regulation is considered disproportionate.</p> <p>The IA does discuss the potential cost to employees of additional discrimination cases following the proposed removal of the Tribunal’s ‘wider recommendations’. The IA says on Page 5 that there are measures in place to mitigate a potential increase in cases. However, consultees may benefit from additional information on the extent to which existing alternatives could provide suitable protection to employees from possible discrimination by employers in the future.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of</p>		


impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.

Signed

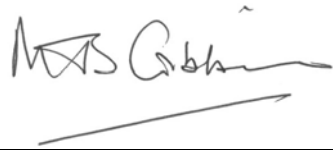
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Merchant Shipping (Ship-to-Ship Transfers) Regulations 2012	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	23/12/2011	
RPC Opinion date and reference	27/01/2012	RPC11DfT-1000(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA appears to cover the appropriate scope of costs and benefits from the proposal. However, it does not monetise a number of costs and benefits that would appear amenable to monetisation. The IA attempts to fill the gaps in monetised costs and benefits with qualitative arguments, which should be expanded and supported by specific examples.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimates of costs and benefits.</i> The IA appears to cover the appropriate scope of costs and benefits from the proposal. However, it does not monetise a number of impacts that would appear amenable to monetisation, such as the time and transport cost savings of ships no longer having to divert to ports. However, we note uncertainties and limitations of available evidence are an inhibiting factor to the department providing proportionate and robust estimates. The IA attempts to fill the gaps in monetised costs and benefits with qualitative arguments, which would support the proposal more clearly if they provided more detail and specific examples.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.56m. This is consistent with the current One-in, One-out Methodology and appears to provide a reasonable assessment given uncertainties and data limitations.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A new approach to charges for official controls on meat: delivering efficiency and reform	
Lead Department/Agency	Food Standards Agency (FSA)	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	30/01/2012	RPC11-FoodSA-1096(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous opinion of 24/10/2011 have been adequately addressed. However, the IA should provide more discussion about the risk of some establishments closing as a result of this policy and make a better use of all available evidence (both formal and informal) from industry.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Evidence base.</i> Most of the issues raised in our opinion of 24/10/2011 have been adequately addressed. In particular, the IA now contains a better discussion of the limits of the available evidence, the assumptions that have been made and how these assumptions affect the impacts of the policy. For example, the IA explains why direct evidence, such as on turnover, operating costs and profit margins, was not possible to collect from business due to the businesses' reluctance to share such information. It also provides more information about the responses received during the public consultation.</p>		
<p>However, the IA does not consider some of the evidence gained during consultation to be robust where the response rates were below 20 and were not representative of the industry as a whole. The IA should provide more details on the public consultation, including the actual number of responses (not just percentages), to justify this position.</p>		
<p><i>Risks.</i> While the IA explains that the policy has been designed to minimise the risk to the viability of small slaughterhouses, there is still a risk that some businesses will close as a result of this policy. The IA should provide more discussion around this risk and explain better the impacts this may have.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, one out'.</p>		

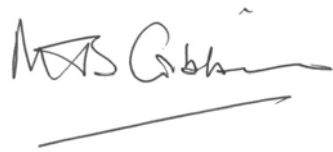
Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Simplification options for the CRC Energy Efficiency scheme to help business	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	31/01/2012	RPC11-DECC-1206
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the range of proposals appear to have been adequately identified. However, the IA should better explain the current design of the CRC to enable consultees to make an effective comparison with the proposed simplified version.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Current design of the CRC.</i> The IA says that stakeholder feedback has stated the scheme is “<i>complex, administratively burdensome, overlaps with other regulatory mechanisms and forces organisations to participate in ways which do not readily align with their natural business structures and processes</i>” (page 1). To address this problem, a number of measures are proposed to simplify the scheme. The Department should consider whether those likely to take part in the consultation process will in all cases have a good understanding of the current provisions, so as to make an informed comparison with the proposed simplified scheme. There is limited explanation of the current design of the scheme in the IA as drafted.</p> <p><i>Overlap with other policies.</i> The IA says that the energy savings of the policy “<i>are in addition to the savings of other policies that overlap in this sector such as Smart Meters, Products Policy and Energy Performance of Buildings Directive</i>” (paragraph 53). The IA should also discuss whether the CRC scheme may overlap with the Non-Domestic Green Deal, and whether all of the expected energy savings of the CRC are considered to be additional to savings from that forthcoming program.</p> <p><i>Labour costs.</i> The IA should clarify whether non-wage labour costs have been incorporated into the average hourly wage assumption for middle managers undertaking carbon trading (paragraphs 36-37). If not, this should be done with the IA updated accordingly, prior to consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business (an OUT). This is consistent with the Current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the EANCB should be further strengthened so that it can be validated at final stage.</p>		

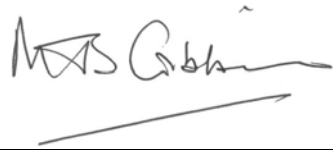
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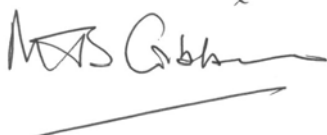
Michael Gibbons, Chairman


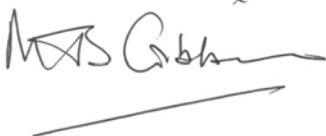
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for The Immigration and Nationality (Cost Recovery Fees) Regulations 2012	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/01/2011	
RPC Opinion date and reference	31/01/2012	RPC11-HO-1189
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should explain better why it believes the migrant workers affected add low value as this is the basis as to why it is assumed that the proposal will have no net direct cost to business. In the longer term there are also likely to be spillover effects from there being fewer migrants in the UK, which should be discussed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of the proposal.</i> The IA claims that there will be no net direct cost to business as a result of the proposal. The IA estimates the costs of the proposal to be equal to the value of the output lost, which it assumes is equal to the wages paid to migrants (Annex 5) that is, any loss of output from no longer hiring them will be fully reflected in reduced wage costs. However the IA should explain better why it believes the migrant workers affected add low value (page 14). In the longer term there are also likely to be spillover effects from there being fewer migrants in the UK, which should be discussed.</p>		
<p><i>Lost tuition fees.</i> The IA says that there is a benefit from the reduced costs associated with provision of tuition at education establishments. However, unlike the analysis on the impact to the UKBA, it is not clear whether it is appropriate to assume that a marginal reduction in the number of migrants being taught would allow resources to be freed because of the fixed costs involved with delivering tuition. The IA should provide more qualitative discussion to show whether this is a reasonable estimated saving.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure (an 'IN') but that it will have a net zero cost to business. Based on the evidence provided, this is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		


Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".

Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for The Immigration and Nationality (Fees) Regulations 2012	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/01/2011	
RPC Opinion date and reference	31/01/2012	RPC11-HO-1190
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should explain better why it believes the migrant workers affected add low value as this is the basis as to why it is assumed that the proposal will have no net direct cost to business. In the longer term there are also likely to be spillover effects from there being fewer migrants in the UK, which should be discussed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of the proposal.</i> The IA claims that there will be no net direct cost to business as a result of the proposal. The IA estimates the costs of the proposal to be equal to the value of the output lost, which it assumes is equal to the wages paid to migrants (Annex 5) that is, any loss of output from no longer hiring them will be fully reflected in reduced wage costs. However the IA should explain better why it believes the migrant workers affected add low value (page 14). In the longer term there are also likely to be spillover effects from there being fewer migrants in the UK, which should be discussed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure (an 'IN') but that it will have a net zero cost to business. Based on the evidence provided, this is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Equal Civil Marriage	
Lead Department/Agency	Home Office (Government Equalities Office)	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	09/01/2012	
RPC Opinion date and reference	31/01/2012	RPC12-HO-1226
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA outlines the proposed options that are being considered, and sets out the likely impacts of these options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA outlines the proposed options that are being considered, and sets out the likely impacts of these options. The IA also clearly sets out the evidence that is being sought from the consultation, which will allow the Department to provide more robust estimates of the costs and benefits at a later stage.</p> <p>The IA could usefully summarise the differences between Civil Partnerships and Civil Marriage, especially in the context of Option 2, where both provisions would be allowed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a zero IN). This is consistent with the current One-in, One-out methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Localism Act: Compulsory Pre-Application Community Consultation - Secondary Legislation	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/12/2011	
RPC Opinion date and reference	01/02/2012	RPC11-CLG-1208
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should be improved in a number of areas to enhance the effectiveness of the consultation. In particular, the IA should provide more analysis and evidence of the causes of any market failure(s) in this area.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Estimated benefits from additional development as a consequence of the proposal.</i> The IA estimates the proposal will result in additional large-scale developments coming forward and that these will be worth a total of £12-£24 million per year (and exceed estimated costs). However, the IA does not provide any analysis to support the claimed estimate of benefit being in the range of £12-£24 million per year (which appears to be equal to £30,000 per development).</p>		
<p><i>Market failure and options.</i> The IA says that there is some market failure which prevents developers obtaining this £30,000 per development benefit currently, and the IA suggests that this could be “..imperfect information.. or “..a strategy of sidelining the views of the community” (paragraph 28).</p>		
<p>However, given that the IA says that 80 to 90 of large-scale developments (page 10) undertake a pre-application process voluntarily at present, the IA should provide much more detail on how any market failure(s) is specific to only certain projects and/or developers. Currently the IA lacks significant analysis or evidence of the cause of market failure(s) in the market in question. In the absence of this, and, for example, if there is imperfect information, then the provision of greater information would appear to be a viable alternative to the proposal. This should be addressed during consultation and prior to submission of the final IA.</p>		
<p><i>Estimated cost savings.</i> The IA estimates that the proposal will lead to a reduction in administration costs as more pre-applications will lead to fewer objections further in the process. However, the estimates presented appear to be based on a number of assumptions that have little supporting analysis or evidence. The IA should use the data from the relative success of planning applications involving a pre-application stage and those that do not at present, or alternatively explain why this is not</p>		

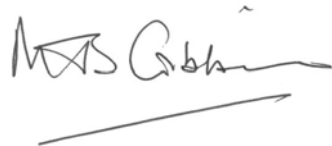
considered relevant. This should be addressed during consultation and prior to submission of the final IA.

Estimated costs. The IA estimates that a compulsory pre-application will cost £10,000 on the basis that this is “..a generous assumption.” (paragraph 35). The IA should explain why this assumption is considered as ‘generous’, and also elaborate on what this actually means in this context during consultation and prior to submission of the final IA.


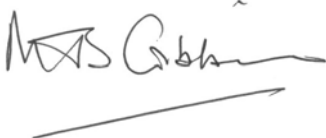
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?



The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.



Signed


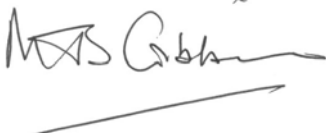
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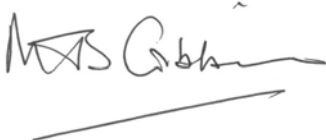
Michael Gibbons, Chairman




 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Plant Protection Products: Sustainable Use Regulations 2012	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
Date submitted to RPC	21/12/2011	
RPC Opinion date and reference	01/02/2012	RPC11-DEFRA-1210
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However the IA should provide more evidence on the additional impacts resulting from maintaining the existing training certification requirements when they exceed the EU minimum.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>UK Certification Requirements.</i> Option 2b involves implementing the full EU directive and maintaining the current UK training and certification requirements which go beyond the EU minimum. The IA explains that this will have no costs to business over those in Option 2a as those who require certificates already hold them. However it appears that there is some risk that there will be new entrants in to the market who are not covered by the minimum EU requirements and so would incur an additional cost. As this cost would also be incurred in the baseline avoiding it should be considered a potential benefit from Option 2a. We accept that this benefit is small and that business supports keeping the existing UK regime. However the IA should still discuss this potential benefit in more detail.</p> <p><i>Benefits.</i> The RPC notes that no attempt has been made to monetise the benefits. However, the IA provides sufficient discussion of the likely benefits in qualitative terms.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>While the measures do go beyond the EU minimum requirement they do so only in maintaining existing regulation. Any increase in regulation as a result of this policy is of EU origin and therefore out of scope of 'One in, one out'.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment Of The Air Navigation Order 2009 For The Radio Operators Certificate Of Competence	
Lead Department/Agency	Department of Transport (CAA Safety Regulation Group)	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	02/02/2012	RPC11-DFT-1212
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for the intervention is clearly explained and the associated impacts assessed appropriately.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimated costs and Benefits.</i> The IA says (page 2) that there are no additional costs and benefits as the proposed measure involves the legal underpinning of a scheme that is already in place and complied with by all affected parties. On the evidence presented to us this appears appropriate.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is to introduce a regulatory measure. This is an IN under the current One-in, One-out (OIOO) Methodology. The IA says that the proposal does not impose any additional costs on business, and so an Equivalent Annual Net Cost to Business (EANCB) scored at £0 appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Claims Management Rules Review Phase One Proposal to prohibit the offering of inducements or similar rewards as an inducement to make a claim Amendment of Client Specific Rule 6 (b) of the conduct of Authorised Persons Rules 2007	
Lead Department/Agency	Ministry of Justice	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/01/2012	
RPC Opinion date and reference	02/02/2012	RPC11-MOJ-1005(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our opinion of 27/07/2011 have been adequately addressed. In particular the IA now provides sufficient qualitative discussion of the likely impacts of the proposed ban to justify that the policy will be net beneficial to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion of 27/07/2011 have been adequately addressed. While the IA still fails to provide monetised costs and benefits, there is sufficient qualitative discussion of the likely impacts of the proposed ban on offering inducements by claims management companies.</p> <p><i>Costs to business.</i> The IA now provides sufficient discussion of why the policy is likely to be net beneficial to business. However the IA could include a more detailed discussion, including quantitative data where possible, to support this.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial to business (a 'zero IN). This is consistent with current One-in, One out Methodology and while they cannot monetise the costs and benefits they have provided sufficient discussion to demonstrate that this is a reasonable assessment of the likely impacts.</p>		
Signed	 <hr style="width: 150px; margin-left: auto; margin-right: 0;"/>	Michael Gibbons, Chairman

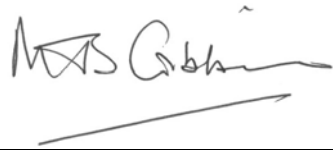
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Adjustments to Gambling Operating Licence Fees	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/01/2012	
RPC Opinion date and reference	02/02/2012	RPC12-DCMS-1010(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposed restructuring of fee levels for the gambling industry have been adequately assessed. Although the proposal may result in an increase in burden for some large operators, the financial and regulatory burden on the overall industry is likely to reduce.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The costs and benefits of the proposed new fee structure for the gambling industry have been adequately assessed. Although the proposal may result in an increase in burden for some large operators, the financial and regulatory burden on the overall industry is likely to reduce. The IA provides sufficient evidence and analysis, including from the public consultation, to support this conclusion.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Net Cost to Business of -£0.71m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transposition of the EU ETS Directive: Review of the 2005 UK Greenhouse Gas Regulations	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/01/2012	
RPC Opinion date and reference	03/02/2012	RPC12-DECC-1228
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed for consultation. However, for the benefit of consultees, the IA should explain more clearly how these estimates have been produced. Also, the IA should explain more clearly the origin of the proposal, particularly in relation to its One-in One-out (OIOO) implications.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimates of costs and benefits.</i> The IA should provide more detail on how the estimates of costs and benefits have been derived. This will enable these calculations to be tested through consultation.</p> <p><i>Origin of Proposal.</i> The text of the IA implies the proposal is of European origin but the cover sheet says the proposal is domestic. This apparent inconsistency should be addressed prior to consultation, not least to make clear the One-in, One-out (OIOO) implication of the proposal (see below).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that part of the proposal is in scope of One-in, One-out (OIOO) and part is out of scope. The IA should explain more clearly why this is the case, particularly given that the proposal appears to stem from European legislation.</p>		
Signed 	Michael Gibbons, Chairman	


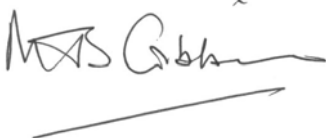
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The regulation of small payments institutions (SPI)	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	16/01/2012	
RPC Opinion date and reference	02/02/2012	RPC12-HMT-1231
Overall Assessment	AMBER	
<p>The IA is fit for purpose, with the costs and benefits of the proposal adequately assessed. However, given that “<i>not all failures may be avoidable</i>” (page 13), the IA should consider the likely effectiveness of the Fit and Proper Persons test in more detail.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits of the Fit and Proper Persons test.</i> The IA explains that consumers are expected to benefit under the proposal from a reduced risk of failure of Small Payment Institutions (SPIs). Although it is acknowledged that “<i>not all failures may be avoidable</i>” (page 13), a more detailed consideration of the likely effectiveness of the Fit and Proper Persons test should be provided to justify the claimed benefits. In particular, the IA could draw on evidence from other areas of the economy, such as the currently more heavily regulated Authorised Payment Institution market.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’) with an Equivalent Annual Net Cost to Business (EANCB) of £0.17m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed  	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for the Proposed Replacement of the Health and Safety (Fees) Regulations 2010	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/01/2012	
RPC Opinion date and reference	03/02/2012	RPC11-HSE-0970(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The department have made good use of the consultation process to gather the evidence which underpins their analysis. However, the IA should provide more information explaining clearly the cases that would be considered as material breach .</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Options.</i> The department has refined one of the seven options considered during the consultation and proposes this as the preferred option. The IA would benefit from providing a clearer comparison of the impacts of all options considered (particularly in terms of their economic impact) to justify the selection of the preferred option.</p>		
<p><i>Material breach.</i> The IA says the costs of health and safety interventions will be recovered from businesses that are found to be in material breach of health and safety law . During consultation stakeholders raised a concern that the definition of material breach was not clear. The IA should discuss how this concern has been dealt with, and how it affects the costs and benefits of the proposal. The RPC notes that a separate HSE document on the outcome of consultation provides a clear explanation of the material breach . The IA should either include this information or provide a clear reference to the document.</p>		
<p><i>Consultation.</i> The department have made good use of the consultation period to gather evidence relying both on feedback from stakeholders and evidence gathered during a 'dry run' of the new system.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As the measure relates to changes to fee levels, where the level of regulatory activity has not changed, the main proposal is out of scope of the One-in, One-out. However, the additional cost to businesses (£16,000) related to successful appeals are in scope. Therefore, the IA claims the proposal is a regulatory measure (an IN) with a Equivalent Annual Net Cost to Business (EANCB) of £0.016m. This is consistent with the One-in, One-out Methodology and provides a reasonable assessment of EANCB.</p>		


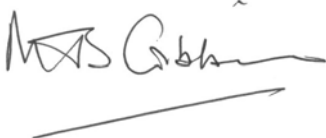
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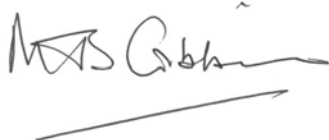
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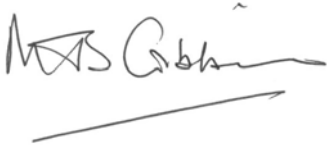
Michael Gibbons, Chairman


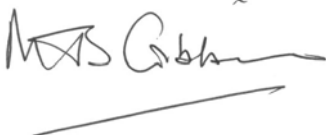
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendments to Schedule 6 of the Gambling Act 2005 to facilitate better information sharing and enable the effective control of betting integrity issues.	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/12/2011	
RPC Opinion date and reference	06/02/2012	RPC11-DCMS -1216
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The likely impacts of adding specific Sport Governing Bodies to Schedule 6 of the Gambling Act 2005 have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits to adding specific Sport Governing Bodies to Schedule 6.</i> The IA explains how information sharing between the Gambling Commission (GC) and Sport Governing Bodies (SGBs) is important in tackling sports betting corruption. It also outlines the inadequacy with the current system in that <i>information can be exchanged with organisations not included in Schedule 6, but each case requires a legal opinion which takes time and has a resource cost</i> . Therefore adding specific SGBs to Schedule 6 of the Gambling Act 2005 would be beneficial in terms of sharing information without needing to seek legal opinion, the impacts of which have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.06m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementation of 2010/79/EU on the adaptation to technical progress of Annex III to Directive 2004/42/EC of the European Parliament and of the Council on the limitation of emissions of volatile compounds	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
Date submitted to RPC	27/01/2012	
RPC Opinion date and reference	08/02/2012	RPC11-DEFRA-1199(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of this proposal have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts on business.</i> The IA clearly sets out the rationale of the proposal and the assumptions used to generate the estimated costs and benefits to business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal relates to the recast of a European Directive, resulting in reduced costs to business, it is appropriately identified in the IA as an 'OUT' under the current OIOO methodology. The estimated Equivalent Annual Net Cost to Business (EANCB) of -£0.48m appears from the evidence presented to be a reasonable assessment.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on the Homelessness (Suitability of Accommodation) (England) Order 2012	
Lead Department/Agency	Department of Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/01/2012	
RPC Opinion date and reference	09/02/2012	RPC12-CLG-1242
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The rationale for the intervention is set out clearly and the costs and benefits have been adequately identified for consultation. However, the costs and benefits of the proposal should be presented independently from the impacts of the existing legislative protections.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Marginal impacts of the proposal.</i> When explaining the costs and benefits of the proposal the IA regularly refers to the likely impacts of the existing legislative protections. Although this detail provides useful context prominently in the IA, the impacts of the proposal should be presented on their own, independent of the impacts of existing legislation.</p> <p><i>Costs and benefits of the proposal.</i> The IA explains clearly how landlords, Local Authorities, and tenants are likely to be affected by the proposal. However, the IA says that none of these costs and benefits can be monetised as it is hard to predict the impacts with any degree of certainty. The underlying evidence base should be strengthened through consultation so that these impacts can be estimated with more confidence at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that although the proposal is a regulatory measure “<i>there is no direct requirement for landlords to house homeless households</i>” (page 21) and as such is considered to have a ‘zero net cost’ to business. This is consistent with the current one-in One-out methodology and provides a reasonable assessment of the likely direction of impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introduction of electronic notices of variations to licences for all fishing vessels in England	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	26/01/2012	
RPC Opinion date and reference	10/02/2012	RPC11-DEFRA-1161(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The rationale for the policy and the justification for the preferred option have been clearly set out. However, given the concerns raised through consultation, the IA should consider in more detail the impact to some fishers of having to learn how to use the new technology-based system.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of adjusting to a technology-based system.</i> Some responses to the consultation raised the concern that fishers may have to adjust to the new technology-based system. The IA should consider in more detail the adjustment and learning that may be required of fishers.</p> <p><i>Assumptions.</i> The IA says it is assumed that “Government technology would have sufficient capacity to transmit and keep information” (page 11). Given this assumption is of fundamental importance to the effective operation of the new system, it should be confirmed in the IA that this is correct prior to publication.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) although due to the uncertain nature of the benefits the Equivalent Annual Net Cost to Business (EANCB) has not been scored. This is consistent with the current One-in, One-out Methodology and, given that the administrative savings to fishers are likely to be greater than the costs to a minority who do not have access to a phone or computer, provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

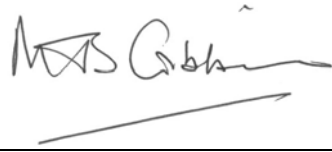
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	European Commission's Regulation on bus and coach passenger rights	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	02/02/2012	
RPC Opinion date and reference	10/02/2012	RPC11-DfT-1163(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of enforcing the directly applicable EU Regulation and applying all of the time-limited derogations have been adequately assessed for the purpose of consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>All of the issues raised in the RPC's previous opinion (05/12/2011) have now been addressed. In particular, the IA is now appraised over an appropriate time period, and the costs to passengers of applying the derogations are considered in more detail. We note that, as part of the consultation, the department will be seeking evidence on, amongst other things, the potential costs relating to the exemptions and the impact on passengers, and in particular on disabled and reduced mobility passengers.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, and the preferred option takes up all available derogations, it is out of scope of OIOO under the current methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on Code of Practice on Noise from Ice Cream Van chimes	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	06/02/2012	
RPC Opinion date and reference	10/02/2012	RPC12-DEFRA-1240
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA explains the rationale for the proposed changes to the Code of Practice on Noise from Ice-Cream Van Chimes, and provides some analysis of the likely costs and benefits of the changes to each group affected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains the rationale for the proposed changes to the Code of Practice, and provides some analysis of the likely costs and benefits of the changes to each group affected. This analysis ought to be strengthened for final stage so that the impacts can be monetised where possible.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


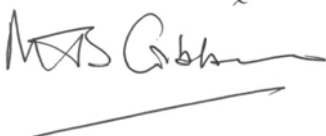
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Fuel Quality Directive	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	13/01/2012	
RPC Opinion date and reference	15/02/2012	RPC12-DfT-0671(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose, but some concerns still remain about the robustness of its estimates of costs and benefits, and about the evidence presented to justify the choice of Option 6. However, as the IA says, <i>“Given the risks around implementing a GHG savings trajectory before sustainability issues have been resolved..”</i>, on this occasion we rate the IA as fit for purpose.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Sensitivity of results to oil and bio-fuel prices.</i> We note that the figures in this version of the IA are significantly different from those presented in previous post-consultation IA. They vary such that costs at the lower-end for most options are now negative when previously they had been in the region of, and at least, positive £6 billion. The IA should be clearer on the differences in terms of the sensitivity of costs and benefits of each option and the assumptions used in determining future oil and bio-fuel prices.</p>		
<p><i>Costs of breaching the blend wall.</i> We note that this IA now contains an estimate for the costs of breaching the blend wall. Given that these are not insignificant (estimated at some £2 - 4 billion) we think that these should have been presented to consultees in the consultation Stage IA to enable them to comment on the robustness of these figures.</p>		
<p><i>The preferred option, Option 6.</i> The costs and benefits of the preferred option, Option 6, are still estimated as the low and high end estimates of the other 5 options considered (and principally those of Option 3), with no best estimate provided. This means the choice of Option 6 is based solely on the qualitative argument relating to the <i>“risks around implementing a GHG savings trajectory before sustainability issues have been resolved..”</i> at European level. We also note that, <i>“under this option a legal obligation will be imposed on the Secretary of State for Transport to keep ongoing compliance with the directive’s requirements under review and, in particular, to consider what additional measures will be required to ensure that the UK delivers the GHG emission savings in the period 2014 to 2020”</i>. Therefore, although we retain some concern with respect to the analysis and evidence justifying this course of action, the approach adopted, as supported by the IA, appears reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


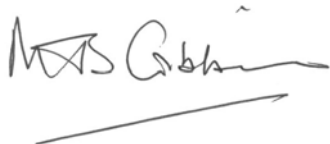
As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.


Signed

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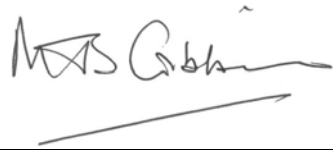
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Fees for inspection of children's social care settings, residential special schools, boarding schools and residential further education colleges etc.	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	17/01/2012	
RPC Opinion date and reference	17/02/2012	RPC12-DfE-1237
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more information about the overall cost of Ofsted inspections and the current level of cost recovery through fees to justify that the proposed option of increasing the fees by 10 for one year can deliver the objectives of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Cost of Ofsted inspections.</i> Based on the outcome of the 2009/10 consultation, it was decided to increase the fees by 10 per year from 2010 for three years. This proposal is to increase fees by 10 from 2012 for the final of the three years. The IA should provide more information about the overall cost of Ofsted inspections for these organisations and explain better how the three year fee increase strategy is likely to deliver the objective of full cost recovery.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Updating Ofwat's enforcement powers	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/02/2012	
RPC Opinion date and reference	20/02/2012	RPC12-DEFRA-1225
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could outline why the proposal, which may likely result in <i>longer investigations for some cases, and some cases being investigated that would not have been under the current 12 month restriction</i>, is not expected to result in an additional resource cost for Ofwat by explaining how Ofwat will now undertake investigations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs to Ofwat.</i> The IA says that the extension of the investigation period will give Ofwat more time to fully consider the nature and implications of breaches and enable Ofwat to investigate and impose penalties on breaches that have not come to light during the initial 12 month period. The IA could outline why the proposal, which may likely result in <i>longer investigations for some cases, and some cases being investigated that would not have been under the current 12 month restriction</i>, is not expected to result in an additional resource cost for Ofwat by explaining how Ofwat will now undertake investigations.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fines and penalties on non-compliant businesses, it is out of scope of 'One-in, One-out'.</p>		
Signed		Michael Gibbons, Chairman


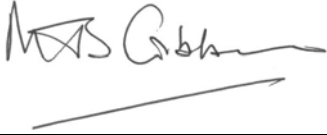
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhancing consumer confidence: Encouraging more proportionate enforcement by removing barriers to civil enforcement	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	21/02/2012	RPC12-BIS-1246
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a specific enforcement action .</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA says that an Approved Regulator will be required to monitor the competency of officers to present cases in civil courts, and therefore that pursuing minor breaches through civil courts is a more appropriate means. It would appear that the costs and benefits of the proposal have been adequately assessed. The IA explains what the likely resource impacts could be, but the consultation will have to be used to further strengthen these to show that this will result in a net resource saving.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as it refers to a “specific enforcement action”. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a “specific enforcement action”.</p> <p>While the IA discusses the likely impact on business from these regulatory changes to the enforcement framework, the IA should explicitly present this in the OIOO section of the IA. This will help businesses confirm whether the costs and benefits of these changes have been adequately assessed.</p> <p>The department should consult further with the Better Regulation Executive (BRE) on the One-in, One-out (OIOO) position.</p>		


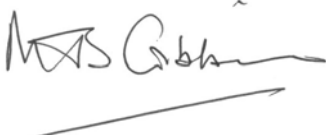
Signed


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Michael Gibbons, Chairman

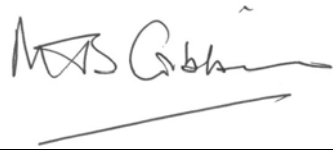
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhancing consumer confidence: Enabling greater efficiency in the calibration of local authority measurement standards	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	21/02/2012	RPC12-BIS-1247
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a specific enforcement action .</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains what the likely resource impacts could be, but the consultation will have to be used to further strengthen these estimates (paragraph 23). In particular, the IA will have to show that using the alternative routes for calibration for traceability of measurement standards will not result in negative impacts on the accuracy of these standards or the confidence of business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as it refers to a “specific enforcement action”. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a “specific enforcement action”.</p> <p>While the IA discusses the likely impact on business from these regulatory changes to the enforcement framework, the IA should explicitly present this in the OIOO section of the IA. This will help businesses confirm whether the costs and benefits of these changes have been adequately assessed.</p> <p>The department should consult further with the Better Regulation Executive (BRE) on the One-in, One-out (OIOO) position.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhancing consumer confidence: Generic set of consumer law powers	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	21/02/2012	RPC12-BIS-1248
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA explains clearly the proposals for consolidating and simplifying consumer law investigatory powers into a generic set and includes information to show the potential resource impacts.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains clearly the proposals for consolidating and simplifying consumer law investigatory powers into a generic set and includes information to show the potential resource impacts. The consultation will have to be used to strengthen the estimates of the net impact of the proposal in particular, the impacts to business (pages 5-9).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so it that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


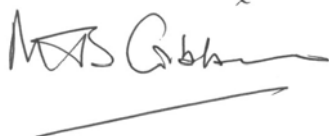
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhancing consumer confidence : Improving cross-border cooperation and authorisation	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	21/02/2012	RPC12-BIS-1249
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a specific enforcement action .</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA includes information to show what the likely resource impacts could be, but the consultation will have to be used to further strengthen these estimates. The IA should explain why it is expected that both options are expected to be equally effective in delivering the anticipated benefits (paragraph 32).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as it refers to a “specific enforcement action”. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a “specific enforcement action”.</p> <p>While the IA discusses the likely impact on business from these regulatory changes to the enforcement framework, the IA should explicitly present this in the OIOO section of the IA. This will help businesses confirm whether the costs and benefits of these changes have been adequately assessed.</p> <p>The department should consult further with the Better Regulation Executive (BRE) on the One-in, One-out (OIOO) position.</p>		
Signed	 Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhancing consumer confidence: More flexible Trading Standards qualifications and competencies	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	21/02/2012	RPC12-BIS-1250
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a specific enforcement action .</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of proposal.</i> The IA says that <i>local authorities should not incur any extra costs given that local authorities should already be taking the trouble to employ competent staff</i> . However, it is not clear whether it is reasonable to assume that the saving from no longer needing to hold a Weights and Measures qualification would exactly offset the additional cost of the proposal. The IA should provide further information to support this assumption.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as it refers to a “specific enforcement action”. However, the proposal aims to make changes to the consumer law enforcement framework so that consumer law investigatory powers are clearer for both businesses and enforcers. Therefore it is not apparent that this can be considered out of scope because it refers to a “specific enforcement action”.</p> <p>While the IA discusses the likely impact on business from these regulatory changes to the enforcement framework, the IA should explicitly present this in the OIOO section of the IA. This will help businesses confirm whether the costs and benefits of these changes have been adequately assessed.</p> <p>The department should consult further with the Better Regulation Executive (BRE) on the One-in, One-out (OIOO) position.</p>		

Signed

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Michael Gibbons, Chairman

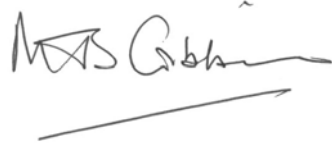
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on Equal Civil Marriage	
Lead Department/Agency	Home Office (Government Equalities Office)	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/02/2012	
RPC Opinion date and reference	21/02/2012	RPC12-HO-1226(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA outlines the proposed options that are being considered, and sets out the likely impacts of these options. The IA could benefit from providing more information why option 2 is preferred.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The RPC issued a ‘fit for purpose’ opinion on an earlier version of this consultation stage IA. In this revised IA the Department identifies a preferred option.</p> <p>The IA clearly sets out the evidence that is being sought from the consultation, which will allow the Department to provide more robust estimates of the costs and benefits at a later stage. The IA could usefully summarise the differences between Civil Partnerships and Civil Marriage, especially in the context of the preferred option 2, where both provisions would be allowed. The IA could also benefit from providing more information to explain why option 2 is preferred.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a zero IN). This is consistent with the current One-in, One-out methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for the prohibition on the sale of tobacco from vending machines	
Lead Department/Agency	Department for Health	
Stage	Final /Enactment	
Origin	Domestic	
Date submitted to RPC	10/02/2012	
RPC Opinion date and reference	22/02/2012	RPC11-DH-1048(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The revised IA provides sufficient justification for the net direct impact on business, which in the absence of any verifiable information from the industry itself, as explained in the IA, appears reasonable. However, the IA should have contained a more accurate estimate of the distribution of profits between vending machine operators and tobacco firms.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>This policy was implemented on 1 October 2011. However, the department has resubmitted the IA because it has revised its estimate of the Equivalent Annual Net Cost to Business (EANCB) for One-in, One-out (OIOO) purposes.</p>		
<p>Originally, we validated this measure as an IN with an EANCB of £85.9 million for the Statement of New Regulation 2. This estimate was derived from the tobacco vending machine industry itself. The revised IA of 19 October 2011 then estimated the direct impact on business to be £3m in EANCB terms. We did not consider this to be a reliable estimate and issued a 'not fit for purpose' Opinion.</p>		
<p>The department has now revised and resubmitted the IA for validation of the EANCB as part of the Statement of New Regulation 3. The department says that they cannot verify the original estimate from the tobacco vending machine industry despite attempts to illicit this from the industry.</p>		
<p>The department has thus calculated the cost to the tobacco vending machine industry assuming that the additional profits on cigarettes sold from vending machines is split equally between the vending machine industry and the tobacco industry. The department is able to demonstrate that the nature of the industry is such that the tobacco companies are likely to get at least half of the additional profits through the price they charge for cigarette packs. Based on the evidence and analysis presented in the IA an even split of profits therefore seems to be a reasonable assumption..</p>		
<p>The RPC notes that according to the advice from the Better Regulation Executive (BRE) the potential loss of profits for the tobacco industry as a result of reduction in sale of tobacco products is out of scope of One-in, One-out.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been</p>		


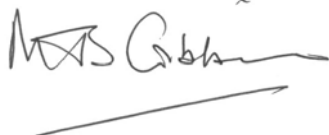
identified and are they robust?


The IA says the direct impact of the ban on tobacco vending machines is £9.8m in EANCB terms. Based on the evidence and analysis presented, and in the absence of a verifiable alternative from the industry itself, this appears a reasonable assessment of the net direct cost to business for One-in, One-out (OIOO). However this is contingent on advice from BRE that the loss of profits for the tobacco industry is out of scope of One-in, One-out.

Signed

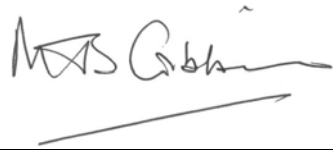
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Michael Gibbons, Chairman


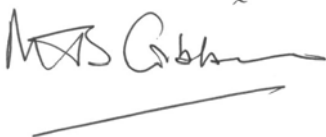
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Cattle Compensation: Bovine TB, Brucellosis, BSE and Enzootic Leukosis	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	25/01/2012	
RPC Opinion date and reference	22/02/2012	RPC12-DEFRA-1245
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA explains clearly the proposals for providing fairer compensation arrangements. The IA could benefit from including a OIOO section setting out clearly the additional information the Department have provided to us.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains clearly the proposals for providing fairer compensation arrangements, based on a proportionate approach, for dealing with the eradication of disease within cattle.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA states that the proposal is out of scope of 'One-In, One-Out' (OIOO) and the Department have informed us that this is because it is a spending decision. Whilst we agree with this position we believe that the IA could benefit from including a OIOO section setting out clearly the additional information the Department have provided to us.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Standardised packaging for tobacco products	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/01/2012	
RPC Opinion date and reference	22/02/2012	RPC12-DH-1229
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although no monetisation of costs and benefits is provided, the IA provides sufficient qualitative discussion of the main impacts to facilitate the consultation. However, the IA should provide more analysis to support the claim that the proposal will have an overall neutral effect on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact on business.</i> Although no monetised impacts of the proposal are provided, the IA says that it is expected that the proposal will have a neutral effect on business (paragraph 58) as the initial one-off cost will be offset by the branding-related cost savings. Given the proposal is a restriction on business, the IA would benefit from further explaining why this is considered to be the case so that this assumption can be more readily tested during consultation. In the absence of any monetisation, the consultation will have to be used to seek additional evidence to provide robust estimates of the net impact of the proposal, particularly on business, at final stage.</p>		
<p><i>Effectiveness of proposal.</i> The IA acknowledges that as a result of this proposal, there is the possibility that tobacco companies will decide to compete on other grounds, if they can no longer compete on branding. The IA should discuss clearly the risks of how tobacco manufacturers are likely to respond to the proposal in terms of achieving the policy objectives of reducing smoking. Furthermore, while the IA does acknowledge the <i>current tobacco control policies</i>, the IA would also benefit from explaining more clearly how this proposal will interact with these other recent proposals in this area, such as the ban on display of tobacco products at points of sale. This will allow the marginal costs and benefits of this proposal to be assessed at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure (an IN). This appears to be consistent with the One-in, One-out Methodology. The IA should provide a robust estimate of the Equivalent Annual Net Cost to Business at final stage.</p>		

Signed

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Michael Gibbons, Chairman

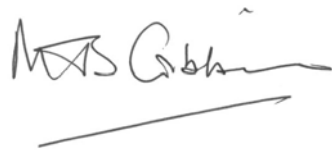
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A state pension for the 21 st Century	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/02/2012	
RPC Opinion date and reference	22/02/2012	RPC12-DWP-1243
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA provides sufficient analysis and evidence to explain the impacts of the proposed reforms in the state pension system.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA provides sufficient analysis of the likely impacts of the proposed changes in the state pension system through a single tier reform package. The IA clearly explains the methodology used in estimating the total costs and benefits of the proposal.</p> <p>We note that the department has not yet chosen a preferred option from sub-options 2a and 2b. The IA could benefit from explaining more clearly the relative merits of these sub-options and stating them on the summary page. The IA would also benefit from reporting clearly the annual average and total costs of the options on summary pages.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is out of scope of One-in, One-out as the National Insurance costs associated with the proposal are classified by the Office of National Statistics as a tax. This appears to be consistent with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Options for Company GHG reporting	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	19/01/2012	
RPC Opinion date and reference	23/02/2012	RPC11-DEFRA-0775(5)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. We have deemed this IA ‘Not fit for purpose’ on a number of occasions. Whilst the IA has been revised further, we still remain somewhat concerned by the analysis and evidence used to support the preferred option.</p> <p>The IA would also benefit further from a clearer explanation of the main rationale for the proposal. This is cast in terms of the proposed regulations providing the necessary transparency institutional investors require with respect to greenhouse gas (GHG) reporting. However, the proposal does not appear to standardise or require third-party verification of individual reporting. In addition to this, the preferred option appears to be chosen on the basis that the estimated benefits to business (in terms of reductions in their energy bills) from requiring them to report GHG emissions are less uncertain than those under the alternatives available. But this bears little relation to any transparency benefits the proposed regulations would provide.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Rationale.</i> The IA says that the main purpose of the proposed regulations is investor transparency with respect to information on greenhouse gas (GHG) emissions for the purposes of comparison across companies. This is consistent with the One-in, One-out (OIOO) claim that the benefits to business from lower energy bills are indirect under this proposal.</p> <p>However, the IA begins by saying that “<i>businesses can save money by reducing their emissions..</i>” (page 1). The choice of preferred option (Option 2) also appears to be based on the estimates of these savings and the relative uncertainties of these savings compared to alternative available.</p> <p><i>Preferred option and alternatives.</i> We have noted in previous Opinions that if the monetary benefits to business from reporting are believed to be so significant then it would appear to be more efficient to impose this obligation on all businesses rather than a subset of businesses. We have also said that if the benefits are very uncertain, then it is not obvious why the current voluntary approach is not enhanced to provide further information to inform whether a regulation should be introduced. We have also noted previously that the IA provides little analysis or evidence in respect of the statutory reporting that operates in other countries.</p>		


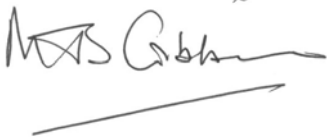
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?



The IA says the proposal is an IN. This is consistent with the current OIOO methodology. The Equivalent Annual Net Cost to Business (EANCB) is scored at £3.4 million, which is appropriate if the direct benefits of the proposal are investor transparency, whilst any benefits to business from lower energy bills are considered indirect.


Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	M25 J16-23 Controlled motorway	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/02/2012	
RPC Opinion date and reference	23/02/2012	RPC11-DfT-0985(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (13/07/2011) have been fully addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA has fully addressed the issues raised in the previous impact assessment with regard to the inconsistent use of evidence and treatment of the costs and benefits, and the use of the 2002 base year prices. The IA now provides a clearer account of the costs and benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial to business (a 'zero IN'). This is consistent with current One-in, One out methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

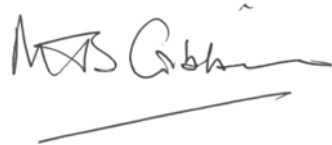
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Birmingham Box Managed Motorways - Phase 3 (BBMM3)	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/02/2012	
RPC Opinion date and reference	27/02/2012	RPC12-DfT-1272
Overall Assessment	GREEN	
<p>The IA is fit for purpose. However, the IA could benefit from clearly setting out which costs and benefits come from the use of the Variable Mandatory Speed Limit (VMSL) and which come from the use of the hard shoulder.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> Although these are fully detailed, the IA could benefit from either separating which costs and benefits come from the use of the Variable Mandatory Speed Limit and which comes from the use of the hard shoulder or clarifying why both need to be implemented together. We understand that just implementing one of the measures is not an option but consultees could benefit from a better explanation of how these policies are linked and how the benefits link to the two parts of the policy.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial to business (a 'zero IN'). This is consistent with current One-in, One out methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Localism Act Neighbourhood Plans and Community Right to Build	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/02/2012	
RPC Opinion date and reference	27/02/2012	RPC10-CLG-0715(3)
Overall Assessment	AMBER	
<p>This IA is fit for purpose. It correctly identifies the proposal as an 'IN' under current One-in, One-out methodology. However, the IA should reflect better the outcome of the consultation, particularly responses from the business community in support of the estimates presented.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Neighbourhood development order take-up.</i> The IA provides a revised trajectory for the take-up of neighbourhood orders that has a central estimate of 10 per cent of the number of plans established in the future. However, the IA would benefit from better explaining why 10 per cent is used given that it says the output of the Frontrunner programme is just over 4 per cent.</p> <p><i>Costs of business involvement.</i> The IA presents costs to business from being involved in developing neighbourhood plans and orders as being just over £1 million per annum (page 13 and 18) based on 5 per cent of applications being business neighbourhoods in the Frontrunner programme. However, the IA should be clearer why the Frontrunner programme figure is appropriate to use here.</p> <p><i>Benefits of avoiding planning application process.</i> The IA now says that the average benefit from avoiding the planning application process as a consequence of the introduction of orders is £5,638. This average was previously £3,035. The IA should explain more clearly in the main body of the text why the average cost of the planning application process for the type of development that will be affected by the proposal has been revised so significantly.</p> <p><i>Development benefits.</i> The IA provides an illustration of the potential economic benefits from greater development as a consequence of the proposal. This extra development is based on the number of wards that establish neighbourhood plans. But it appears that the number of wards that introduce orders is the more relevant figure to base these benefits on, given that the IA says “..a neighbourhood development order..grants permission for the type of development.” (page 16). The IA should explain this more clearly.</p>		


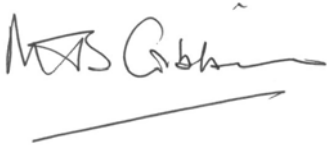
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


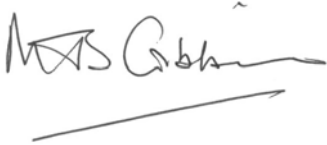
The IA says the measure will entail the introduction of a Statutory Instrument to achieve realisation of the policy objective (page 21). Supplementary information provided separately by the Department, says, *the revised IA brings a net annual benefit to businesses* and that therefore the measure has been identified as *an IN under the One-In, One-Out methodology but with a zero net cost*". This should be made explicit in the IA.


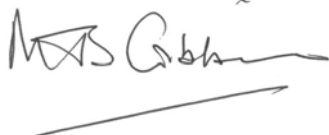
Signed



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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed Penalty Regime for the Ecodesign of Energy Related Products Regulations 2010 and the Energy Information Regulations 2011	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
Date submitted to RPC	15/02/2012	
RPC Opinion date and reference	27/02/2012	RPC11-DEFRA-0505(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of providing the National Measurement Office access to a greater range of enforcement options have been adequately assessed. However, the benefits of Option 1 (the preferred Option) over Option 2 could have been more clearly presented.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs, benefits and preferred option.</i> The IA explains how the preferred Option will provide a more cost effective solution to the safeguarding of the benefits of European legislation in this area (which have already been claimed in previous IAs). However, the benefits of Option 1 (the preferred Option) over Option 2 could have been more clearly presented as providing a greater net benefit than Option 2, to reflect better the savings indicated in paragraphs 37 and 38.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal originates from European legislation and as such is out of scope of One-in, One-out (OIOO). With no evidence of gold-plating or not taking advantage of available derogations, this appears consistent with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendments to exemptions to TB pre-movement testing	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/02/2012	
RPC Opinion date and reference	27/02/2012	RPC12-DEFRA-1254(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The errors in calculating the Equivalent Annual Net Cost to Business (EACNB), which we raised in our previous Opinion of 10/02/2012, have now been corrected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly sets out the rationale for the proposal. The previous incorrect EACNB calculations have now been corrected and an additional section provided to explain how these calculations have been made.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of 'One-in, One-Out' (OIOO) with a Net Cost to business (an IN) of £0.19m in Equivalent Annual Net Cost to Business (EACNB) terms. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Legislative Proposals to Promote Equal Pay	
Lead Department/Agency	Home Office /Government Equalities Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/01/2012	
RPC Opinion date and reference	28/02/2012	RPC11-GEO-0637(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion of 13/12/2011 have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact on business.</i> Most of the issues raised in our previous opinion of 13/12/2012 have been adequately addressed. In particular, the IA now makes clear that the impact of the proposal is to raise the expected cost for an employer of proceeding with a case and that this is expected to drive employers to settle cases out of court. The IA also no longer claims that this will be net beneficial to employers compared to the 'do-nothing', as the analysis now factors in the expected cost of a pay audit to employers (Annex 2). The IA now acknowledges that this proposal will be costly to these employers. This makes it clear why the non-legislative means of supporting employers, through strengthening and updating guidance and signposting employers to available information sources (page 8), would not be sufficient to mitigate the risk of future claims.</p>		
<p>The IA would be improved by making this analysis more explicit in the section on the benefits of equal pay (page 9), as the impact of employers changing their practices does not always appear consistent with Annex 2. The IA would also benefit from a clearer use of consultation responses to support the analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that as the proposal only directly affects non-compliant businesses, it is out of scope of One-in, One-out (OIOO). This is consistent with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

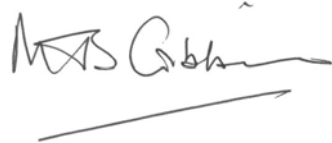
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consumer Landscape Review: Transfer of consumer enforcement powers	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/02/2012	
RPC Opinion date and reference	01/03/2012	RPC12-BIS-1235
Overall Assessment	GREEN	
<p>The IA is fit for purpose. However, the IA would benefit from explaining clearly how the enhanced leadership to be delivered by the proposal will provide greater protection for consumers and contribute to simplifying the consumer landscape.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits to consumers.</i> The IA provides a reasonable assessment of the potential costs and benefits of the proposal and explains how the preferred option has been arrived at following consultation. The IA says that one of the key benefits of the proposal will be ‘improved leadership of trading standards enforcement by Trading Standards Services’ (paragraph 61). The IA should set out more clearly how this will deliver greater benefit to consumers and contribute to simplifying the consumer landscape. This would help better explain how the objective will be realised.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that as the proposal is to transfer powers between two public bodies with no direct impact on business or the third sector. As such, it is considered out of scope of One-in, One-out (OIOO), which appears consistent with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Tackling Metal Theft Prohibit Cash Payments and Higher Fines	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/02/2012	
RPC Opinion date and reference	01/03/2012	RPC11-HO-1198(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should explain specifically how continuing enforcement resources will be more effectively targeted and focused to support better the analysis.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Enforcement.</i> This IA now explains that £5m of Government funds was committed under the National Infrastructure Plan to establish and operate a metal theft taskforce until the end of the 2012/13 financial year and will be used to help enforce the proposal. The IA says though that <i>additional enforcement resources are not fundamental to this policy option</i> as the existing enforcement resources are expected to drive the reduction in metal theft estimated. The IA should explain specifically how continuing resources will be more effectively targeted and focused to support better the analysis.</p>		
<p><i>Effectiveness of the proposal.</i> While the IA does outline risks associated with displacement of metal theft, the IA would benefit from a greater discussion in this area. While the export of stolen metal is not considered a risk at this stage (page 5), the IA does helpfully report findings from France where the export of stolen metal appears to have taken place. The IA would benefit from a greater discussion of the possible additional resources that may be required if this risk were to materialise.</p>		
<p><i>Impact on business.</i> The IA now acknowledges that the prohibition of all cash payments will result in a loss of liquidity, which will impose a cost on legitimate businesses and individuals (page 16), in addition to the cost of electronic transactions. The IA says that it has not been possible to quantify this impact, but views from the consultation would have been useful in providing some assessment of this cost. This cost should also be reflected in the summary of the impacts of the proposal (page 2).</p>		
<p>In addition the IA says that there are benefits to dealers that could arise through the reduction in cash transactions. However, it is not clear why this is the case as these benefits could be realised now. The IA should therefore explain the anecdotal views of the British Metals Recycling Association that are referenced to support these benefits (page 16).</p>		


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £5.8m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.

Signed

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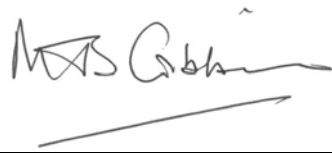
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Shareholder votes on executive remuneration	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/02/2012	
RPC Opinion date and reference	01/03/2012	RPC12-BIS-1270
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it would appear that many of the impacts identified as being indirect would better be considered to result directly from the proposal, which is to bring about behavioural change to deal with shareholder concerns. The IA mentions wider impacts and unintended consequences. It would facilitate consultation if it explained and discussed more clearly what these could be under the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Direct impacts.</i> The IA considers that most of the cost impacts will be indirect and that these will depend on <i>how the quoted companies are dealing with executive remuneration issues now, including the resources they devote to corporate governance engagement</i> . However it would appear that many of these impacts should be treated as direct since the proposal is expected to drive a behavioural response to shareholder concerns. For example, the IA identifies that the proposal is likely to result in additional engagement between companies and shareholders (paragraphs 39 and 54), and as such this appears to be a direct effect. The consultation will also have to be used to show that the proposal will affect the behaviour of shareholders who would under the ‘do-nothing’ vote against remuneration packages.</p>		
<p>Furthermore, the IA mentions wider impacts and unintended consequences (page 25). However it would facilitate the consultation if the IA explained and discussed more clearly what these could be under the proposal, and whether this is likely to have any impact on the problem itself being tackled.</p>		
<p><i>Existing powers.</i> The IA says that as part of strengthening shareholder rights, the proposal will include an advisory role on the implementation of policy in the previous year the marginal impacts of which are discussed (paragraphs 65-67). However, it is unclear whether there is an additional change to the ‘do-nothing’, given that the IA says that <i>shareholders would retain an advisory vote on the backward looking section of the report</i> and that this is a <i>continuation of the power that the shareholders already have</i> . If there is a change to this power, the IA should clearly explain how this will change shareholders’ ability to signal whether they are content.</p>		


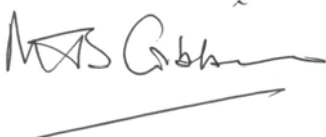
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


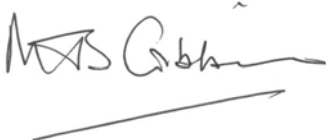
The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.


Signed

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Michael Gibbons, Chairman

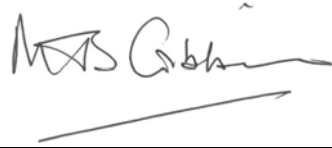
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendments to Nuclear Decommissioning (Finance and Fees) Regulations 2011	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	02/02/2012	
RPC Opinion date and reference	01/03/2012	RPC12-DECC-1257
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The cost and benefits have been adequately assessed, although the IA could have benefited from greater clarity in presenting how the estimates have been derived.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The costs and benefits of the proposal have been adequately assessed. The IA could benefit from explaining the source of the figures , such as those in paragraphs 41 and 64, to help facilitate the testing of these assumptions. This will have to be done in the final stage IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	M25 J7-10 Controlled Motorway	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	17/02/2012	
RPC Opinion date and reference	02/03/2012	RPC12-DfT-1278
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposals have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA provides a detailed assessment of costs and benefits of the proposal to allow variable speed limits between Junctions 7 and 10 of the M25.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed legislation to implement the amended Paris and Brussels Conventions on 3 rd party nuclear liability	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	International	
Date submitted to RPC	19/01/2012	
RPC Opinion date and reference	02/03/2012	RPC11-DECC-0627(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Both the assessment of the costs and benefits of the proposal and the claim that the proposal is out of scope of One-in, One-out (OIOO) should be explained more clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Cost to the UK and business.</i> The IA says that the proposal will increase the costs of nuclear operators in the UK, but that these will be offset by an equal and opposite benefit to government from a reduction in its ‘contingent liability’ with respect to nuclear power. In our previous Opinions we have challenged whether these transfers are equal and opposite, and whether the costs to the private sector of obtaining insurance is likely to be greater than any costs to government. However, the department has told us that it has sought clarification from HM Treasury on this. The outcome of this should be reflected in the final version of the IA.</p> <p><i>Justification for the proposal.</i> We draw attention to paragraph 20 which says that safety is ensured by regulation rather than “..by diverting resources to insurance premiums away from safety.” a concept which concerned us. In this context, if safety is not affected by the proposed transfer of liability, the IA should be clearer on what is the actual justification for the proposed transfer.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>There has been considerable debate over whether this proposal is in scope of One-in, One out (OIOO) or not. We have taken the view that the proposal is in scope because it goes beyond the minimum implementation of an international convention. Previous versions of the IA claimed that this measure was outside the scope of One-in, One-out (OIOO) as it was a form of cost recovery, and so was related to fees and charges. The IA now says that “<i>this policy has been agreed with Ministers from the Department of Business Innovation and Skills (BIS) as being out of scope of the One In One Out rule.</i>” (para 56) and we have received confirmation that Ministers have taken that view. While we accept that it is ultimately the responsibility of the RRC</p>		

and the BRE to determine what is in and out of scope of OIOO, if the proposal was in scope of OIOO the costs to businesses incurred over and above minimal implementation of the Convention would need to be recorded as an 'IN' and an Equivalent Annual Net Cost to Business (EANCB) scored in accordance with the current OIOO Methodology.

Signed

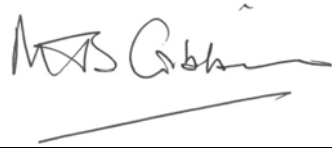
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Michael Gibbons, Chairman


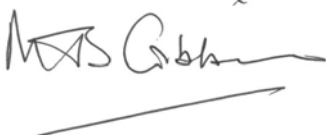
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Dartford-Thurrock River Crossing Revised Charging Regime	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	06/01/2012	
RPC Opinion date and reference	02/03/2012	RPC11-DfT-0842(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. While the proposal has been adequately assessed, the impacts from the diversion of traffic and the claim that the proposal is out of scope of One-in, One-out (OIOO) should be explained more clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Preferred Option.</i> The IA says that Option 3 has the highest net present value (NPV) and was the option most favoured by consultees during the recent consultation. The IA also says that the objectives of the proposal are to “..continue to manage demand for the use of the Crossing” and “..provide Government with additional revenues.” (para 3.2). It concludes that this is best achieved by pursuing Option 2, where the additional revenues gained by Government from an increased charge justify the resource loss valued at £125 million over the appraisal period (as the difference in NPV between Options 2 and 3).</p> <p>The IA also shows that the preferred option results in more congestion and lower net benefit to business and other road users than Option 3 or the optimal charging level. The IA should include more detail on why the choice of Option 2 is appropriate under these circumstances, particularly in the context of any measures under consideration to deal with congestion over the longer term. It should also explain how the revenues obtained from the preferred option will result in less congestion over the longer term compared to alternatives available. Furthermore, the IA should also expand the discussion on the expected impact on traffic in terms of the volume deterred and the volume diverted.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>There has been considerable debate over whether this type of proposal is in scope of One-in, One-out (OIOO) and if it is, how it should be classified. Previous versions of the IA claimed that this measure was in scope of OIOO as the charge was a form of regulatory activity. The IA now says that the proposal is out of scope of OIOO because, <i>the proposed changes to the road user charging regime do not create further levels of regulatory activity..</i>’ (para 9.2). The department has also provided us with additional information that says that RRC Ministers have decided that the</p>		


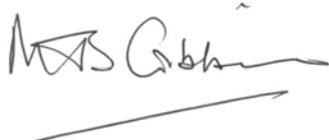
proposal is out of scope of OIOO. While we accept that it is ultimately the responsibility of the RRC and the BRE to determine what is in and out of scope of OIOO, if the proposal was regarded as a form of regulatory activity the costs to businesses would need to be recorded as an 'IN' and an Equivalent Annual Net Cost to Business (EANCB) scored in accordance with the current OIOO Methodology.



Signed


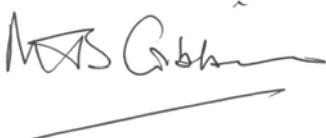
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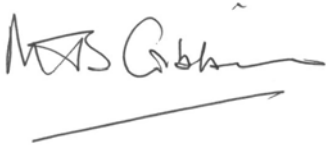
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementation of Authority-to-Carry Scheme under Section 124 of Nationality, Immigration and Asylum Act 2002	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/02/2012	
RPC Opinion date and reference	02/03/2012	RPC11-HO-0870(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from providing more information about similar proposals in the UK or from overseas, which could be used to give more useful context to the analysis provided.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Analysis.</i> The proposal aims to better identify foreign nationals who pose a terrorist threat, and prevent them from boarding a UK-bound flight by requiring airline carriers to seek authority to bring passengers to the UK. The IA says that it is not possible to quantify the expected benefit as it is not known what effect the proposal will have on the probability that the foreign national will commit a successful terrorist attack on a UK-bound aircraft. The IA should therefore better explain why the proposal is considered the most appropriate response to reducing this risk. To improve the analysis, the IA should give examples of any experiences from overseas or in other contexts, where such a proposal has had a positive impact on reducing risk.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £1.2m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reform revised implementation schedule	
Lead Department/Agency	Department for Work and Pensions	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	08/02/2012	
RPC Opinion date and reference	02/03/2012	RPC12-DWP-1262
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the welfare cost resulting from the reduction in the amount saved, as a result of changes to the staging of firms and phasing of contributions, is not included in the NPV. The IA should reflect this cost in the NPV or provide a robust explanation why it is not included.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Presentation of non-monetised benefits.</i> The IA says, ‘the reduction in the amount saved has a small impact on the value of consumption smoothing. The present value of this impact falls between losses of £1 billion (3 per cent) and £2 billion (3 per cent) from a baseline of £40 billion to £60 billion in 2050’. Given that these costs have been monetised and are significant it is not clear why they have not been included in the NPV, especially given that they would change the NPV from positive to negative. The IA should reflect the present value of the cost resulting from the reduction in the amount saved in the NPV or provide a robust explanation why it is not included. If the department considers that the figure is not adequately robust to be included at this stage, it should be strengthened during consultation and reflected in the NPV figure in the final stage IA.</p> <p>Also, the figure is currently presented under ‘non-monetised benefits’. This should be acknowledged as a cost not a benefit.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Net Cost to Business (EANCB) of £122 million, which should be verified during consultation.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

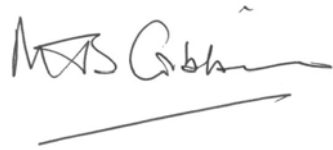
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposal to replace the Health and Safety at Work etc. Act 1974 (Applications outside Great Britain) Order 2001 (the Order) with a 2013 Order	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	03/02/2012	
RPC Opinion date and reference	02/03/2012	RPC12-HSE-1258
Overall Assessment	GREEN	
<p>The IA is fit for purpose. Costs and benefits have been adequately assessed; however, the department must ensure that the assumption regarding the impact on business is supported by sufficient evidence at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on business.</i> The IA assumes that there will be no additional costs of compliance as a result of these proposals as businesses are already complying with health and safety legislation. The reasons for this assumption are clearly explained and supported by informal consultation. The department must ensure that at final stage sufficient evidence is provided to support this assumption.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Drinking Water Inspectorate Charging Scheme for England	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	23/02/2012	
RPC Opinion date and reference	05/03/2012	RPC11-DEFRA-1201(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed, and all of the issues raised in our previous opinion (13/01/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The costs and benefits have been adequately assessed, and all of the issues raised in our previous opinion have been addressed. In particular, the objectives of the proposal now appear to be appropriately aligned with the anticipated impacts. In addition, the IA now explains that although the policy is of a regressive nature, any equity impacts are expected to be negligible due to the minor increase in consumers' bills.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>In our previous opinion we stated that the proposal must be considered in scope of One-in, One-out (OIOO) as the change in charges reflects an expansion in the level of regulatory activity. However, the IA now explains clearly that the variable aspect of the charge is designed to reflect the relationship between water company performance and Drinking Water Inspectorate costs, rather than to incentivise better performance. It is therefore considered out of scope of OIOO. This on the evidence presented appears a reasonable assessment.</p>		
Signed 	Michael Gibbons, Chairman	


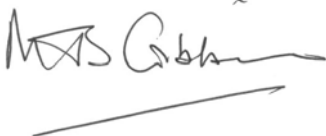
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consumer Landscape Review: Transfer of Consumer Advocacy Responsibilities	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/02/2012	
RPC Opinion date and reference	05/03/2012	RPC12-BIS-1233
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, given the hybrid/phased approach being taken forward, the IA should be improved to better explain why it considers that there are no familiarisation or transition costs.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA says that the majority of costs and benefits involved are transfers, though there will be a small benefit to the Exchequer from efficiency savings. The IA also says that there will be no familiarisation costs from the proposal. Given the hybrid/phased approach being taken forward, the basis for this conclusion should be more fully explained.</p> <p><i>Preferred option.</i> Page 1 of the IA says that option 3 is the preferred option, but paragraph 10 on page 3 says option 1 is the preferred option. To avoid confusion, the IA should clarify which option is the preferred one.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a regulatory measure ('an IN') with a 'zero net cost' to business. This is because the responsibility to provide consumer advocacy is being transferred from public sector to a third sector organisation. This appears to be consistent with the current One-in, One-out Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


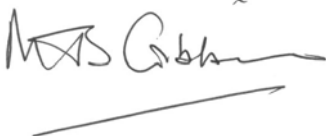
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposals to Reform the Financial Reporting Council	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	01/03/2012	
RPC Opinion date and reference	05/03/2012	RPC11-BIS-1077(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from generally being more concise to facilitate how the analysis is presented.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of proposals.</i> Under the preferred option, there are seven proposed changes three of which do not require legislative changes. The IA would benefit from generally being more concise to facilitate how the analysis is presented.</p> <p><i>Agreement of the professional bodies.</i> The proposal seeks to give the FRC power to make changes to the disciplinary schemes without the requirement to seek approval from professional bodies. It is therefore assumed that the time taken to conclude a review will be reduced. The IA would benefit from explaining the current role of the professional bodies in the process so that it can be more readily seen that there is unlikely to be any associated cost from no longer requiring their agreement.</p> <p><i>Powers to require the professional bodies to apply sanctions.</i> Under this proposal FRC will get new powers to require the professional bodies to impose sanctions for poor quality audit, rather than to recommend action as at present. This may involve a requirement to take corrective action, training or impose conditions or even suspend a firm's audit licence. The IA estimates that there will not be any significant transitional costs as the sanctioning will be '<i>an internal one, with decisions taken at either Conduct Committee or Sub-Committee level</i>' (page 26). However, the IA should provide more analysis of the likely on-going impact of this proposal so that it is more apparent how this will have the desired effect.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.375m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		


Signed

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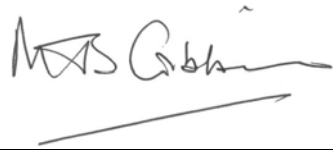
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to Insolvency Services Account fee rates	
Lead Department/Agency	Department for Business, Innovation and Skills / The Insolvency Service	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/01/2012	
RPC Opinion date and reference	05/03/2012	RPC12-BIS-1253
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impact of the proposed increase in the fees of Insolvency Services Account (ISA) has been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA provides an adequate assessment of the likely impacts of the proposed increase in the fees of ISA. The IA could usefully explain why the compulsory fees are proposed to increase by 22 compared to 9 increase in voluntary fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the measure relates to changes to fee levels, where the level of regulatory activity has not changed, the main proposal is out of scope of the One-in, One-out.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consumer Landscape Review: Transfer of consumer information, advice and education	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/02/2012	
RPC Opinion date and reference	06/03/2012	RPC12-BIS-1234
Overall Assessment	AMBER	
<p>The IA is fit for purpose. While the IA discusses reduction in consumer detriment, it should explain better how the proposals will lead to such a reduction.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Reduction in consumer detriment.</i> The IA says that the proposal will lead to the “help (of) an additional 1.06 million consumers..” per annum and a subsequent “..extra 276,000 consumer issues being fully resolved compared to the baseline.” (para 59). However, it is not clear how such an annual increase in resolving issues of consumer detriment is expected to occur given that the proposal is just to transfer the current operations of Consumer Direct to Citizens Advice without any additional resources over the baseline being provided to Citizens Advice. This should be clearly explained in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure (‘an OUT’) with a ‘zero net cost’ to business. This is because the proposal will remove from legislation an existing function from Office of Fair Trading (OFT). Although this function will be transferred to a third sector organisation, it will be done through non-legislative means (a grant letter) and all additional costs will be compensated. Therefore, the assessment of the proposal as an OUT with a ‘zero net cost’ to business appears reasonable and consistent with the current One-in, One-out Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to Family Migration Rules	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	08/02/2012	
RPC Opinion date and reference	06/03/2012	RPC11-HO-0974(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it should be amended to take into account the recommendations of the Migration Advisory Committee (MAC) at the earliest possible stage. The IA should also explain clearly the additional costs and benefits on business and third sector organisations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>MAC Report.</i> The department acknowledges that MAC has published a report on the labour market and social impacts of migration. The current IA does not take into consideration the MAC recommendations, particularly with regards to the labour market impact and how to value the cost to the economy of the loss of migrant jobs. The IA should be amended to take into account the recommendations of the MAC at the earliest possible stage.</p> <p><i>Presentation of costs.</i> The IA provides some estimates of familiarisation and training costs for private and third sector organisations under different elements of the proposal, and calculates that these result in a net cost to business of £0.2m. However both the summary sheet for option 2 and the table summarising overall costs and benefits report this cost as 0. This should be corrected.</p> <p><i>Impact on public services.</i> The IA uses the UK average unit costs of public services to estimate the additional costs and benefits of the proposed changes. However, it is not clear that a UK average is the right proxy to be used. For example, the UK average unit cost for health services is arguably higher than for spouses and partners of migrants, who we might expect to be younger than the UK average age.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA claims that the proposals contained in this IA are regulatory measures (INs) with an Equivalent Annual Net Cost to Business (EANCB) of £0.02m. This appears consistent with the current One-in, One-out methodology. While the EANCB figure appears reasonable, the IA should explain clearly how this has been calculated by adding a separate OIOO section in the IA main text.</p>		

Signed

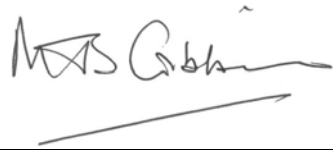
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Michael Gibbons, Chairman


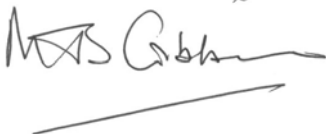
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment of the Identification and Traceability of Explosives Regulations 2010 and the Identification and Traceability of Explosives Regulations (Northern Ireland) 2010	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	European	
Date submitted to RPC	16/02/2012	
RPC Opinion date and reference	06/03/2012	RPC11-HSE-1104(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits and preferred option.</i> The IA provides a clear account of the potential costs and benefits of the proposal and explains the rationale for the preferred option. The RPC notes that the final proposal amends the coming into force date only, from April 2012 to April 2013.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is an OUT in terms of One-in, One-out (OIOO). As the proposal is a revision to UK implementation of EU legislation to remove gold-plating this is consistent with the current OIOO Methodology. This is now clearly explained in the final stage IA. The IA scores an Equivalent Annual Net Cost to Business of -£0.035m. This appears a reasonable estimate.</p>		
Signed 	Michael Gibbons, Chairman	


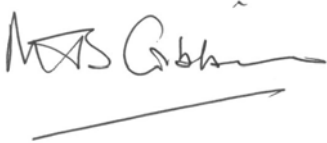
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to petition deposits in bankruptcy and compulsory liquidation	
Lead Department/Agency	Department for Business, Innovation and Skills / The Insolvency Service	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/01/2012	
RPC Opinion date and reference	06/03/2012	RPC12-BIS-1252
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should better explain why no increase in case administration fees is being proposed and provide better analysis of the non-monetised impact of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Fee levels.</i> The IA provides an evidence base for the proposed increase in petition deposit level to address a declining trend in fee recovery. The IA says that the fees were also raised in 2010 and 2011 and that one of the main reasons for raising the fees is the declining price of assets. However, it appears that in deciding the fee levels the department has assumed that the price of assets will not change, as <i>'there is no means of forecasting future variation'</i> (paragraph 31). The IA should explain the underlying factors for the declining prices of assets and discuss whether any change in fees will be made if the prices of assets rise.</p> <p><i>Petition deposit vs case administration fees.</i> The department proposes to increase the level of fees for petition deposit without changing the case administration fees. The IA should explain better why this approach is chosen to address the deficit.</p> <p><i>Non-monetised impacts.</i> The IA acknowledges that the proposed increase in petition deposit fees will increase the overall cost of insolvency which may result in companies looking for other forms of managing debt. The IA should provide more analysis of the likely effects this proposal may have on other forms of managing debt and dealing with insolvency (such as voluntary liquidation, administration etc.).</p> <p><i>Consultation.</i> The RPC notes that not formal consultation has been carried out on this measure. The IA should provide more information about the informal discussions the department has had with stakeholders about this proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the measure relates to changes to fee levels, where the level of regulatory activity has not changed, the main proposal is out of scope of the One-in, One-out.</p>		


Signed

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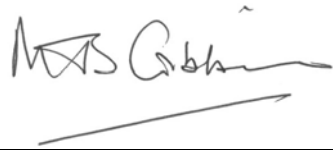
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amending regulations to align Deduction from Earnings Orders with the new statutory child maintenance scheme	
Lead Department/Agency	Department for Work and Pensions	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/02/2012	
RPC Opinion date and reference	07/03/2012	RPC11-DWP-1220(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion of 02/02/2012 with regards to the baseline/'do nothing' option have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion of 02/02/2012 have been adequately addressed in this revised IA. In particular, the IA now uses a correct baseline to assess the additional costs and benefits of the proposed changes in the regulations for child maintenance system. The RPC notes that the department will make corresponding adjustments also to the final stage IA for the maintenance calculation regulations (RPC11-DWP-1075).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal (preferred option) is a deregulatory measure that will create a net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.8 million. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated EANCB should be further strengthened during the consultation so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact assessment on the proposed transfer of Public Lending Right functions from the existing body and its subsequent abolition	
Lead Department/Agency	Department for Culture Media and Sports	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/02/2012	
RPC Opinion date and reference	08/03/2012	RPC12-DCMS-1259
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, given one of the stated objectives is to reduce administrative costs, the IA should consider in more detail the extent to which this will be achieved by the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The impacts of the proposal have been adequately discussed. However, given one of the stated objectives is to reduce administrative costs, the IA should consider in more detail the potential extent to which this will be achieved by the proposal. In addition, the IA should consider whether the proposal will result in any transitional costs.</p> <p>The department have informed us that they do not anticipate there to be any additional burden placed on authors as a result of this proposal. Confirmation of this will be required at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a transfer of powers between two public bodies with no direct impact on business or civil society organisations and, as such, it is considered to be out of scope of 'One-in, One-out' (OIOO). Based on the evidence presented, this appears to be a reasonable assessment and consistent with the current OIOO Methodology. As discussed above, the consultation will have to be used to confirm the assumption that there will be no impact on authors so that this assessment can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Migration Permanent Limit, Tier 2	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	12/03/2012	RPC12-HO-1274
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it should be amended to take into account the recommendations of the Migration Advisory Committee (MAC) at the earliest possible stage. The IA should also present more clearly the additional costs and benefits on business and third sector organisations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>MAC Report.</i> The department acknowledges that MAC has published a report on the labour market and social impacts of migration. The current IA does not take into consideration the MAC recommendations, particularly with regards to the labour market impact and how to value the cost to the economy of the loss of migrant jobs. The IA should be amended to take into account the recommendations of the MAC at the earliest possible stage.</p> <p><i>Impact on public services.</i> The IA uses the UK average unit costs of public services to estimate the additional costs and benefits of the proposed changes, only controlling for age. However, it is not clear that a UK average is the right proxy to be used. For example as tier 2 migrants are well educated and have well paid jobs it is possible that they might be less likely to commit crime or make more use of private education and healthcare.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The proposals contained in this IA contain both regulatory and deregulatory measures (INs and OUTs). As the costs from the regulatory measures exceed the benefits of the regulatory measures the IA says this measure is an IN with an Equivalent Annual Net Cost to Business (EANCB) of £0.001m. The RPC notes that the EANCB figure is incorrectly reported as £0.01m on the IA cover page. This appears consistent with the current One-in, One-out methodology.</p> <p>The RPC notes that the additional impacts of introducing the permanent limits for Tier 2 migrants, introduced in April 2011, has not yet been reported for One-in, One-out purposes.</p>		

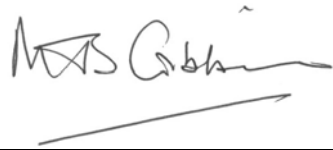
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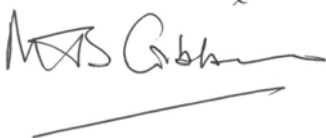
Michael Gibbons, Chairman


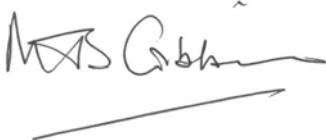
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Park Homes: Reform of the Mobile Homes Act 1983	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	16/02/2012	
RPC Opinion date and reference	12/03/2012	RPC12-CLG-1271
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly why a separate option to increase penalties to site owners who currently do not conform with the regulations is not being taken to consultation, particularly as the preferred option appears to include legal site owners incurring costs because of the illegal behaviour of other site owners. In addition, the IA should contain a separate section on the One-in, One-out (OIOO) implications from the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Preferred option and alternatives.</i> The IA says that “<i>setting conditions on a sale is unlawful..</i>” (Paragraph 11) and that the preferred option will prevent “<i>unreasonable sale blocking.</i>” (Paragraph 16) by site owners. The preferred option appears to include legitimate businesses incurring costs because of the illegal behaviour of other site owners. Given this, it is not clear why the IA does not present a separate option in terms of changes to the penalty regime for site owners who act illegally. The IA should explain why this is the case as this would help enable consultees to comment on this option as an alternative means of achieving the policy objective.</p>		
<p><i>Cost and benefit estimates.</i> While the impacts of the proposal have been identified, the IA currently provides no quantified estimate of benefits. This, and the distinction between transfer payments and resource costs and benefits, should be subject to testing at consultation. It would also be hoped that more up-to-date data would be forthcoming from the consultation as basing the proposals on data that is some 20 years old is not ideal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		


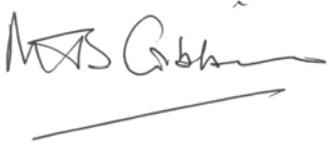
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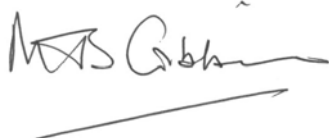
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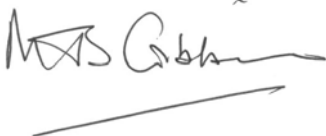
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Improving Statutory Consultee Performance	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	17/02/2012	
RPC Opinion date and reference	12/03/2012	RPC12-CLG-1276
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits, including the One-in, Out-out (OIOO) implication of the proposal, will have to be made more robust following consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> While the costs and benefits of the proposal have been broadly set out, the IA does not quantify any of these impacts. It should use the consultation to quantify impacts.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of One-in, One-out (OIOO) and records the impact as 'zero net cost'. It is currently unclear whether this proposal is an IN with a cost to business or an IN with a net benefit to business. This will depend on whether any benefits are direct or not and, if they are, whether they exceed the cost. This consultation will have to be used to confirm the impact of the proposal and the OIOO position will have to be clarified prior to validation at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Energy Bill 2012: Liquidity Measures	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	07/02/2012	
RPC Opinion date and reference	12/03/2012	RPC12-DECC-1260
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA provides sufficient evidence to support the decision to take powers to support delivery of the Electricity Market Reform (EMR), with constraints on using the powers (option 3).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Analysis.</i> The IA provides sufficient evidence to support the decision to take powers to support delivery of EMR, with constraints on using the powers (option 3). Although the costs and benefits have not been monetised, they have been clearly identified in the IA. We accept that the nature of the benefits, which come from an increase in certainty, are difficult to quantify. The IA does provide sufficient qualitative analysis, which appears reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a zero IN). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Aviation Policy Framework	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/03/2012	
RPC Opinion date and reference	13/03/2012	RPC-DFT-1282
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the department should make maximum use of the consultation period to gather more evidence in relation to the costs and benefits of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA provides little quantification of the potential costs and benefits of the proposal. The department should make maximum use of the consultation period to gather more evidence in relation to the costs and benefits of the proposal. This is particularly important, in relation to Option 1b, if a robust calculation of the cost to business is to be developed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the potential regulatory aspect of the proposal (Option 1b) is in scope of One-in, One-out (OIOO). This is correct according to the current OIOO Methodology. The EANCBS will need to be robust prior to valuation at final stage.</p>		
Signed		Michael Gibbons, Chairman

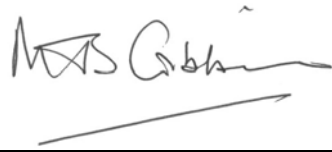
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Repeal of 'Early Discharge from bankruptcy' provision	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/02/2012	
RPC Opinion date and reference	13/03/2012	RPC11-BIS-1166(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion of 07/12/2012 have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion of 07/12/2012 have been adequately addressed. The revised IA explains clearly the bankruptcy and early discharge process and provides an adequate assessment of the likely costs and benefits of the proposed removal of the early discharge provisions. In particular, the IA clearly explains the differences between early and automatic discharges, which helps to understand the additional impacts the proposed removal of the early discharge may have.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The revised IA claims the proposal is a deregulatory measure (an OUT), with and Equivalent Annual Net Cost to Business (EANCB) of -£0.6m. This is consistent with the current OIOO Methodology. The estimated EANCB figure appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Plastic Materials and Articles in Contact with Food (England) (Amendment) Regulations 2011	
Lead Department/Agency	Food Standards Agency	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/02/2012	
RPC Opinion date and reference	13/03/2012	RPC11-FoodSA-0795(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, as the majority of polycarbonate baby bottles used in the UK appear to be manufactured abroad, the IA should provide more information relating to importers of these bottles to support the estimated costs to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits:</i> The IA says that the sector is, in terms of businesses affected, narrow and that the FSA is unable to provide accurate estimates of the impact of the proposal. While we accept this limitation, the IA should consider the costs and benefits of the proposal in relation to the number of importers of polycarbonate baby bottles affected as the IA says that most the bottles used in the UK are manufactured abroad.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' (OIOO) according to the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


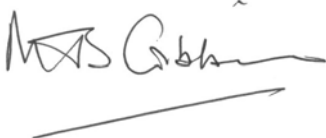
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Park Homes Site Licensing Caravan Sites and Control Development Act 1960	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/02/2012	
RPC Opinion date and reference	13/03/2012	RPC12-CLG-1265
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly why a separate option to increase penalties on site owners who currently do not conform with the existing regulations is not being consulted upon, particularly as the preferred option involves legal site owners incurring costs because of the illegal behaviour of other site owners. It should also use the consultation to quantify how charging fees will make a difference to LA behaviour. In addition, the IA should contain a separate section on the One-in, One-out (OIOO) implications and estimates from the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Preferred option and alternatives.</i> The IA says that the preferred option is to enable Local Authorities (LAs) to charge site owners for licences to a level that will “<i>offset the costs to LAs of regulating the industry</i>” (paragraph 23). The IA also says that the fees are to finance an LA change in behaviour. It is not clear, from the proposal, how this will make a difference in LA behaviour. It should use the consultation to quantify these behavioural changes.</p>		
<p>This option involves legitimate businesses incurring costs because of the illegal behaviour of other site owners. Paragraph 20 of the IA says that “<i>changes in the penalties for non compliance are outside the scope of this assessment.</i>” However, it is not clear why the IA does not present a separate option relating to changes to the penalty regime as this would enable consultees to comment on this option as an alternative means of achieving the policy objective.</p>		
<p><i>Cost and benefit estimates.</i> Paragraph 30 provides an estimate of benefit in terms of alleviating the current detriment to residents. This estimate is described as “<i>illustrative</i>” and will need to be subject to testing at consultation. The IA should also seek to provide consultees with more up to date data of how many sites there are in England (Paragraph 18).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology</p>		



and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.


Signed

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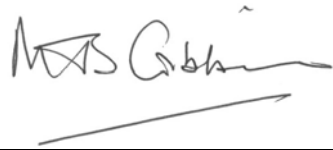
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment of the Transmissible Spongiform Encephalopathies (England) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
Date submitted to RPC	08/02/2012	
RPC Opinion date and reference	13/03/2012	RPC12-DEFRA-1261
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the policy have been adequately assessed. However, the IA should explain why limiting appeals will not prevent legitimate appeals from being heard and should contain more information about the ongoing appeal against the EU General Court ruling.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact of Limiting Appeals.</i> The IA says that limiting the grounds under which an appeal can be made against a decision to kill BSE cohort animals will reduce unnecessary appeals. However, there is no discussion of the impact on legitimate appeals. The IA should contain either an explanation of why this will not prevent legitimate appeals or some discussion of the costs to farmers of not being able to appeal.</p> <p><i>EU General Court Appeal.</i> The IA says that the French Government has appealed against the EU General Court judgement that would allow these proposals to go ahead. However, the IA does not contain any discussion of how long this appeal is expected to take or what impact it might have on this policy.</p> <p><i>Presentation.</i> The IA is difficult to read and the details of the policy are not immediately apparent to the reader. The IA would benefit from greater clarity to ensure that consultees fully understand the proposals.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
Signed	Michael Gibbons, Chairman 	


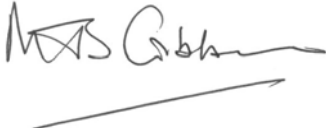
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Statutory drought and water resources planning by water undertakers: frequency of the planning cycle	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	28/02/2012	
RPC Opinion date and reference	13/03/2012	RPC12-DEFRA-1283
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should better explain the difference in timing between the two plans in order to demonstrate the proposal will “<i>ensure the optimal flow of information</i>” (page 1).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA should better explain the proposed difference in timing between the two plans to demonstrate that the proposal will “<i>ensure the optimal flow of information and minimise duplication of effort by the companies</i>” (page 1). This would better show that the benefits from avoiding the peak in regulatory burden are greater than any costs from increasing the timing between the two plans.</p> <p>In addition, the IA should be much clearer on the role and responsibilities of ‘inset appointees’ and set out any costs and benefits to them from the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of -£0.2 million. This is consistent with the current One-in, One-out (OIOO) Methodology and appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	


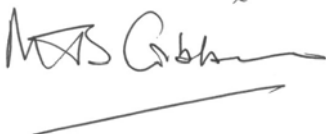
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revocation of the Notification of Conventional Tower Cranes Regulations 2010	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/02/2012	
RPC Opinion date and reference	13/03/2012	RPC12-HSE-1285
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly why it is expected that removal of the regulation will have no impact on health and safety compared to the base case, particularly as the current Tower Crane Regulations were introduced only in March 2010.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Effect of current Regulation, and difference with existing Regulations.</i> The IA says that the current Tower Crane Regulations came into effect in April 2010, and that by the end of 2011 just over 300 dutyholders were registered. The IA should explain more clearly why the Government believes that the Regulations have had sufficient time to become fully effective, and thereby to support the claim that removing them will have no implications for health and safety in the future.</p> <p>Paragraph 14 says that the Lifting Operations and Lifting Equipment Regulations (LOLER) do not require all of the information that is required under the Tower Crane Regulations. The IA should demonstrate more clearly whether this information difference is significant or not.</p> <p><i>Costs to HSE.</i> The IA estimates a cost to the HSE. This is not a cost to the UK as it is a transfer between fee payers and receiver. This should be reflected in the relevant summary sheet of the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		


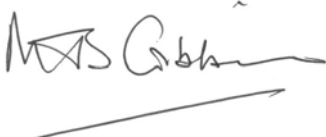
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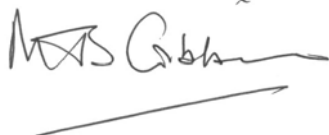
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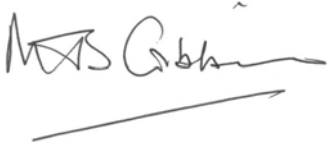
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Early Years Foundation Stage (Learning and Development Requirements) (Amendment) Order 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	12/03/2012	
RPC Opinion date and reference	14/03/2012	RPC12-DfE-1279
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed, with the underlying assumptions for this analysis explained clearly throughout. However, the IA would benefit from presenting the main elements of the proposed changes to the Early Years Foundation Stage (EYFS) more clearly</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of the proposal.</i> The IA presents a number of measures under the preferred option which are intended to support several objectives. However, the IA should present the main elements of the proposed changes to the EYFS more clearly so that the impacts can be fully understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£10m. As the policy is designed to simplify, reduce and clarify existing requirements this appears consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Early Years Foundation Stage (Safeguarding Welfare Requirements) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/02/2012	
RPC Opinion date and reference	14/03/2012	RPC12-DfE-1280
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed, with the underlying assumptions for this analysis explained clearly throughout. However, the IA would benefit from presenting the main elements of the proposed changes to the Early Years Foundation Stage (EYFS) more clearly</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of the proposal.</i> The IA presents a number of measures under the preferred option which are intended to support several objectives. However, the IA should present the main elements of the proposed changes to the EYFS more clearly so that the impacts can be fully understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.3m. As the policy is designed to simplify, reduce and clarify existing requirements this appears consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

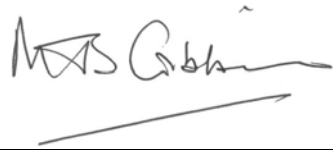
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Childcare (Early Years) Register Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/02/2012	
RPC Opinion date and reference	14/03/2012	RPC12-DfE-1281
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a more detailed explanation of why the requirement for childminders to complete training before commencing their employment is expected to be cost-neutral for Early Years childcare providers.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits to Early Years Childcare providers.</i> The proposal includes a measure to make it compulsory for all childminders to complete Early Years Foundation Stage (EYFS) training prior to commencing their employment. The IA states that as this training is not additional, and as it is not expected to cause a delay in the start dates of any childminders, the measure will be cost-neutral for childcare providers. However, the IA should provide a more detailed explanation of how “<i>coordinating specific timings during the start-up process</i>” can be carried out to ensure that there is no delay in the existing “<i>30-40% of cases where childminders complete training after registration</i>” (page 5).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA supports both regulatory and deregulatory measures. The regulatory measures are not expected to impose a net cost on business as they do not introduce a new burden on childminders or Early Years providers. The IA says the deregulatory measure of providing reduced information to OFSTED has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of -£0.03m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Private Actions in Competition Law	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/03/2012	
RPC Opinion date and reference	15/03/2012	RPC12-BIS-1256
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. However, the IA could benefit from presenting a clearer summary of the costs and benefits of the various options considered in the proposal to help facilitate a more effective consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA considers three alternative options (excluding do nothing) to address the policy objective of the proposal. Each option builds on the previous one and the analysis of costs and benefits is undertaken on a <i>thematic</i> basis, focusing on four areas (court reforms, alternative dispute resolution, leniency and collective actions). There are various sub-options considered within these sections. Consultees could benefit from a clearer overall summary of the impacts of the preferred options being considered alongside the thematic analysis and additional sub-options. In addition, the IA would benefit from explaining how the current proposal fits within the wider institutional reforms of the competition regime.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a regulatory measure ('an IN') with a 'zero net cost' to business. This appears to be consistent with the current One-in, One-out methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revocation of the Construction (Head Protection Regulations) 1989	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/02/2012	
RPC Opinion date and reference	15/03/2012	RPC12-HSE-1286
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it would benefit from explaining more clearly the differences between the Personal Protective Equipment (PPE) at Work Regulations 1992 and the Construction (Head Protection Regulations) 1989 to enable consultees to understand better the implications of revocating the latter, which is deemed to be ‘..highly efficient..’ (paragraph 57).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation and Risks.</i> The IA would benefit from explaining more clearly the differences between the Personal Protective Equipment (PPE) at Work Regulations 1992 and the Construction (Head Protection) Regulations 1989, so that consultees can gain a better understanding of the potential impact of removing the latter particularly in the context of risk (paragraph 47).</p> <p>In addition, the IA says, ‘<i>all the evidence available points to the regulations having been highly efficient in increasing the wearing of head protection, and to this having prevented a large number of deaths or major injuries</i>’, (paragraph 57). The IA should explain more clearly how this statement reconciles with the cost and benefit estimates presented, which imply that there will be no deaths or major injuries from removing the existing Regulations.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA say says the proposal is a Zero Net Cost measure (paragraph 41). However, the proposal appears to be a deregulatory measure with a benefit to business and so would be an ‘OUT’ under the current One-in, One-out (OIOO) Methodology. The Equivalent Annual Net Cost to Business (EANCB) will have to be more robust prior to validation at final stage</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Child Performers Amateur sector	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	16/03/2012	RPC12-DfE-1291
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, prior to consultation, to allow consultees to make an informed contribution, it should be amended to address the issues outlined below. In addition, the IA should use the consultation to provide robust estimates of costs and benefits in a number of areas set out below. The One-in, One-out (OIOO) analysis should also be revisited following consultation and prior to validation at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Volunteer time.</i> The IA says, “since we estimate volunteer’s time using non-labour costs, we use the national minimum wage (NMW) as a proxy..” (page 6). However, it appears that third sector and charity organisations recommend and use the average national wage as a proxy for volunteer time, or a variation of the local average wage, if this is considered more appropriate. It is thus not clear why the IA uses the NMW as a proxy for volunteer time. It should provide a clearer explanation for its use or adopt the average wage as used by third sector and charity organisations.</p> <p><i>Local Authorities (LAs) and Legislation.</i> The IA should explain more clearly how the proposal will be financed in relation to the expected future activity of LAs in this area so that the impacts of this proposal can be better understood by consultees. It should also explain more clearly how the proposed legislation will be monitored and enforced to ensure its effectiveness.</p> <p><i>Risks.</i> The IA should expand the section ‘Risks’ to explain more fully why the proposal is not expected to have a negative impact on child protection/safety in this area.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of One-in, One-out (OIOO) and is an ‘OUT’. As the proposal affects voluntary organisations it is in scope of OIOO. But, whether the proposal is an OUT or an IN with net zero cost at best (because the proposal involves replacement of one regulatory requirement with another) will need to be carefully assessed prior to re-submission at final stage for validation.</p>		

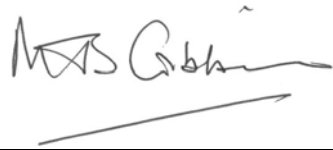
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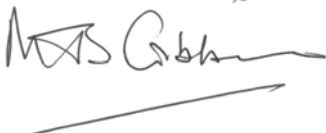
Michael Gibbons, Chairman



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Child Performers Licensing Process	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	16/03/2012	RPC12-DfE-1292
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, prior to consultation, to allow consultees to make an informed contribution, it should be amended to address the issues outlined below. In addition, the IA should use the consultation to develop robust estimates of the costs and benefits in a number of areas.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Volunteer time.</i> The IA says, “since we estimate volunteer’s time using non-labour costs, we use the national minimum wage (NMW) as a proxy..” (page 6). However, it appears that third sector and charity organisations recommend and use the average national wage as a proxy for volunteer time, or a variation of the local average wage, if this is considered more appropriate. It is thus not clear why the IA uses the NMW as a proxy for volunteer time. It should provide a clearer explanation for its use or adopt the average wage as used by third sector and charity organisations.</p> <p><i>Local Authorities (LAs) and Legislation.</i> The IA should explain more clearly how the proposal will be financed in relation to the expected future activity of LAs in this area so that the impacts of this proposal can be better understood by consultees. It should also explain more clearly how the proposed legislation will be monitored and enforced to ensure its effectiveness.</p> <p><i>European Directive.</i> The IA references the EU Directive in this area, but it should explain more clearly how the preferred option is consistent with this.</p> <p><i>Risks.</i> The IA should expand the section ‘Risks’ to explain more fully why the proposal is not expected to have a negative impact on child protection/safety in this area.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of One-in, One-out (OIOO) and is an ‘OUT’. This appears to be consistent with the current One-in, One-out (OIOO) Methodology. The Equivalent Annual Net Cost to Business (EANCB) will need to be robust for validation at final stage.</p>		


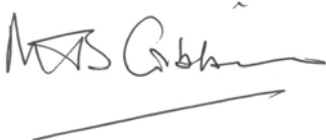
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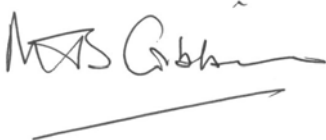
Michael Gibbons, Chairman


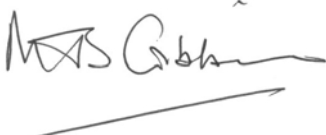
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Child Performers Chaperones	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	16/03/2012	RPC12-DfE-1293
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, prior to consultation, to allow consultees to make an informed contribution, it should be amended to address the issues outlined below. In addition, the IA should use the consultation to develop robust estimates of costs and benefits in a number of areas.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Volunteer time.</i> The IA says, “since we estimate volunteer’s time using non-labour costs, we use the national minimum wage (NMW) as a proxy..” (page 6). However, it appears that third sector and charity organisations recommend and use the average national wage as a proxy for volunteer time, or a variation of the local average wage, if this is considered more appropriate. It is thus not clear why the IA uses the NMW as a proxy for volunteer time. It should provide a clearer explanation for its use or adopt the average wage as used by third sector and charity organisations.</p> <p><i>Enforcement.</i> The IA should also explain more clearly how the proposed legislation will be monitored and enforced to ensure its effectiveness.</p> <p><i>Risks.</i> The IA should expand the section ‘Risks’ to explain more fully why the proposal is not expected to have a negative impact on child protection/safety in this area.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of One-in, One-out (OIOO) and is an ‘IN’. This appears to be consistent with the current One-in, One-out (OIOO) Methodology. The Equivalent Annual Net Cost to Business (EANCB) will need to be robust for validation at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


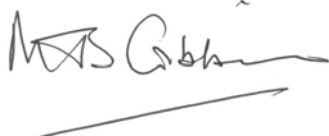
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Child Performers Children performing abroad	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	16/03/2012	RPC12-DfE-1294
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, prior to consultation, to allow consultees to make an informed contribution, it should be amended to address the issues outlined below. In addition, the IA should use the consultation to develop robust estimates of the costs and benefits in a number of areas.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Volunteer time.</i> The IA says, “since we estimate volunteer’s time using non-labour costs, we use the national minimum wage (NMW) as a proxy..” (page 6). However, it appears that third sector and charity organisations recommend and use the average national wage as a proxy for volunteer time, or a variation of the local average wage, if this is considered more appropriate. It is thus not clear why the IA uses the NMW as a proxy for volunteer time. It should provide a clearer explanation for its use or adopt the average wage as used by third sector and charity organisations.</p> <p><i>Local Authorities (LAs) and Legislation.</i> The IA should explain more clearly how the proposal will be financed in relation to the expected future activity of LAs in this area so that the impacts of this proposal can be better understood by consultees. It should also explain more clearly how the proposed legislation will be monitored and enforced to ensure its effectiveness.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is in scope of One-in, One-out (OIOO) and is an ‘OUT’. This appears to be consistent with the current One-in, One-out (OIOO) Methodology. The Equivalent Annual Net Cost to Business (EANCB) will need to be robust for validation at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


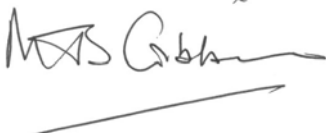
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Damages Act 1996 - the Discount Rate: how it should be set?	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/02/2012	
RPC Opinion date and reference	16/03/2012	RPC12-MOJ-1269
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would be improved by explaining more clearly how the two options being considered compare to estimates of discount rates derived from studies of individuals' time preference and from estimates of society's time preference. It would also benefit from explaining better why no other options are being considered for consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA presents two options - one based on the return from Government securities and one based on the return from a 'mixed portfolio'. The IA would benefit from explaining how estimates of the discount rate derived from these options would compare with estimates of the discount rate derived from studies of individuals' and of society's time preferences (for example the discount rate used in HM Treasury's 'Green Book'). This would enable consultees to see more clearly how any potential changes to the discount rate that is used for these purposes, would contrast with alternative estimates. It would also be helpful for the consultation if the IA explained more clearly the difference between nominal and real discounting.</p> <p>The IA would also benefit from explaining why no alternatives to the two options being considered are being taken forward for consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is "<i>expected to generate a zero in for business.</i>" (paragraph 2.92) Whether the IN of the proposal is net zero or a cost to business will depend on the rate of discount ultimately introduced. However, there is no OUT aspect of the proposal as is claimed by paragraph 2.89 and so this should be amended accordingly.</p>		
Signed 	Michael Gibbons, Chairman	


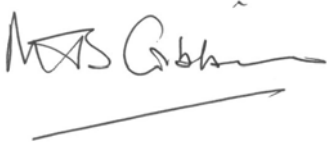
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Historic Vehicles MOT Exemption Review	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	08/03/2012	
RPC Opinion date and reference	19/03/2012	RPC11-DFT-1034(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The department has provided us with further information that better explains how the costs and benefits have been arrived at, which should be included in the IA. Furthermore, the IA should better explain its assessment in relation to 'One-in, One-out'.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of the impacts.</i> The costs and benefits of the proposal have been adequately assessed. While the IA shows that these impacts have been supported by evidence, the presentation means that it is difficult to determine how these costs of the additional road casualties and accidents have been derived. The department has provided us with further information that better explains the analysis, which should be included in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that this proposal is of European origin, but is the removal of gold-plating from an existing regulation, and therefore qualifies as an 'OUT'. This is consistent with the OIOO Methodology. However, the department has not been able to score an Equivalent Net Cost to Business (EANCB). This assessment should be explicit in the IA.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to regulations for Care Quality Commission registration	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/03/2012	
RPC Opinion date and reference	19/03/2012	RPC12-DH-0966(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issue raised in our previous opinion of 15/02/2012 regarding the use of a 2.4 multiplier has been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The issue raised in our previous opinion of 15/02/2012, regarding the use of a 2.4 multiplier to reflect the opportunity cost of resources has been addressed. The estimates of costs and benefits presented in this revised IA have not been adjusted by the multiplier.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'OUT') with an Equivalent Net Cost to Business (EANCB) of -£0.42m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


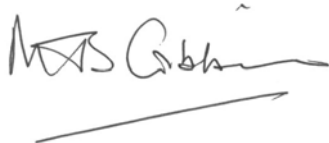
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Real Total Mass (RTM) Implementation	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	29/02/2012	
RPC Opinion date and reference	19/03/2012	RPC12-DfT-0785(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the cost and benefits of each of the options and how the preferred option would reduce the burden on business. The IA could benefit from being clearer about why going beyond EU requirements is necessary in order to provided exemptions for trainers.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly sets out the cost and benefits of each of the options and how the preferred option would reduce the burden on business. The IA could benefit from being clearer about why going beyond EU requirements is necessary in order to provide exemptions for trainers so that it is more evident how these benefits will be realised.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, but with evidence of going beyond minimum requirements, it is in scope of 'One-in, One-out' (OIOO). However, this will then allow exemptions to be given from the 'Operators Licensing Scheme' that will be beneficial for business and so it appears reasonable to consider this regulatory measure a 'zero IN'.</p>		
Signed 	Michael Gibbons, Chairman	


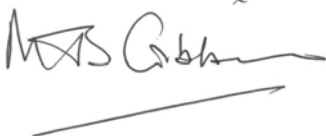
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of fees for UK National Listing and UK Plant Breeders Rights	
Lead Department/Agency	Department for Environment, Food and Rural Affairs/Food and Environment Research Agency	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/03/2012	
RPC Opinion date and reference	20/03/2012	RPC12-DEFRA-1300
Overall Assessment	AMBER	
<p>The IA is fit for purpose as it considers the appropriate range of costs and benefits from the proposal. However, the IA should provide an extended discussion as to why the proposed fee increases are being progressed despite a separate review being undertaken.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Fee increases and efficiencies.</i> The IA says the objective is to constrain fee increases by Fera working with others to develop more cost-effective practices, which cannot at this stage be monetised, but will be the subject of a separate review already underway (paragraph 5.1). In view of some of the very significant fee increases to business users proposed over the appraisal period (e.g. 338 increase in administration fee), the IA should provide an extended discussion as to why the proposed fee increases are being progressed prior to the conclusion of the review. This would help inform consultees input to the consultation, particularly because the IA says that, ‘<i>..the industry organisations [saying] that proposals to reduce costs should be considered ahead of fee increases..</i>’ (paragraph 8.5).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal appears to relate to a change in fees, with no evidence of it resulting in a change in the level of regulatory activity, it appears to be out of scope of One-in, One-out (OIOO), according to the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


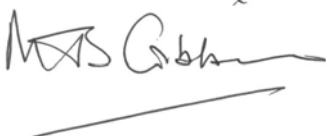
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of fees for Seeds Marketing in England and Wales	
Lead Department/Agency	Department for Environment, Food and Rural Affairs/Food and Environment Research Agency	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/03/2012	
RPC Opinion date and reference	20/03/2012	RPC12-DEFRA-1301
Overall Assessment	AMBER	
<p>The IA is fit for purpose as it considers the appropriate range of costs and benefits from the proposal. However, given the importance of the review referenced (page 11) and uncertainty around replacement of the online applications system, the IA should elaborate on the status of the review and/or explain why the proposed fee increases are being progressed without the review.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Fee increases and efficiencies..</i> The IA says, ‘.. successful implementation of Option 3, requires Fera and the industry to review the seeds marketing process in partnership.’ (page 11, 14) and that, ‘the level of fee increases needed in 2014 to achieve FCR [full cost recovery] will depend on the success of this review’. Given, the importance of that review and uncertainty around replacement of the online applications system, the IA should elaborate on the status of the review and/or explain why the proposed fee increases are being progressed prior to the conclusion of the review.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal appears to relate to a change in fees, with no evidence of it resulting in a change in the level of regulatory activity, it appears to be out of scope of One-in, One-out (OIOO), according to the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


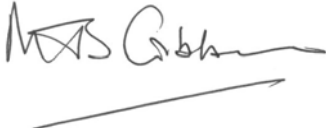
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Equality Act 2010 - Protection Against Victimisation When Relationships Come To an End	
Lead Department/Agency	Home Office (Government Equalities Office)	
Stage	Final	
Origin	European	
Date submitted to RPC	07/03/2012	
RPC Opinion date and reference	20/03/2012	RPC12-GEO-1299
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal appear to have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA explains that the proposal is to correct an error in the introduction of the Equality Act 2010 which has resulted in the UK not being fully compliant with European law. With respect to protection against victimisation when relationships end, the proposal would return the UK to the position that existed prior to the Equality Act 2010, and in this context the estimated impacts appear reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is the result of European legislation and so is out of scope of One-in, One-out (OIOO). This is consistent with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Council Directive 2009/119/EC - obligation on Members States to maintain minimum stocks of crude oil and / or petroleum products	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	European	
Date submitted to RPC	02/03/2012	
RPC Opinion date and reference	21/03/2012	RPC12-DECC-1290
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should contain a discussion of any risks of maintaining two-thirds of stock in any form of oil product and why therefore it is beneficial for a third to be held in finished product.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Risks and Benefits:</i> The IA should contain a discussion of any risks of maintaining two-thirds of stock in any form of oil product rather than specific finished products. If there are no risks from holding stock in any form the IA should explain why the EU regulations require the remaining third to be held in finished products.</p>		
<p>The IA should also provide an explanation of the two methods used for calculating stocks (as defined in Annex 1, page 15 of the Directive) and make it clear why only one of these methods is being considered.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact of changes to Regulations and National Minimum Standards for Residential Family Centres	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	09/03/2012	
RPC Opinion date and reference	21/03/2012	RPC12-DfE-1241(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. All of the issues raised in our previous Opinion (02/03/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>All of the issues raised in our previous Opinion (02/03/2012) have been addressed. In particular, the 'one-off costs' to Residential Family Centres are no longer estimated to recur every year, and a number of underlying assumptions have been clarified or amended.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the preferred option includes one regulatory proposal that will impose a net cost to business (an 'IN') and one deregulatory proposal that is likely to be beneficial to business (an 'OUT'). The assessment of the likely direction of impacts for each proposal appears to be reasonable and consistent with the 'One-in, One-out' Methodology. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

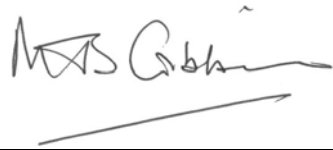
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consolidation of UK medicines legislation	
Lead Department/Agency	Medicines and Healthcare products Regulatory Agency / Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/03/2012	
RPC Opinion date and reference	23/03/2012	RPC11-DH-0940
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should set out more clearly the specific pieces of regulation and rules that are being removed and/or consolidated to explain better the estimated benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Changes in legislation.</i> The IA says that the proposal will <i>bring together the 200 or so legislative instruments into one statutory instrument that sets out for the first time almost all of the regulatory requirements for medicines in a single text</i> (page 5). The department says the proposed consolidation in legislation will deliver savings to various players in the private sector in terms of understanding regulations in the range of £0.12m - £2.67m per annum. However, the IA should set out more clearly the specific pieces of regulation and rules that are being removed and/or consolidated to explain better the benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business ('an OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.940m. This is consistent with the One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Deferment of Publication of Designs Applications	
Lead Department/Agency	Intellectual Property Office / Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/03/2012	
RPC Opinion date and reference	23/03/2012	RPC12-BIS-1304
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. However, the IA should provide a more detailed discussion of the relative merits of options 2 and 3.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal have been adequately assessed. However, the IA should contain a more detailed discussion of the relative merits of options 2 and 3. This would allow consultees to provide the Department with an informed opinion on which option to proceed with.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure (an ‘OUT’) with a ‘net zero cost’ to businesses. This appears to be consistent with the current methodology on One-in, One-out. A robust estimate of the Equivalent Annual Net Cost to Business (EANCB) will have to be provided at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment of Design Application	
Lead Department/Agency	Intellectual Property Office / Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/03/2012	
RPC Opinion date and reference	23/03/2012	RPC12-BIS-1306
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The likely impacts of the proposal have been adequately assessed given the stage of policy. Although the main impacts have not been monetised at this stage, the IA clearly explains how the Department will gather the additional information needed for monetisation during the consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal have been adequately assessed. Although the main impacts have not been monetised at this stage, the IA clearly explains how it will gather the additional information needed for monetisation during the consultation. The IA could benefit from explaining better the additional risks and costs of having the mandatory option of amending the design application compared to the voluntary option.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal (Option 2) is a regulatory measure ('an IN') with a 'net zero cost' to businesses. This appears consistent with the current methodology on One-in, One-out. A more robust estimate of the Equivalent Annual Net Cost to Business (EANCB) should be provided at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Plant Health (Export Certification) (England) Order 2004 and the Plant Health (Export Certification) (Wales) Order 2006	
Lead Department/Agency	Department for Environment, Food and Rural Affairs/Food and Environment Research Agency	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	16/03/2012	
RPC Opinion date and reference	23/03/2012	RPC12-DEFRA-1308
Overall Assessment	AMBER	
<p>The IA is fit for purpose as it considers the appropriate range of costs and benefits from the proposal. However, to enable consultees to make a more informed contribution to the consultation, the IA should provide more information about the other fee increases proposed in this area and related reviews.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Fee increases and efficiencies.</i> The IA says, “the intended effect of the policy is a more efficient use of public resources by transferring the cost of service provision from the general taxpayer to the direct beneficiaries of the service.. and move toward Full Cost Recovery”. However, to enable consultees to make a more informed contribution to the consultation, the IA should provide more information about the other fee increases, and associated reviews, relating to the Agency’s move to Full Cost Recovery. This is particularly relevant given the scale of the proposed fee increases in this and the other areas.</p> <p><i>Impacts on the market.</i> The says, ‘changes in business practices in response to fee increases ...will vary between types of goods and will be subject to the ability of sub-sectors to adapt’ (paragraph 8.2.5). However, the IA would benefit from providing a more detailed assessment of the impacts in the markets for the products affected; this would enable consultees to gain an understanding of the full economic impact of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal appears to relate to a change in fees, with no evidence of a change in the level of regulatory activity, it appears to be out of scope of One-in, One-out (OIOO), according to the current OIOO Methodology.</p>		

Signed

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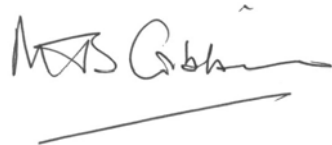
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Education (independent School Standards) (England) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/02/2012	
RPC Opinion date and reference	23/03/2012	RPC12-DfE-1268
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, given the nature of the stated objective to change Part 2 to oblige faith schools to adjust their curriculum, particularly in relation to the other objectives, it is not apparent why this is being considered within the same IA. The department may wish to consider whether this aspect of the proposal should be presented in a separate IA to help ensure that consultees can consider the impacts of this measure in isolation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options.</p>		
<p><i>Presentation of proposal.</i> The preferred option presented in the IA contains several changes and additions to the Independent School Standards Regulations, a number of which are to update and simplify their contents. However, the proposal also supports a change to Part 2 of the standards which is intended to "<i>oblige a small number of faith-based independent schools to adjust their curriculum...to do more to prevent extremism</i>" (page 1). Given the nature of this stated objective, particularly in relation to the other objectives, it is not apparent why this is being considered within the same IA. The department may wish to consider whether this aspect of the proposal should be presented in a separate IA to help ensure that consultees can consider the impacts of this measure in isolation. This would also help present more clearly the impact of updating and simplifying the contents of the Independent School Standards Regulations.</p>		
<p><i>Alternative options.</i> The IA presents two options in addition to the 'do nothing'. The preferred option (Option 2) includes making changes to the regulations to update and simplify them. Option 3 does not include updating the regulations, but instead provides guidance that supports the existing regulations. The IA explains that the "<i>improved clarity will benefit existing and new schools by making the process of complying with inspections more straightforward</i>" (page 13). Given that the benefits to Independent Schools from updating the regulations to "<i>avoid confusion</i>" (page 10) are deemed too difficult to quantify, it appears that the estimated time-savings from the proposed guidance under Option 3 are over and above the potential impact of updating the regulations. It therefore seems likely that a hybrid of Options 2 and 3 may deliver higher net benefits than the two options presented. The IA should explain why this potential option is not being taken forward to consultation or better explain why these additional benefits would not arise from pursuing both options.</p>		


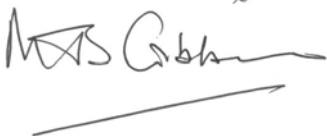
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


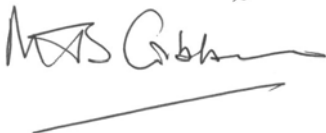
The IA supports a proposal which includes both regulatory measures that will impose a net cost to business (an 'IN') and deregulatory measures that will have a net benefit to business (an 'OUT'). This appears to provide a reasonable assessment of the likely direction of impacts, and is consistent with the current One-in, One-out Methodology. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.




Signed



A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line extending to the right from the end of the signature.


Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementing the certification of requirements of the European Directive on the Maintenance of Railway Vehicles (Miscellaneous Amendments Regulations)	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	27/02/2012	
RPC Opinion date and reference	23/03/2012	RPC12-DfT-1284
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the costs and benefits of amending the domestic rail operations and maintenance regulations to reduce the burden on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly sets out the costs and benefits of amending the domestic rail operations and maintenance regulations. The IA explains that this is to simplify and reduce regulations, without expanding or gold plating the European Directive on the maintenance of railway vehicles, to reduce the burden on business. It is not expected that the regulatory change will impact upon health and safety, which appears reasonable on the evidence provided.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a partially deregulatory measure that has a direct net benefit to business (an 'OUT'), while the remaining regulatory measures are of EU origin with no evidence of gold plating. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed		Michael Gibbons, Chairman

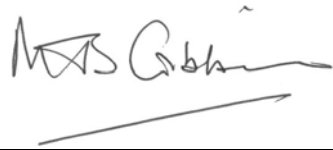
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Textile Labelling Regulations	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
Date submitted to RPC	06/03/2012	
RPC Opinion date and reference	26/03/2012	RPC12-BIS-1296
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should present more clearly the nature of the current proposal and the additional costs and benefits of the proposed changes. It should also explain better why the benefits of the main EU regulations cannot be realised without the removal of the existing UK regulations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The proposal will remove existing UK regulations which duplicate the new EU regulations. The IA should explain more clearly why the benefits which the EU regulations are intended to deliver can only come about with the removal of UK regulations.</p> <p><i>Enforcement costs.</i> The IA discusses the additional enforcement costs of the new EU regulations. Although these costs are expected to be marginal, as confirmed during the consultation, the IA could still have benefited from attempting to quantify them. The IA says there are ‘additional safeguards’ built in the enforcement system ‘to protect the rights and civil liberties of businesses and individuals’. The IA should explain more clearly what the specific changes being considered in the current enforcement system are.</p> <p><i>Rationale.</i> The IA should explain briefly why it is necessary to regulate the textiles industry, in particular what the benefits of a system of registration of fibres are.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of EHRC - change to Statutory Instrument SI 2007/1985: (Civil Aviation (Access to Air Travel for Disabled Persons) Regulations 2007)	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/03/2012	
RPC Opinion date and reference	27/03/2012	RPC12-Dft-1230(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (09/02/2012) regarding the costs in the first year and the effectiveness of the service as a result of the change have been fully addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal are fully set out in the IA. Furthermore, the IA now explains how the costs fall in the first year and why the Department would expect to see a more effective service as a result of the change.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.065m. This is consistent with the current 'One-in, One-out' Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed  	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementing European Directive 2010/48/EC on roadworthiness tests	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	14/03/2012	
RPC Opinion date and reference	27/03/2012	RPC12-DFT1307
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However, the summary table on page 10 is potentially misleading and appears to omit the costs from type 5 and 7 vehicles.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of costs and benefits.</i> The IA provides a summary of the costs and benefits on page 10, although this table is misleading and seemingly incomplete. The estimate of additional time costs does not appear to include the costs from type 5 and type 7 vehicles. In addition, while most costs are presented in average annual form, the cost of additional equipment appears to be the first year transition cost. The Department should ensure that this table is corrected.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European Origin with no evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out'</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Domestic legislation implementing EU Regulation 392/2009 on the liability of carriers of passengers by sea in the event of accidents	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	01/02/2012	
RPC Opinion date and reference	27/03/2012	RPC12-DfT-1313
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However, to enable for a more effective consultation, the IA should provide greater clarity with regard to its treatment of ‘limits of liability’ and impact on business, including the arguments around benefits to affected parties.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> Given the stage of the policy, the cost and benefits have been adequately assessed; qualitative arguments in support of costs and benefits have been clearly discussed and a number of questions for consultees have been highlighted seeking additional information to support monetisation of impacts at final stage. However, the increased payments as a result of increasing the limits of liability are presented as a benefit in the IA. Given that the higher payments will be paid by insurance companies, it is not clear why this is considered to be a resource benefit rather than a transfer. The IA should discuss this in more detail and, if appropriate, include the relevant offsetting costs.</p>		
<p><i>Increasing ‘limits of liability’.</i> It is not clear from the IA when the increase in the ‘limits of liability’ will come into effect. This should be clearly explained and, if it is subject to delay due to the derogation, the costs of deferring the increase should be discussed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says <i>whilst the Athens Convention would continue to be applied to other ships on domestic seagoing voyages, this would not result in any additional costs to business compared to the status quo. So, it is considered that Option 3 would result in a zero net cost to business</i> (page 39). As this proposal is of European origin, and the preferred option takes up all available derogations, it appears to be out of scope of OIOO under the current methodology. However, this will need to be verified during consultation and reflected in the final stage IA.</p>		

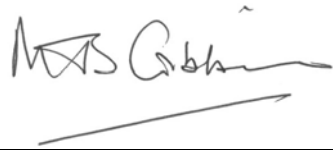
Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".


Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on pregnancy options counselling	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	19/03/2012	
RPC Opinion date and reference	27/03/2012	RPC12-DH-1310
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the ongoing costs of the increased number of counsellors appear to have been underestimated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs.</i> The IA identifies the cost of the increased number of counsellors as equal to their salary. This fails to take into account overheads, such as pension contributions and costs of offices and administration. The IA should up-rate the salary cost to reflect the total cost of increasing the number of counsellors. The IA also presents a cost from an annual registration fee. The IA should explain whether this fee reflects an additional cost of administering the registration system or represents a transfer.</p> <p><i>Presentation of costs.</i> In tables 4-12 the IA presents the year one costs and the present value cost over ten years. As year one costs are greater than the steady state costs the IA could benefit from also presenting the average annual costs and transition costs. This would provide consultees with greater clarity on the profile of all costs of the proposal.</p> <p><i>Benefits.</i> Paragraphs 31-37 present the benefits of the policy. While these have been monetised for illustrative purposes the figure is not currently considered robust. The IA should gather more evidence during the consultation to strengthen the estimates of monetised benefits. It should also provide a more qualitative discussion about the impact on the quality of the counselling services.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current 'One-in, One-out' methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so it can be validated at final stage.</p>		

Signed

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Michael Gibbons, Chairman

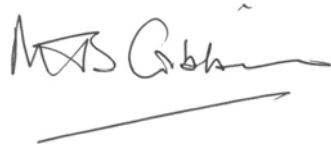
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Healthy lives, healthy people: consultation on the arrangements for consultations on the fluoridation of drinking water	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	19/03/2012	
RPC Opinion date and reference	28/03/2012	RPC12-DH-1311
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should present clearly the additional costs and benefits of each sub-option considered. More evidence should be gathered during the consultation to support the monetised estimate of additional benefits. The IA should also provide a more robust assessment of the additional costs the proposal is likely to place upon Local Authorities.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Options.</i> The IA says the proposal is ‘solely about how to consult’ on the fluoridation of drinking water and considers about 50 individual ‘sub-options’ in four main areas (reaching a decision on whether to consult; committee membership and procedures; fluoridation decision making, consultation procedure and assessing public opinion; and variation of terms and maintenance arrangements). The IA, however, fails to provide a clear analysis of the additional costs and benefits of these sub-options against the counterfactual. The IA should set out clearly the marginal impacts of each of these measures (or groups of measures) to allow the consultees to understand easily the impacts these measures would have on them.</p>		
<p><i>Benefits.</i> The IA estimates that the likelihood of encountering a Judicial Review in any one year is around 4%, which is based on the fact that since 1985 there has been only one case of Judicial Review costing £350,000. The IA then estimates the potential annual benefit from the current proposal, which is expected to eliminate the possibility of Judicial Review, to be £14,000 (4% of the £350,000). It is not clear however how the proposed measures can result in a reduction of the probability of Judicial Reviews, especially as the statistics used in estimating the 4% were based on the previous institutional settings. It is also not clear whether the anticipated reduction in likelihood of encountering a Judicial Review can be considered as the main benefit of this proposal.</p>		
<p><i>Costs to Local Authorities (LAs).</i> The IA acknowledges that the regulations will create additional costs on most LAs considering fluoridating their local water supply will require them to consult with other LAs (paragraph 15). However, the IA says that as it is difficult to say how LAs will choose to run a consultation “...such marginal costs cannot be monetised” (page 3). The assessment that the additional costs on LAs will be ‘marginal’ appears to be highly questionable, as the list of about 50 ‘sub-options’</p>		

suggests the new system of consultation on fluoridation of drinking water will require significant administrative efforts from LAs. It is also not clear why fluoridation of drinking water is not being continued at national level, as it appears that would have avoided potential costs and disputes between LAs. These issues should be discussed in more detail in the IA.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says that the proposal is out of scope of One-in, One-out, as there is no direct impact on business. This appears to be a reasonable assessment and consistent with the current One-in, One-out Methodology.

Signed

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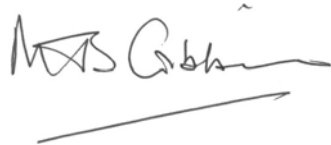
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Responsible officers in the new health architecture; and proposals for making the explicit checking of language skills for doctors	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	26/03/2012	
RPC Opinion date and reference	29/03/2012	RPC12-DH-1309
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a clearer assessment of the potential impact of the proposal on private and third sector organisations for One-in, One-out purposes. The IA should also explain better the risks associated of not having prior language tests and present more analysis of other options considered.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Options (language checks).</i> The IA says different policy solutions have been considered, including an option of centralising of language checking so that all checks are undertaken through a centralised body. However, only one option (giving the duty to responsible officers to ensure language checks) is taken forward to consultation. Given the stage of the proposal, it is not clear why alternative options have not been fully considered and appraised. The IA should provide more analysis of all other options considered to facilitate the consultation process.</p>		
<p><i>Rationale for intervention.</i> The proposal will extend the duties of responsible officers to include the checking of language skills of doctors from countries of European Economic Area (EEA) to ‘enhance public confidence’. The IA says that there are already language checks for non-EEA doctors prior to their registration by the General Medical Council (GMC). However, similar checks for EEA doctors are prohibited under the current EU regulations (paragraph 11). The IA also says that the European Commission is considering revising the EU Directive to allow for a more strengthened system of checks overseen by responsible officers. The IA should explain better the current risks to public health and safety of continuing with the current arrangements, especially as the issue is going to be addressed later by changes in the EU Directive.</p>		
<p><i>Impact on labour market.</i> The IA should discuss the potential impact the proposal may have on availability of doctors in the various areas of the UK health sector. It is not clear whether it is expected that the doctors who fail the language tests will be taking English language training and will then take up posts. If this is not the case, the IA should clarify the expected effects of the proposal on the number of doctors working in the UK.</p>		


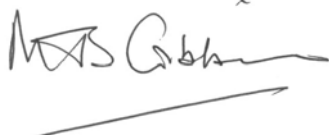
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


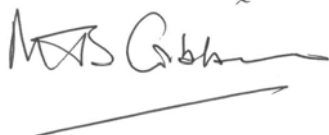
The IA says that the proposal is out of scope of One-in, One-out (OIOO), although no explanation is provided of this assessment. It appears the IA assumes that the additional costs of the proposal fall on individuals rather than employers. The IA should provide a more detailed discussion of the potential impact of the proposal. The Department will have to gather additional evidence during consultation to provide a more robust assessment of the OIOO.


Signed

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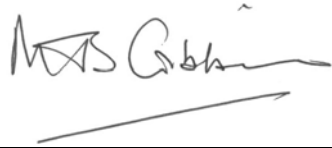
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	M25 J27-30 Controlled Motorway	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/03/2012	
RPC Opinion date and reference	30/03/2012	RPC11-DfT-0986(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits associated with introducing measures to improve journey time reliability on the M25 between Junction 27 and 30 have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The issues raised in our Opinion of 13/07/2011 have sufficiently addressed. In particular, the origin of the 15% reduction in existing accident rate attributable to Controlled Motorway schemes has been discussed.</p>		
<p><i>Net Present Value (NPV).</i> In calculating the NPV, the IA originally used the costs and benefits of transport projects valued at 2002 prices and discounted to 2002. In the current IA, <i>'these have been converted to 2010 prices..and discounted to a present value year of 2011.'</i> This appears reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure that will be net beneficial to business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Street Trading and Pedlary legislation	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
Date submitted to RPC	26/03/2012	
RPC Opinion date and reference	30/03/2012	RPC12-BIS-1318
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However the IA should better explain the resource impacts of the proposal as opposed to the transfers involved. This and the One-in, One-out (OIOO) impact will need to be more robust for validation at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA provides a reasonable discussion of the likely impact of the proposed repeal of the Pedlars Acts 1871 and 1881 and the changes to the Local Government Act 1982. The IA says that the repeal of the Pedlars Act will result in a transfer of the cost of the certificate estimated at £12.25 from Police to pedlars. The IA should explain the basis of the £12.25 estimate and explain clearly the resource impacts of the proposed removal of the current certification system for pedlars. More effort should be made at final stage to monetise the impacts of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'. However, the IA should check with the Better Regulation Executive (BRE) whether the proposal, which is likely to result in a net benefit to business, can be claimed as an OUT, given that it appears to be taking advantage of European legislation to reduce regulatory burdens on UK business.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Export Licensing of Cultural Goods	
Lead Department/Agency	Department for Culture Media Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/03/2012	
RPC Opinion date and reference	30/03/2012	RPC12-DCMS-1295
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA says that <i>a clear written policy and guidance is needed</i> , but it is not apparent from the appraisal of the options (pages 10-14) whether or not new guidance is being issued as part of the policy to change the applications and re-applications for temporary licences. The IA should clarify the changes that are being made.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Policy and guidance.</i> The IA says that it is the absence of a policy on how to deal with applications and reapplications for temporary licences that is the problem under consideration (page 9), specifically that there is <i>no clear guidance on the period of time for which a temporary licence should be issued or the number of times a temporary licence may be extended</i> . The IA says that <i>a clear written policy and guidance is needed to rectify this</i> , but it is not apparent from the appraisal of the options (pages 10-14) whether or not new guidance is being issued as part of the policy to change the applications and re-applications for temporary licences. The IA should clarify what policy and guidance is being introduced so that it is more apparent how the benefits will be realised.</p> <p><i>Referrals to RCEWA.</i> The IA says that the proposal <i>could result in additional cases being referred to RCEWA</i> [Reviewing Committee on the Export of Works of Art and Objects of Cultural Interests] . While the costs of these referrals have been identified, it is not clear why it is possible that there will be an increase in referrals. The IA should clearly explain why it is assumed that there will be additional cases being referred to RCEWA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. However, if new guidance is being issued under statutory powers, it would appear that this element would be an 'IN'.</p> <p>The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		

Signed

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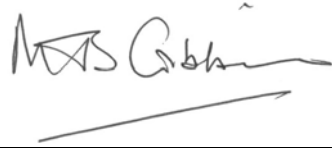
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Increasing Fine Levels for Certain Fixed Penalty Notices Motoring Offences	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/03/2012	
RPC Opinion date and reference	30/03/2012	RPC12-DfT-1297
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of increasing the fine levels for certain Fixed Penalty Notices (FPN) motoring offences appear to have been adequately assessed. However, to enable a more effective consultation, the IA should provide further clarification on the longer term cost differential between FPNs and remedial courses; and include a discussion on the relationship between increases in fines and offences committed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Level of FPN.</i> The IA says that the proposal is to increase the level of FPNs for traffic offences to bring them into line with other penalties that deal with low-level offending. The level has not been changed since 2000 meaning that price inflation has reduced the real value of the FPN over time (paragraph 13). However, the IA says that under the proposal the revised <i>fine levels will remain constant in nominal terms</i> . It would therefore appear that over the 10 year period, the real value of the FPN will continue to decrease relative to the cost of remedial courses, and so the problem under consideration will re-occur. The IA should consider these implications when discussing the relative attractiveness of the options available to offenders (paragraph 35), and explain why fine levels are to remain in nominal terms.</p>		
<p><i>Behavioural impacts.</i> The IA says it is proposed <i>to increase the level of some Fixed Penalty Notices (FPNs) for traffic offences from £60 to £80-£100 to bring them into line with other penalties which deal with low-level offending</i> . By removing the differential between the upfront costs of courses and FPNs, this is intended to incentivise offenders to invest time in remedial training. The IA says that these courses could result in <i>improvements in attitudes, self-reported behaviour and lower recidivism rates</i> , but the extent to which the proposed changes are expected to affect future levels of offences is not apparent. The IA should justify why this is considered appropriate particularly as this would help provide useful context to the expected improvements to road safety.</p>		
<p>In addition, the underlying policy objectives, as indicated above, are to change behaviour and reduce reoffending. That being the case, particularly for the benefit of consultees, the IA could have included an extended discussion putting this into context, drawing an evidence where increases in fines result in reduction in motoring offences.</p>		


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fines and penalties, it appears to be out of scope in accordance with the current 'One-in, One-out' (OIOO) Methodology.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introduction of Careless Driving as a Fixed Penalty Notice Offence	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/03/2012	
RPC Opinion date and reference	30/03/2012	RPC12-DfT-1298
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of introducing fine levels for certain Fixed Penalty Notices (FPN) motoring offences appear to have been adequately assessed. However, to enable a more effective consultation, the IA should discuss in more detail why it is expected that the likelihood of offenders being caught will be greater. The IA should also provide more information and analysis demonstrating that the proposed fix penalty is the optimal level necessary to achieve the desired deterrent.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Enforcement.</i> The IA says <i>“setting the fixed penalty notice at £90 would bring the level into parity with other penalty notices and avoid trivialising the offence”</i> and that the proposal <i>“would increase the likelihood of getting caught, thereby providing a deterrent effect”</i> (page 7). Whilst it is clear under Sensitivity Test B (Additional Enforcement) there are further enforcement resources, this is less so for the central scenario. Therefore, the IA would benefit from discussing in more detail why it is expected that the likelihood of offenders being caught will be greater (para 18). In addition, the consultation should be used to gather more evidence on likely outcomes e.g. as to enforcement and reoffending.</p>		
<p><i>Alignment of the cost for fixed penalty notice and remedial training.</i> The IA says, <i>‘setting the fixed penalty notice at £90 would also bring this into line with the cost of remedial training’</i>. However, it is not clear whether the proposed measure is intended to address the gap between fixed penalty notice fines (FPN) and cost of remedial training in the short or longer term. If is the latter, then it would appear that the cost differential between FPNs and remedial courses could widen in real terms, adversely impacting on the intended spirit of the proposed measure. The IA should consider these implications when discussing the relative attractiveness of the options to offenders as this will likely impact upon how the costs and benefits are appraised.</p>		
<p><i>Behavioural impacts.</i> The IA says that the proposal is expected to have a deterrent effect (paragraph 18 and 94). The IA would benefit from greater clarity and analysis demonstrating that the chosen level is expected to achieve the desired deterrent effect, particularly as this has not yet been accounted for in the appraisal of impacts. To enable a more effective consultation, the IA should include more information on the relationship between increases in fines and offences committed, drawing on</p>		

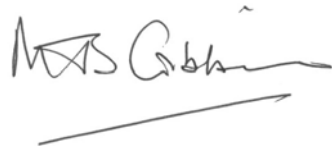
parallels in other areas where relevant. This would also help to provide useful context to the expected improvements to road safety.

Application of fixed penalty notices (FPNs) and remedial training. The IA says, 'operational guidance for the police is being developed by ACPO.. which would outline the circumstances surrounding the use of FPNs and remedial training' (para 17). Notwithstanding that guidance is being developed, to enable consultees to make an informed contribution to the consultation, the IA should provide an extended discussion on the circumstances surrounding the use of FPNs and remedial training. The IA should also be more explicit as to why FPN and remedial training are considered to be mutually exclusive.


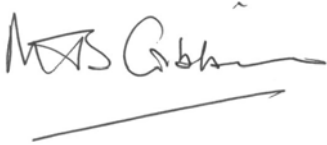
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


As this proposal relates to a change in fines and penalties, it appears to be out of scope in accordance with the current 'One-in, One-out' (OIOO) Methodology.

Signed

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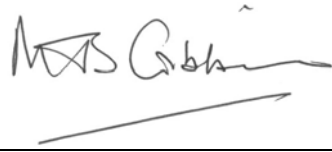
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Communications data legislation	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	28/03/2012	
RPC Opinion date and reference	20/04/2012	RPC12-HO-1319
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The Department has provided additional information, presented to the Chairman of the RPC, which confirms that the costs and benefits have been adequately assessed. This additional information should be incorporated into the IA to enhance the evidence base.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of evidence.</i> The Department has provided the Chairman of the RPC with additional information in the form of a 'CONFIDENTIAL' document giving a detailed breakdown of the evidence and analysis underpinning this IA. Based on this additional information we are able to confirm that the costs and benefits have been adequately assessed. However, the IA itself contains relatively little evidence and analysis and does not reflect the work that has been done to appraise the costs and benefits of this policy. The additional information provided to the Chairman of the RPC should be incorporated into the IA as far as is practically possible to facilitate a full understanding of the proposal amongst stakeholders and the wider public.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a cost on business, but that businesses will be fully compensated for these costs. The proposal is therefore treated as 'zero net cost'. This is consistent with current 'One-in, one-out' Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


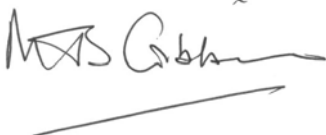
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Merchant Shipping (Accident Investigation and Reporting)	
Lead Department/Agency	Department for Transport on behalf of the Marine Accident Investigation Branch (MAIB)	
Stage	Final	
Origin	European	
Date submitted to RPC	26/03/2012	
RPC Opinion date and reference	27/04/2012	RPC11-DfT-1157(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should be amended in the areas discussed below to improve clarity in respect of the options considered for implementation of Directive 2009/18/EC.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Option 2 versus Option 1:</i> The IA should be clearer as to what is the exact difference, if any, between Option 1 to implement the requirements of the Directive via copy-out.. and Option 2 to “...implement the requirements of the Directive where it exceeds existing UK requirements.” This would help clarify what costs and benefits resulted specifically from the Directive alone.</p> <p><i>Risks.</i> Under the preferred option (Option 2), the MAIB will be expected to investigate a wider range of accidents than under current arrangements. For Option 1 the IA says that an increase in the investigative costs could “make it difficult to maintain the MAIB’s current high standards”, particularly in the context of “reduced administrative costs and staff numbers” (paragraph 55). However, no such risk has been highlighted for the preferred option, under which the burden on the MAIB appears to be greater. The IA should identify whether the preferred option will pose a risk to the standard of investigations and their resultant ‘lessons learned’.</p> <p><i>UK practices.</i> The IA acknowledges that the MAIB will have to continue these investigations with less resource in the future (because of the Directive requirements). The extent to which any previous costs of investigation are to be passed on to business as a consequence should be made clearer.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that implementation of the Directive under the preferred option is ‘gold-plating’ of the Directive because it goes beyond the minimum requirements of the Directive. However, it also says that the preferred option is not an ‘IN’ for One-in, One-out (OIOO) purposes because where implementation goes beyond the minimum requirements, this is a continuation of current practices and so does not result in increased costs to business and civil society organisations. This is in accordance with</p>		


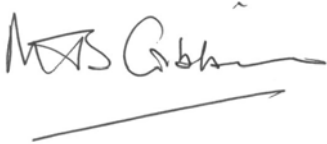
the current OIOO Methodology (paragraph 22) and so this should be treated out of scope of OIOO.


Signed

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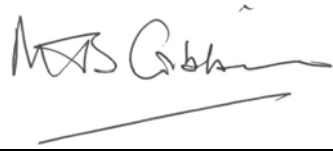
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Energy supply company administration rules	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/03/2012	
RPC Opinion date and reference	27/04/2012	RPC12-DECC-1312
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly explains the rationale for, and details of the proposal for energy supply companies (esc) administration rules which could be implemented in the event of a large energy supplier becoming insolvent.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs to business.</i> The IA clearly explains the rationale for, and details, of the proposal for energy supply companies (esc) administration rules which could be implemented in the event of a large energy supplier becoming insolvent. The IA could usefully explain more clearly what the transfer costs to other market participants would be under the 'do nothing' option and which participants would most likely be affected. The IA could also benefit from setting out the estimated costs to business in more detail to allow consultees to see how this has been calculated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	M62 J25-30 Managed Motorway	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	30/04/2012	RPC11-DfT-0756(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could benefit from setting out which costs and benefits come from the use of variable mandatory speed limits and which from hard shoulder running or clarifying why they cannot be implemented separately.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of options.</i> The controlled motorway scheme consists of two parts, Variable Mandatory Speed Limits (VMSL) and Hard Shoulder Running (HSR). The IA could benefit from either separating which costs and benefits come from the use of VMSL and which come from the HSR or clarifying why both need to be implemented together. The IA explains that both parts are a result of secondary legislation; however this does not explain why it would not be possible to implement one part of the policy without the other.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	New alcohol measures in Section 182 Guidance of the Licensing Act 2003	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	03/04/2012	
RPC Opinion date and reference	30/04/2012	RPC12-HO-1273(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The revised IA better explains the impacts of the proposed measure on alcohol retailers and individuals. However, the IA should provide more information on the effect the proposal will have on the level of alcohol consumption and reflect this in the estimate of costs to business for One-in, One-out purposes.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Rationale and explanation of the proposal.</i> The revised IA better explains the impacts of the proposed measure on alcohol retailers and individuals. However, it remains unclear if the proposal is aimed at reducing the volume of alcohol traded or aimed at restricting alcohol consumption in particular problematic local areas. This IA should explain this better.</p> <p><i>Benefits from proposal.</i> The IA provides no estimate of the benefits from the proposal, but rather uses what it terms <i>break-even analysis</i> in estimating how much crime would need to fall to offset the estimated costs of the proposal. However, such an assessment does not substitute for analysis of how the proposal will operate to achieve its objectives, and how the costs and benefits will be distributed and over what time scale.</p> <p><i>Other alcohol measures.</i> The department has confirmed that the impacts of other alcohol measures from the Police Reform and Social Responsibility Act 2011 have been analysed in separate IAs and that the additional cost to business from those measures will be reported in the Statement of the New Regulation separately.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a regulatory measure ('an IN') of an Equivalent Annual Net Cost to Business (EANCB) of £0.8 million. The IA now explains in more detail why this estimate is presented, but it only reflects the 'red tape' burden of the proposal and not its potential impact on activity in the markets affected by the proposal. Presuming the proposal has an impact on the quantity of alcohol traded, the EANCB can only be considered to be a minimum estimate of the potential impact. With this in mind the department should seek to review the proposal at an early stage to provide a more robust estimate of its impact.</p>		

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revising the levels of penalty charges in The Civil Enforcement of Parking Contraventions (Guidelines on Levels of Charges) (England) Order 2007 No. 3487	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/03/2012	
RPC Opinion date and reference	30/04/2012	RPC12-DfT-1153(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA addresses a number of the issues raised in our Opinion of 03/11/2011. However, it should provide a much clearer presentation of the proposal so as to maximise the input from consultees and deliver a significant improvement of the evidence base for scrutiny at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>The operation of civil parking enforcement (CPE).</i> In accordance with our previous Opinion, the IA now provides additional information with regard to the costs and revenues from the CPE. However, the IA should be clearer in its discussion and presentation of the relevant information to maximise the input of consultees, particularly with regard to the following:</p>		
<ul style="list-style-type: none"> • The IA provides data on the revenues generated from penalty charges. However, in terms of costs, it is not clear how robust is the use of a 50-60 range of total costs apportioned to parking enforcements, compared to the use of other ranges available (e.g. 30 40 or 40-50). • The IA says “..the revenue received from penalty charge notices should serve to sustain..CPE operations.(and)..must never be issued for the purposes of raising revenue.” (page 8). Furthermore, it is estimated (Table 3) that the current shortfall in revenue from the operation of the CPE system is in the range of +£5 - (-)£14million per year. If 50 per cent is the correct number for costs this implies that the proposed penalty charges should not be increased to the extent outlined in the IA, otherwise revenue would exceed cost. If 60 per cent is the correct cost number then the appropriate increase in the penalty charge would appear to be closer to 14 per cent rather than the preferred 40 per cent. • For the benefit of consultees the IA should provide more information on the revenue/cost position of the CPE system in London following the penalty fine increases that have taken place there. This would allow consultees to gain a better understanding of the potential impact of the measure and offer 		

comments on the appropriateness of the proposed increases.

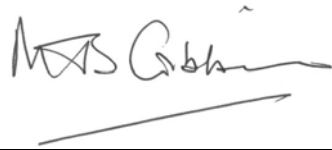
The proposed fine increase. The proposal is also concerned with using the appropriate level of fine to deter illegal parking. However, the IA does not provide an estimate of the costs from illegal parking to enable the benefit of reducing current levels to be compared to the costs of achieving such reductions. In the absence of this, it is difficult to determine what should be the appropriate fine increase.. The IA should use the consultation to provide more robust estimates of the resource costs and benefits of changing parking fines.

Differential fines. The IA appears to be contradictory in its discussion of penalty charges in different regions: in the case of London, the IA says, “..penalty charges in London are justifiably higher because London is more congested in comparison to the rest of England.” (page 7), but then says (in relation to Option 4) “this may lead to different penalty charges in different regions causing confusion to motorists..”. For the benefit of consultees the IA should explain more clearly how the proposal will operate in practice in different parts of the country.


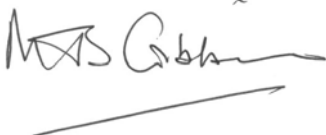
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


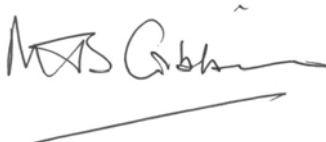
The IA says that proposal is out of scope of One-in, One-out (OIOO) because it relates to enforcement. This is consistent with the OIOO Methodology which says that “*specific enforcement action*” is outside of scope of OIOO.


Signed



Michael Gibbons, Chairman

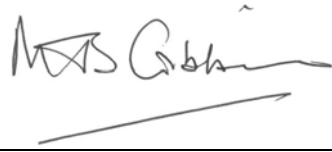
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reduce the frequency of returns to the Pensions Regulator by defined contribution schemes with 2-4 members	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/04/2012	
RPC Opinion date and reference	30/04/2012	RPC12-DWP-1334
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However, the IA should explain more clearly why the frequency of processing returns for schemes with 2-4 members was chosen to be within every five years as opposed to an alternative time frame.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Alternative options.</i> The rationale for intervention is clear and the IA explains why reducing the frequency of returns to the Pensions Regulator is proportionate. In addition, the IA provides clear argument as to why the change should only apply to schemes with 2-4 members as opposed to those with 5-11 members. However, the IA does not explain why five years was chosen over other frequencies. The IA should provide a clearer justification for the chosen five year period, including a discussion on consultees views on this time frame.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£292,000. This is consistent with the current 'One-in, one-out' methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Independent producers and local TV	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	28/03/2012	
RPC Opinion date and reference	01/05/2012	RPC11-DCMS-1202(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Since submission of the final stage IA, the Department has provided the RPC with additional information, clarifying issues around the potential risk of single producers dominating local TV. This information should be included in the IA prior to being finalised.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Risk of single producers dominating local TV.</i> The IA explains that the existing requirements “were originally introduced to increase the variety of opinions, styles, genres and voices available on national TV” (page 4). However, it is not clear from the IA why this is not deemed to be a priority for TV at a local level. Upon request, the Department has provided the RPC with supplementary information to explain more clearly the measures in place to safeguard against <i>a particular production company dominating the local TV broadcasters for its own reasons</i> ; and why in this context any associated ill-effects are unlikely to be significant. This information should be included in the IA prior to it being published.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). This appears to be reasonable estimate of the likely direction of impacts due to a potential reduction in procurement costs for local TV broadcasters, and is consistent with the current One-in, One-out Methodology. An Equivalent Annual Net Cost to Business (EANCB) has not been possible to score because “<i>the local TV market does not properly exist</i>” at present (page 13).</p>		
Signed		Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on a revised Code of Practice for Local Authorities on Delivery of Free Early Education Provision for 3 4 year olds	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/03/2012	
RPC Opinion date and reference	01/05/2012	RPC11-DfE-1061(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion of 27/03/2012 have been adequately addressed. However, the IA should provide more evidence to support the estimated benefits of increased take-up of free entitlement.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>Most of the issues raised in our previous Opinion of 27/03/2012 have been adequately addressed. In particular, the revised IA better explains how the estimated additional hours of free entitlements have been calculated.</p>		
<p><i>Benefits of increased take up of free entitlement.</i> The IA should however provide further evidence to support the estimated benefits from the increased take up of free entitlement. It is assumed that only 15 of the additional free entitlement replaces hours that are currently privately funded, meaning that the additional benefits arise from the 85 that is additional provision. The IA would still benefit from a greater discussion of why this is considered a reasonable estimate, given the magnitude of the benefits.</p>		
<p>These benefits are also driven by the difference in the value of the opportunity cost of an additional hour of spare time for parents (£11.87) and the marginal cost of an additional hour of provision (£3.91). However, the IA should provide a greater explanation for what this latter estimate actually reflects. This would better explain the anticipated total costs of additional provision and would therefore improve the understanding of the expected impacts of this proposal.</p>		
<p><i>Impacts on private providers.</i> The proposal aims to make the free entitlement more flexible, to maximise take-up of the full free early education entitlement. The IA would benefit from a clearer explanation of the impact on providers relative to the ‘do nothing’ scenario. The IA should also include relevant responses from the consultation, so that it is more evident that private providers will not be worse off from this proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts. The department have provided us with further information that clarifies the regulatory impacts of this proposal, which should be included in the IA.

Signed

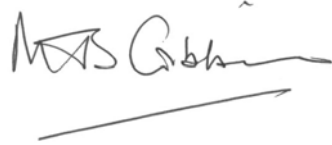
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Defamation Bill	
Lead Department/Agency	Ministry of Justice	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/04/2012	
RPC Opinion date and reference	01/05/2012	RPC11-MOJ-0809(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the IA fails to provide monetisation of the costs and benefits of most of the proposals, there is sufficient qualitative discussion of the impacts on key affected groups. However, in the absence of full monetisation, the IA should explain what additional evidence has been gathered during the consultation to support the claim that the overall net impact of the proposed measures, particularly on business, will be neutral. The department should also provide more analysis of any expected impacts on fairness.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits.</i> Although the IA fails to provide a full monetisation of the costs and benefits of most of the proposals, there is sufficient qualitative discussion of the impacts on key affected groups. The IA does contain some quantitative information regarding the number of defamation cases and court fees. The IA should have attempted to use this information, together with any additional information gathered during the consultation process, to provide more robust estimates of costs and benefits.</p>		
<p><i>Impact on HMCTS.</i> The IA assumes that full cost recovery occurs in defamation cases and therefore there will be a neutral financial impact on HM Court and Tribunal Service (HMCTS). The IA should provide more information to support this assumption, as it affects the estimate of additional benefits for HMCTS.</p>		
<p><i>Impact on fairness.</i> The IA says that the proposal is expected to increase fairness (paragraph 1.100). However, there is limited discussion of how the proposed measures will achieve this. For example, under Option 6 (reversing the presumption of trial by jury in defamation cases) the IA says: ‘Quicker case resolution might be associated with increased equity (fairness)’ (paragraph 2.254). No further discussion is provided to support this statement.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure with a ‘net zero cost’ to business. The IA says that ‘<i>on balance and acknowledging very significant uncertainty, we believe that the package of proposals overall are more likely to reduce than to impose costs on business</i>’ (paragraph 2.348). In the absence of</p>		

monetisation of impacts of all measures considered in this proposal, it is difficult to assess what the cumulative impact of these measures will be on business. The IA should provide some evidence from the consultation that business stakeholders have accepted the assessment that the net impact of these proposals will be neutral.

Signed

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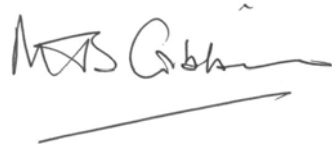
Michael Gibbons,
Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Expansion of the Patents Opinion Service	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	02/04/2012	
RPC Opinion date and reference	02/05/2012	RPC12-BIS-1326
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA says that “...we predict the numbers of additional opinion requests to be small”. If this is the case it is not clear why legislation is necessary. The IA should provide a greater discussion of this to clearly demonstrate to consultees why new legislation is necessary. The IA should also summarise and report best estimates of monetised costs and benefits to facilitate the consultation process.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits.</i> The IA says that it has not been possible to monetise costs and benefits at this stage, and reports ‘0’ as estimates of costs and benefits on the summary page. At the same time, as part of the evidence base section, the IA provides some monetised estimates of costs and benefits for various affected groups (per case basis). For example, the IA says that for each opinion request that resolves a dispute the Intellectual Property Office (IPO) will make an average saving of £7,850. The IA should summarise and report the best monetised estimates of all impacts and also explain the basis of calculation of all figures presented in the evidence base section.</p>		
<p><i>Rationale.</i> The IA says that “...we predict the numbers of additional opinion requests to be small”. If this is the case it is not clear why legislation is necessary. The IA should provide a greater discussion of this to clearly demonstrate to consultees why new legislation is necessary.</p>		
<p><i>Impact on Lawyers.</i> The IA identifies a cost to lawyers of reduced workload as a result of this policy. However, while the lawyers will lose the money they would have received for undertaking this work this will be mostly offset by no longer committing resources to undertake the work. The nature of this cost will need to be clarified at final stage.</p>		
<p><i>Impact on courts.</i> The IA says that the number of patents cases that are litigated in the courts is already low and that the proposal is not likely to decrease the number of such cases. At the same time the IA says that the opinion that resolves a dispute that otherwise might have been subject to litigation before the courts will save resources for the courts (page 7). The IA should explain more clearly how this proposal is likely to impact on courts, in particularly how the proposal will achieve its objective of increasing the number of disputes resolved through alternative dispute resolution.</p>		


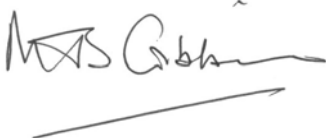
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


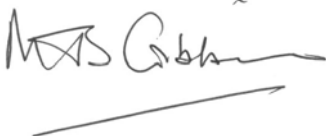
The IA says the proposal is a regulatory measure ('an IN') with a 'zero net cost' to business. This is consistent with the current One-in, One-out methodology. A more robust assessment of the One-in, One-out impact should be provided at final stage.


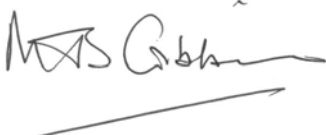
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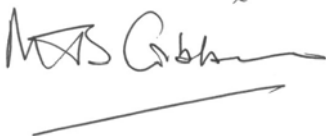
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendments to part 3, Chapter 1 of the Energy Act 2008 (as amended): Nuclear Sites: Decommissioning and Clean-up	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/04/2012	
RPC Opinion date and reference	02/05/2012	RPC12-DECC-1343
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA explains that the costs of the proposal have been presented on a per power station basis, as the number of power stations that will be constructed is still uncertain. However, this is not apparent from the summary sheets and can appear misleading. This should therefore be amended.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of the proposal:</i> The IA explains that the costs of the proposal have been presented on a per power station basis, as the number of power stations that will be constructed is still uncertain. However, this is not apparent from the summary sheets and can appear misleading. This should therefore be amended.</p> <p>In addition the IA could usefully discuss the uncertainty surrounding how many power stations may be built and if possible give a range of numbers.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out'</p>		
Signed 	Michael Gibbons, Chairman	

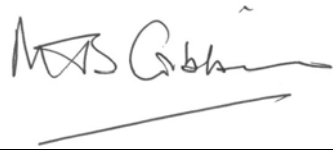
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Health Research Authority	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/04/2012	
RPC Opinion date and reference	02/05/2012	RPC12-DH-1329
Overall Assessment	GREEN	
<p>The IA is fit for purpose. There appears to be limited direct regulatory impact from the proposed change in legal status of the Health Research Authority (HRA) from a Special Health Authority to an executive Non-Departmental Public Body (NDPB).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts.</i> The IA considers the impact of the proposed change in legal status of the Health Research Authority (HRA) from a Special Health Authority to an executive Non-Departmental Public Body (NDPB). The potential effects of this change in legal status have been adequately discussed in the IA. We note that the proposal will allow HRA to take other regulatory functions, which will be the subject of future IA(s).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no direct impact on business. This appears to be reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Health Education England	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/04/2012	
RPC Opinion date and reference	02/05/2012	RPC12-DH-1330
Overall Assessment	GREEN	
<p>The IA is fit for purpose. There appears to be limited direct regulatory impact from the proposed change of the legal status of Health Education England (HEE) from a Special Health Authority to an executive Non-Departmental Public Body (NDPB). The IA could benefit from providing more information to support the claim that stakeholders and the public generally will have increased confidence in HEE from it operating as an NDPB.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts.</i> The IA considers the impact of the proposal to change the legal status of Health Education England (HEE) from a Special Health Authority to an executive NDPB. The potential effects of this change in legal status of HEE have been adequately discussed in the IA. The IA could benefit from providing more information to support the claim that stakeholders and the public generally will have increased confidence in HEE from it operating as an NDPB.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no direct impact on business. This appears to be reasonable.</p>		
Signed 	Michael Gibbons, Chairman	


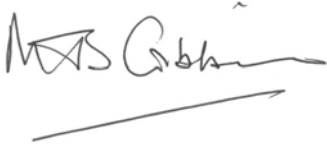
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Child Support Maintenance Calculation Regulations 2012	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/04/2012	
RPC Opinion date and reference	03/05/2012	RPC11-DWP-1075(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposed new child support maintenance calculation and IT system have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>We understand that the changes to the Child Support Maintenance Calculations are occurring alongside changes to deduction from earnings orders with the overall policy intended to reduce the burden on business. The IA could benefit from providing a summary of the outcome of the public consultation and views from key stakeholders to confirm the assumptions used in the calculations of the monetised estimates of costs and benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business of £0.1m. This is consistent with the current 'One-in, One-out' methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extending the right to request flexible working to all	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/03/2012	
RPC Opinion date and reference	03/05/2012	RPC11-BIS-0605(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous opinion of 22/12/2011 have been adequately addressed. The revised IA contains more analysis to explain the benefits to business and provides a more reasonable assessment of the One-in, One-out impact. However, the IA should provide more evidence and analysis to support the assumptions regarding the take-up rate and 5% productivity increase.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The issues raised in the RPC's previous opinion of 22/12/2011 have been adequately addressed. The IA now provides more information about the basis of estimates of benefits. However the IA should provide more analysis to support the assumptions used in estimating the number of additional flexible working arrangements under this proposal. For example, the IA should explain why it is assumed that the additional take-up rate of the current proposal will be the same as for males in those categories who currently have a right to request flexible working. The IA should similarly better explain the assumption regarding the take up rates in the non-regulatory option, which are currently considered to be 50% of those in the regulatory option.</p>		
<p>The IA explains the basis for assuming a 5% increase in productivity as a result of this proposal and that it is supported by peer review. However, given the scale of the expected increase in productivity, the IA should provide more contextual information to support the estimated 5% increase. For example, the IA should include results of any studies that have been done or international experience regarding the productivity benefits of flexible working.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure with a direct net cost to business ('an IN') of £11.79m in Equivalent Annual Net Cost to Business (EANCB) terms. This is consistent with the current One-in, One-out Methodology. The EANCB estimate appears reasonable.</p>		

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact assessment of the effect of repealing the Smoke Free Signs Regulations (2007)	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/04/2012	
RPC Opinion date and reference	23/05/2012	RPC12-DH-1352
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal to repeal the Smoke Free Signs Regulations (2007) have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The costs and benefits of the proposal to repeal the Smoke Free Signs Regulations (2007) have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA indicates that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.074m. This is consistent with the current 'One-in, One-out' Methodology (OIOO) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

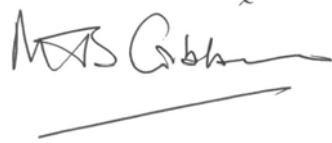
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Bovine Embryo (Collection, Production and Transfer) (Fees) Regulations 1995	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1336
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should discuss the approach adopted by other Member States to better establish the likely impact of fee increases. This would enable consultees to make an informed contribution to the consultation. Furthermore, the IA should explain more clearly the relative merits of the phased introduction for the increase in fees to reflect fully the likely impact on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of increase in fees.</i> The IA says, <i>it has been recognised that some Member States are more supportive to their industry than others.. and there is no EU legal basis for charging for such work . In addition, there is not a requirement for Member States to operate in the same way but attempt will be made to establish how other Member States operate through the industry in the first instance.. (paragraph 3.4).</i> To enable consultees to make an informed contribution, the IA should provide an extended discussion on the approach adopted by other Member States to better establish the likely impact of the fee increases on business.</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p><i>Phased introduction.</i> The preferred option proposes a phased introduction for the increase in fees to achieve full cost recovery. The IA says this is to allow for an adjustment period for business. However, the IA should better discuss the relative merits of such an approach. This would allow consultees to clearly discern the differences between the 2 options as well as more clearly establish the expected impact of the proposed fee increase on business.</p>		
<p><i>Presentation.</i> Supplementary information provided by the department indicates that the proposed measure is part of a package of seven IAs with policy objective to increase existing fees for services provided by AHVLA to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the</p>		

potential cumulative impact.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' (OIOO) under the current OIOO Methodology.

Signed

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Michael Gibbons, Chairman

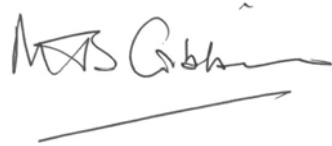
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Bovine Semen Regulation (England) 2007	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1337
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should discuss the approach adopted by other Member States to better establish the likely impact of fee increases. This would enable consultees to make an informed contribution to the consultation. Furthermore, the IA should explain more clearly the relative merits of the phased introduction for the increase in fees to reflect fully the likely impact on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of increase in fees.</i> The IA says <i>“Council Directive 88/407/EEC (as amended), lays down the animal health requirements applicable to intra-Community trade and imports of semen in domestic animals of the bovine species. and government has, moved to a position where... costs are more competitive than counterparts in EU Member States”</i> (page 7). To enable consultees to make an informed contribution, the IA should provide an extended discussion on the approach adopted by other Member States to better establish the likely impact of the fee increases on business in the UK.</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p><i>Phased introduction.</i> The preferred option proposes a phased introduction for the increase in fees to achieve full cost recovery. The IA says this is to allow for an adjustment period for business. However, the IA should better discuss the relative merits of such an approach. This would allow consultees to clearly discern the differences between the 2 options as well as more clearly establish the expected impact of the proposed fee increase on business.</p>		
<p><i>Presentation.</i> Supplementary information provided by the department indicates that the proposed measure is part of a package of seven IAs with policy objective to increase existing fees for services provided by AHVLA to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the</p>		

potential cumulative impact.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' (OIOO) under the current OIOO Methodology.

Signed

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Michael Gibbons, Chairman

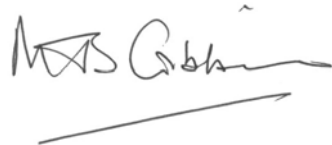
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees: Amendment of the Porcine Semen (England) (Fees) Regulation 2007	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1338
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should discuss the approach adopted by other Member States to better establish the likely impact of fee increases. This would enable consultees to make an informed contribution to the consultation. Furthermore, the IA should explain more clearly the relative merits of the phased introduction for the increase in fees to reflect fully the likely impact on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of increase in fees.</i> The IA says, <i>it has been recognised that some Member States are more supportive to their industry than others.. and there is no EU legal basis for charging for such work . In addition, there is not a requirement for Member States to operate in the same way but attempt will be made to establish how other Member States operate through the industry in the first instance.. (paragraph 3.4).</i> To enable consultees to make an informed contribution, the IA should provide an extended discussion on the approach adopted by other Member States to better establish the likely impact of the fee increases on business.</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p><i>Phased introduction.</i> The preferred option proposes a phased introduction for the increase in fees to achieve full cost recovery. The IA says this is to allow for an adjustment period for business. However, the IA should better discuss the relative merits of such an approach. This would allow consultees to clearly discern the differences between the 2 options as well as more clearly establish the expected impact of the proposed fee increase on business.</p>		
<p><i>Presentation.</i> Supplementary information provided by the department indicates that the proposed measure is part of a package of seven IAs with policy objective to increase existing fees for services provided by AHVLA to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and</p>		

the others, particularly given the scale of some of the proposed fee increases and the potential cumulative impact.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' (OIOO) under the current OIOO Methodology.

Signed

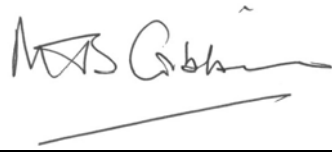
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Regulation 882/2004 (EC) on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules - fees	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1339
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should discuss the approach adopted by other Member States to better establish the likely impact of fee increases. This would enable consultees to make an informed contribution to the consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Presentation.</i> Supplementary information provided by the department indicates that the proposed measure is part of a package of seven IAs with policy objective to increase existing fees for services provided by Animal Health and Veterinary Laboratories Agencies (AHVLA) to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the potential cumulative impact.</p>		
<p><i>Impact of increase in fees.</i> The IA says, <i>setting charges in the UK at the EU minimum will be in line with many other member states...[and] others such as Finland charge full cost recovery above the EU minimum level</i> (paragraph 30). To enable consultees to gain a measure of the scale of some of the increases and therefore make a more informed contribution to the consultation, the IA could have set out an indication of some of the fees for comparative services in other Member States.</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of</p>		

'One-in, One-out' (OIOO) under the current OIOO Methodology. Furthermore, as this proposal is of European origin with no evidence of going beyond minimum requirements, it is also out of scope of 'One-in, One-out' for this reason.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Fees for <i>Salmonella</i> National Control Programmes Defra approved private laboratory network	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1340
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the potential cumulative impact. The IA should also provide further discussion on whether the option to increase fees with no phasing in period is likely to have a different impact on business (i.e. compared with the approach adopted for the other IAs).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation.</i> Supplementary information provided by the department indicates that the proposed measure is part of a package of seven IAs with policy objective to increase existing fees for services provided by the Animal Health and Veterinary Laboratories Agencies (AHVLA) to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the potential cumulative impact.</p> <p>Furthermore, the IA says that <i>the industry has previously benefitted from a phasing in period; an additional phasing in period could be construed as an unfair subsidy</i> and so the preferred option is to increase fees with no phasing in period. Since this proposal is part of a package of related fee changes, in which a phased-in period is the preferred approach for the other proposals, the IA should discuss whether this is likely to have a different impact on business.</p> <p><i>Pre consultation workshop.</i> The IA says, <i>to inform the development of this impact assessment and future public consultation documents Defra and the Devolved Administrations are planning to hold a pre-consultation workshop...</i>". (paragraph 6.1). However, it is not apparent whether this has already taken place. If so, the outcome of that workshop should be reflected in the IA to contribute to a more meaningful consultation,</p>		

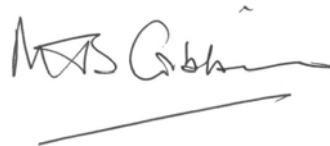
Impact of increase in fees. The IA says, *the Zoonoses and Animal By-Products (Fees) Regulations in England, Wales and Scotland¹ supplements the Salmonella National Control Programmes (NCPs) required by Regulation (EC) 2160/2003 it provides for full cost recovery..* To enable consultees to make an informed contribution, the IA should provide an extended discussion on the approach adopted by other Member States to better establish the likely impact of fee increases.

The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.

Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out'.


Signed



Michael Gibbons, Chairman

¹ The Zoonoses and Animal By Product (Fees) (England) Amendment Regulations 2010; The Zoonoses and Animal By Product (Fees) (Wales) Amendment Regulations 2010;

The Zoonoses and Animal By Product (Fees) (Scotland) Amendment Regulations

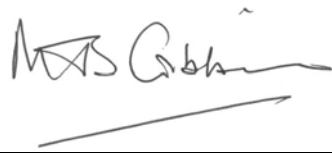
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Review of the Poultry Health Scheme (PHS) (Fees) Regulations 2011	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1341
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should discuss the approach adopted by other Member States to better establish the likely impact of fee increases. This would enable consultees to make an informed contribution to the consultation. In addition, the IA should explain better the impact on trade volume as a result of removing <i>the subsidised costs</i>"; and explain more clearly the relative merits of the phased introduction for the increase in fees to reflect fully the likely impact on business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of increase in fees.</i> The IA says, <i>it has been recognised that some Member States are more supportive to their industry than others.. and other Member States may have a different approach to how they charge for services to industry but attempt will be made to establish how other Member States operate through the industry in the first instance..</i> (paragraph 3.6). To enable consultees to make an informed contribution, the IA should provide an extended discussion on the approach adopted by other Member States to better establish the likely impact of fee increases. Furthermore, the IA says, <i>the subsidised costs were seen as a way of facilitating trade</i> (paragraph 1.5). The IA should explain better the impact on trade volume as a result of removing <i>the subsidised costs</i> .</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p><i>Phased introduction.</i> The preferred option proposes a phased introduction for the increase in fees to achieve full cost recovery. The IA says this is to allow for an adjustment period for business. However, the IA should better discuss the relative merits of such an approach. This would allow consultees to clearly discern the differences between the 2 options as well as more clearly establish the expected impact of the proposed fee increase on business.</p>		
<p><i>Presentation.</i> Supplementary information provided by the Department indicates that the proposed measure is part of a package of seven IAs with policy objective to</p>		

increase existing fees for services provided by AHVLA to achieve full cost recovery. The IA should better explain the relationship between this impact assessment and the others, particularly given the scale of some of the proposed fee increases and the potential cumulative impact.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' (OIOO) under the current OIOO Methodology.

Signed

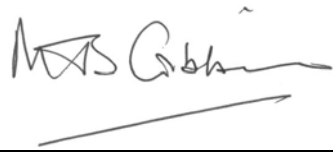
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Michael Gibbons, Chairman


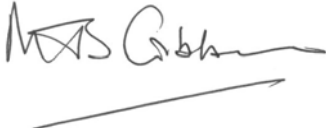
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introduction of a full cost recovery charging regime for the delivery of the CITES licensing service	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-DEFRA-1342
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impacts of the proposed increase in fees have been adequately discussed. We expect that the estimated impacts will be verified during consultation and the outcome reflected in the final stage IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of increase in fees on activity in the markets affected.</i> The IA says that based on the charges prevailing at November 2009, .. levels of charging make the UK one of the most expensive in Europe and the proposed increase will result in levels of UK charges being considerably higher than all other EU Members States . The IA acknowledges that the proposal could thus be further detrimental to the competitiveness of UK businesses operating in these markets (page 10). However, the IA could consider in more detail the potential impacts of the proposal in terms of how it could affect economic activity in this area, given the relative size of UK fees.</p>		
<p>The IA says that the current fee levels do not reflect the full cost of the service and that proposed changes are a move towards full cost recovery. For the final stage IA, we would expect the IA to provide a robust analysis of the impact of the proposed fee increases on the demand for the Animal Health and Veterinary Laboratories Agencies (AHVLA) services, which is supported by consultation responses.</p>		
<p><i>Phased introduction.</i> The preferred option proposes a phased introduction for the increase in fees to achieve full cost recovery. The IA explains that this is to allow time to assess more accurately the likely impacts of the increased charges on business competitiveness, rates of compliance, and on the volumes of applications (page 7). While the IA provides analysis of previous increases in charges to inform the appraisal of this proposal, the IA could explain more clearly if this can be directly applied to the proposed increases.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of</p>		


'One-in, One-out' (OIOO) according to the current OIOO Methodology.

Signed

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Michael Gibbons, Chairman

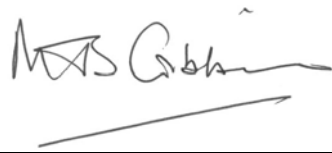
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transposition of the Council Directive 2010/32/EU Implementing the Framework Agreement on Prevention from Sharp Injuries in the Hospital and Healthcare Sector between HOSPEEM and EPSU	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	European	
Date submitted to RPC	05/04/2012	
RPC Opinion date and reference	04/05/2012	RPC12-HSE-1335
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been identified, and the IA clearly sets out where further information is being sought from the consultation to fill the current gaps in the evidence base.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Quantification of costs and benefits.</i> The IA says that <i>the existing health and safety legislative requirements provide a good standard of protection for healthcare workers</i> and that the risks from ‘sharp injuries’ to healthcare workers are already addressed by existing legislation (page 7). We expect the final stage IA will provide robust estimates of the additional impacts of meeting the Directive’s requirements.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’ (OIOO) according to the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Video Recordings Act Exemptions	
Lead Department/Agency	Department for Culture Media and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	01/05/2012	
RPC Opinion date and reference	08/05/2012	RPC12-DCMS-1359
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The additional information provided to the RPC regarding the current regime for applying for exemptions should be included in the IA prior to consultation. The IA should explain the regulatory framework for digital downloads and how the digital and hard copy industries interact.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Exemptions from classification.</i> The IA says that “the Act offers exemptions from classification for certain categories of video work provided they do not feature to a significant extent content which includes matters like sex, gross violence or criminal behaviour” (page 5). The Department has subsequently provided the RPC with more information regarding how the exemptions regime currently functions. This information should be included in the IA to ensure that consultees can fully assess the impact of the proposal against the ‘do nothing’. The IA should also contain some information on how often firms are prosecuted for breaching the current regime so consultees are made aware of the risks that might be associated with lowering the threshold rather than removing exemptions.</p>		
<p><i>Digital downloads.</i> The IA states that digital downloads, which account for 12.4% of the current market, are outside the scope of this proposal (page 6). However, as the industries are interrelated the IA should discuss the potential competition impacts of changing the regulatory rules for hard copy video without changing them for digital downloads, and consider any remaining risks regarding exposing children to inappropriate content.</p>		
<p><i>Estimates of size of the industry.</i> The estimates of the size of the video industry provided in the IA are only for distributions through mainstream retail outlets. The IA would benefit from discussing the size of the non-mainstream part of the industry, particularly given the specialist nature of some of these products.</p>		
<p><i>Costs to Businesses.</i> The IA estimates the cost to businesses that produce video recordings as the fees paid to the British Board of Film Classification (BBFC). It is possible that businesses may also incur a cost from having to prepare submissions to the BBFC. The IA would benefit from providing more detail of how the BBFC works to help ensure that all costs are captured at final stage.</p>		


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.

Signed

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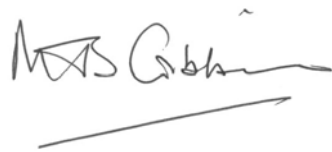
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Cinema Advertising	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	30/04/2012	
RPC Opinion date and reference	08/05/2012	RPC12-DCMS-1357
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits are adequately assessed given the stage of the consultation. However, the IA should explain more clearly why the Advertising Standard Authority (ASA) and not the British Board of Film Classification (BBFC) will remain as the sole regulator. The IA should also present the additional costs and benefits of the option to ‘do something’ relative to the ‘do nothing’ of a zero change in the current costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Rationale for choosing the ASA.</i> The IA sets out a clear rationale for removing the current dual system of regulation for cinema advertising. However, it is not clear why the proposal is to remain with the ASA rather than BBFC. The IA should more clearly explain why cinema advertising should be solely rated by the ASA rather than the BBFC.</p>		
<p><i>Counterfactual.</i> While the IA clearly explains the current situation and what will change under the proposed new regulations, the baseline used to calculate the costs and benefits is incorrect. The IA should present the additional costs of the option to ‘do something’ relative to the ‘do nothing’ scored as zero.</p>		
<p><i>Consumer and Child Protection.</i> The IA says <i>industry bodies and the advertising regulators believe that the existing advertising clearance system underpinned by the Advertising Standard Authority’s (ASA) non-broadcast advertising code is robust enough to ensure there are no gaps to consumer and child protection and that suitable safeguards will be maintained.</i>” (Page 8) During consultation the Department will need to confirm with other stakeholders that this is the case so that they can provide robust evidence at final stage.</p>		
<p><i>Benefits to Advertisers.</i> Currently the benefit to advertisers of not going through BBFC is assessed as the reduction in fees paid to the BBFC. It is possible that businesses may also benefit from no longer having to prepare submissions to the BBFC. The IA could benefit from providing more detail of how the BBFC works to help ensure that all benefits are captured at final stage.</p>		
<p><i>Impact on Small Firms.</i> The IA states the policy is likely to be particularly favourable to small cinemas. At final stage the IA needs to better explain why small cinemas will benefit more than large cinemas from this policy.</p>		


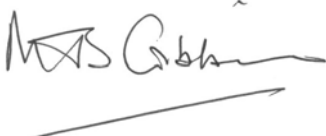
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


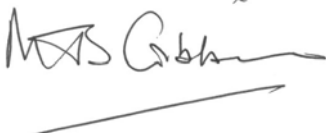
The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage. In particular the department will need to clarify which benefits of this policy are direct and which are indirect to ensure the EANCB is correctly calculated.


Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Merchant Shipping (Passenger Ships on Domestic Voyages) (amendment) Regulations 2012	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	28/03/2012	
RPC Opinion date and reference	09/05/2012	RPC12-DfT-1321
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and in particular the benefits need to be tested and estimated at the consultation stage including confirmation of the assumptions.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA explains the scope of the potential costs and benefits of the proposals. The consultation will need to be used to confirm assumptions, estimation of the costs of the proposals and benefits for verification at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is the result of European legislation and as it does not involve goldplating or failing to take derogations, is out of scope of One-in, One-out (OIOO) for the preferred option (Option 1). It says that as Option 2 goes beyond the minimum requirements of implementation it involves goldplating. This is all consistent with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

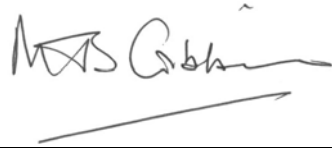
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transposition of Directive 2011/100/EU amending Directive 98/79/EC on in-vitro diagnostic medical devices	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	European	
Date submitted to RPC	17/04/2012	
RPC Opinion date and reference	09/05/2012	RPC12-DH-1346
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed given the nature of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The proposal will place variant Creutzfeld-Jacob Disease (vCJD) assays into a technical annex of EU Directive 98/79/EC. The IA acknowledges that there will be potential costs on manufacturers of wishing to place a vCJD assay on the market. The IA says that there are no manufacturers that currently place vCJD assays on market and that it is uncertain when they will be available. Due to these and other uncertainties the department have not been able to monetise the impact of the policy, which appears reasonable. Nevertheless the IA provides a robust estimate of the cost per device in order to provide context to the IA. Given the nature and scale of the intervention and the unavoidable uncertainty around the pace of future technological development this approach appears reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of One-in, One-out (OIOO) in accordance with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Ending Age Discrimination in the provision of services	
Lead Department/Agency	Home Office / Government Equalities Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/04/2012	
RPC Opinion date and reference	10/05/2012	RPC11-GEO-0659(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous opinion (18/01/2012) have been adequately addressed. However, the IA should be improved by providing a more in-depth qualitative discussion of how this potential reallocation of resources in the health and social care sector could affect the services received by younger patients. The department has provided us with supplementary information to clarify how the proposal relates to the One-in, One-out (OIOO) rule. This information should be included in the IA prior to publication.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of improving services for older people.</i> The RPC's previous opinion (18/01/2012) stated that <i>"the IA needs to explain whether the proposal is expected to lead to an ongoing improvement in health and social care services received by older people, and consider the associated costs"</i>. The IA now clearly says that there is expected to be an improvement in care received by older people in some cases, but that this will be met by <i>"a re-prioritisation rather than an increase in spending overall"</i> (page 37). Further, the IA also acknowledges that <i>"removing the remaining age discrimination that lacks objective criteria from local commissioning decisions will involve some redistribution of resource, and there will be those who lose from this shift"</i> (page 28). The IA should provide a more in-depth qualitative discussion of how this potential reallocation of resources could affect the services received by younger patients. This should be in line with the level of detail provided on the possible benefits to older patients (pages 38-39).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The Better Regulation Executive (BRE) have advised that the voluntary signposting system for the Financial Services sector should be considered in scope of 'One-in, One-out' (OIOO) as <i>"agreement with insurance providers was only reached against a background of the introduction of the ban, potentially covering financial services"</i> (page 12). Following submission of the IA to the RPC, the Department has provided supplementary information to clarify why the industry's co-operation could only be secured <i>"in return for government providing a wide exception for the financial services sector"</i> (page 13). This information should be included in the IA prior to</p>		


publication.

The IA supports the introduction of a combination of regulatory and non-regulatory measures, all confirmed to be in scope of OIOO by the BRE, that will be net beneficial for business (a 'zero IN'). This appears to be a reasonable assessment of the likely impacts.

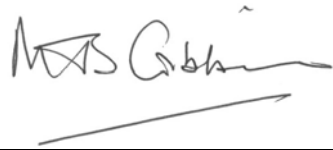
Signed

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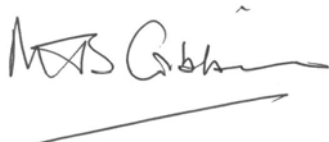
Michael Gibbons, Chairman


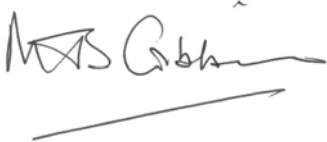
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Online Infringement of Copyright (Initial Obligations)(Sharing of Costs) Order 2012	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	19/04/2012	
RPC Opinion date and reference	10/05/2012	RPC12-DCMS-0996(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA has been updated to include additional estimates on the likely number of notifications to be issued and the ratio that will be appealed. In addition, in line with our Opinion of 13 July 2011, the costs to business, including the One-in, One-out implications, have been adequately addressed in the associated Code of Practice IA. However, the IA could usefully provide a more in-depth discussion of any wider implications of the Court of Appeal's judgement.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>In its Opinion of 13 July 2011, the RPC issued a Green rating on the previous version of the IA. This was subject to the full costs to business, including any One In One Out implications, being addressed in the associated IA for the Code of Practice, as the cost-sharing IA relied on that measure in order to take effect. Both IAs should continue to be updated so that they can be addressed together.</p>		
<p>We note that following a judgement in the Court of Appeal the obligation on internet service providers to contribute towards the costs of case fees stemming from the appeals process has been removed. The effect of this is <i>that IPS will bear less cost overall, rights holders will pay more and of course the costs imposed by rights holders remain entirely within their discretion</i> . We also note that the cost-sharing IA has been updated to include additional estimates on the likely number of notifications to be issued and the ratio that will be appealed. However, the IA could usefully provide a more in-depth discussion of any wider implications of the Court of Appeal's judgement.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is out of scope of One-In, One-Out (OIOO), <i>because the SI does not introduce any regulation by itself and so does not result in direct impacts on businesses ; and that, the obligations on industry only come into force once Ofcom's Code of Practice has been made into law</i> . In line with our Opinion of 13 July 2011, we note that costs to business, including the One-in, One-out implications, have been adequately addressed in the associated Code of Practice IA.</p>		


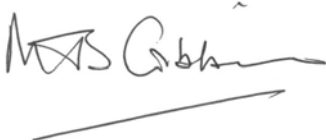
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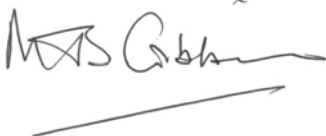
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Michael Gibbons, Chairman


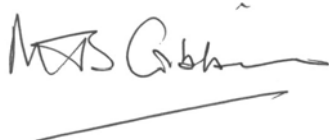
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Online Infringement of Copyright (Initial Obligations Code) Order 2012	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	19/04/2012	
RPC Opinion date and reference	10/05/2012	RPC12-DCMS-1084(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. In addition, in line with the RPC's Opinion of 23/01/2012, the IA now includes the additional information that had been provided separately to us by the department, explaining how the Equivalent Annual Net Cost to Business (EANCB) figure had been calculated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA adequately addresses the issues raised in our Opinion of 23/01/2012. In particular, it now explains clearly how the EANCB figure is calculated.</p> <p>We also note that the IA has been updated to reflect <i>the Court of Appeal judgement, which has the effect of reducing the regulatory cost to internet service providers [ISPs] whilst leaving the costs incurred by rights holders wholly discretionary</i> and that the subsequent reduction in ISP costs has resulted in a lower estimated 'IN' for the EANCB compared to when the IA was previously cleared by the RPC.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an EANCB of £1.29m. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


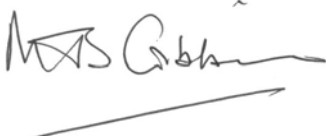
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Presumption of Death Certificate	
Lead Department/Agency	Ministry of Justice	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	03/04/2012	
RPC Opinion date and reference	10/05/2012	RPC12-MOJ-1327
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the IA contains no monetisation of the costs and benefits of the proposal, there is a sufficient qualitative assessment of the impacts for the primary legislation stage. Nonetheless it will be necessary to achieve a full monetisation for the secondary legislation stage and the IA should explain how that will be done and attempt to monetise some of the costs and benefits where the data appears to be available.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Monetisation of costs and benefits.</i> Although the IA provides no monetisation of the expected costs and benefits of the proposal, there is sufficient qualitative discussion of the main impacts of the proposal for this stage of policy. The IA would benefit from some estimation of impacts using the data from Scotland and Northern Ireland, where equivalent policies already exist and some relevant data is presented in the IA (e.g. the cost of the registration of death, in paragraphs 60-61). Full monetisation of impacts should be provided for the relevant secondary legislation.</p> <p><i>Primary vs secondary legislation and consultation.</i> The IA says that the proposal “..will be implemented by primary and secondary legislation” (paragraph 83). The IA also says that on this proposal “the Government has not carried out its own consultation.” We presume that there will be another IA produced for the secondary legislation that will implement this proposal, and that this IA will contain more information about the views of key affected groups and provide more explicit valuation of the expected costs and benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a ‘zero net cost’ measure in terms of One-in, One-out (OIOO). In the absence of monetisation of this impacts, and based on the qualitative assessment of the impact on business (paragraphs 84-90) it appears it is correct at this stage to consider the proposal an IN with ‘zero net cost’.</p>		
Signed 	Michael Gibbons, Chairman	


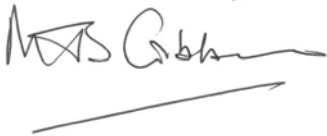
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposal for a Directive of the European Parliament and of the Council on standards of quality and safety of human organs intended for transplantation	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	European	
Date submitted to RPC	27/04/2012	
RPC Opinion date and reference	11/05/2012	RPC11-DH-1023(5)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (30/03/2012) have been addressed. In particular, the IA now provides the appropriate level of analysis and evidence for us to confirm that the estimated costs have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimates of costs.</i> In our previous Opinion (30/03/2012) we noted that the IA failed to explain either the basis or the source of the data used in estimating the costs. This is now clearly explained in the revised IA.</p> <p><i>Activity in private hospitals.</i> We also noted that there was a risk that existing private hospitals might not be able to continue to operate in this area resulting in costs to business. The revised IA explains more clearly how the new licensing regime will impact on existing private hospitals post August 2012, and confirms that it will not result in existing private hospitals being forced to close. The RPC notes that consultees believed there would be little direct benefits for the UK from the Directive. A new licensing system, rather than using the existing UK regulator, remains unjustified but is required by the Directive.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of One-in, One-out (OIOO) in accordance with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


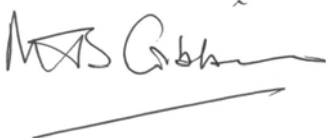
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enterprise, Employment, Regulatory Reform and Repeal Bill: Heritage Related Proposals	
Lead Department/Agency	Department for Culture Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	09/05/2012	
RPC Opinion date and reference	11/05/2012	RPC12-DCMS-1351
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposed reforms have been adequately assessed. However for the Certificates of Immunity, while we accept that it is not feasible to monetise the costs and benefits due to the nature of the proposals, the IA should include greater discussion of the scale of the benefits to allow a better understanding of the likely impact of the proposals.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits of Certificates of Immunity (COI).</i> While we accept that it is not feasible to monetise the impacts of this proposal, the IA should include greater discussion of the scale of the benefits to property owners of being able to obtain a COI without applying for planning permission. This will allow readers a better understanding of the impact of the proposals.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.04m. While a number of the proposals presented are beneficial to business only the benefits from legally defining the extent of a listed building's special interest have been monetised. We accept that the other proposals will be beneficial to business but that this benefit will be small and that it does not appear possible to monetise the benefits. The EANCB presented is consistent with the current 'One-in, One-out' Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Tribunals, Courts and Enforcement Act 2007 (Transitional and Consequential Provisions Disqualification General) Order 2011	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	03/04/2012	
RPC Opinion date and reference	11/05/2012	RPC12-BIS-1244
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide a more detailed discussion of the risks posed by having an individual who is subject to a Debt Relief Order (DRO) holding certain offices.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The proposal aims to address an existing inconsistency in the treatment of various forms of personal insolvency measures. The IA says that <i>we are not aware that any people are currently appointed to such positions, and it is unlikely that any more than a very small number of people would be affected</i>" (page 4). The IA should explain in more detail the potential risks posed by having an individual who is subject to a DRO holding certain offices. This could helpfully strengthen the analysis of the need for regulatory intervention.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure with a <i>negligible, non-monetised impact on business</i>" and is classified as an IN with <i>zero cost</i> . Based on the evidence presented regarding the number of private organisations that are likely to be affected by the proposal, this appears to be a reasonable assessment.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


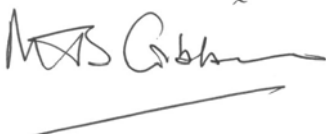
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Rapid Resolution Service	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Development/Options	
Origin	Domestic	
Date submitted to RPC	09/05/2012	
RPC Opinion date and reference	11/05/2012	RPC12-BIS-1324(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous opinion (03/05/2012) have been adequately addressed. In particular the IA now explains why using Legal Officers is the preferred option. However, while full monetisation may not be possible at this stage, more efforts should have been made to demonstrate the potential scale of the benefits of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> In our previous opinion (03/05/2012) we noted that the Department had discarded all but one option on the basis that the preferred option had the lowest cost. However, the IA did not provide sufficient evidence to support this conclusion. The revised IA addresses this issue by demonstrating why the use of legal officers have a lower cost than using panels of arbitrators or County Courts. However, while full monetisation may not be possible at this stage, more efforts should have been made to demonstrate the potential scale of the benefits of the proposal.</p> <p>The RPC notes that the final decision whether to take the enabling powers given by the primary legislation will be made later, and that the details of the implementation will be the subject of full public consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the measure is out of scope of 'One-in, One-out'. This is because all of the impacts on business are voluntary, and therefore not treated as direct costs for 'One-in, One-out' purposes. This appears consistent with the current 'One-in, One-out' methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Copyright protection for designs	
Lead Department/Agency	Department for Business, Innovation and Skills / Intellectual Property Office	
Stage	Final	
Origin	European	
Date submitted to RPC	04/05/2012	
RPC Opinion date and reference	14/05/2012	RPC12-BIS-1366
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The proposal to repeal section 52 of the Copyright Designs and Patents Act 1988 is aimed at clarifying and updating the UK law in response to a judgment of the European Court of Justice. However, the IA should provide a more detailed qualitative assessment of the expected overall impact of the proposal on the UK economy and consumers, including its competitiveness within Europe.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The department proposes to repeal section 52 of the Copyright Designs and Patents Act 1988 in order to clarify and update UK legislation in line with EU law, following a judgement of the European Court of Justice. The IA acknowledges that the proposal is likely to create additional costs for some UK businesses, particularly those that copy designs without licences. Given that no attempt has been made to monetise the additional costs and benefits of the proposal, on grounds of proportionality and lack of data, the IA should provide a more detailed qualitative assessment of the likely overall net impact on the UK economy. The IA should also explain how the proposed change will affect the UK's competitiveness within Europe, particularly in the sectors affected.</p> <p><i>Sectors affected.</i> The IA primarily analyses the impact of the proposal on the furniture industry. The IA should provide more discussion of the likely impacts and competition effects of the proposed changes in other sectors of the economy, such as jewellery.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is out of scope of 'One-in, One-out' as it aims to harmonise UK law with EU law. Based on the information provided, this appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of the Framework for the Assessment of Children in Need and their Families.	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/04/2012	
RPC Opinion date and reference	14/05/2012	RPC12-DfE-1331
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed for this stage. The IA would benefit from setting out exactly which guidance is being considered for removal following the consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Rationale, Costs and benefits.</i> The IA says (Page 5) <i>it would radically reduce the guidance from its current form to contain only statutory guidance: the must dos</i> The IA would benefit if it clearly set out exactly which elements of the statutory guidance and non-statutory guidance are being considered for removal following the consultation. It appears the costs and benefits as far as possible at this stage have been adequately set out. As stated in the IA, we expect to see these improved at the next stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') based on the reduction and rationalisation of guidance. At final stage the IA will need to clearly differentiate between reduction in statutory guidance, which comes within the scope of One-in One-out, and non-statutory guidance which is outside the scope to enable a full assessment to be made of the benefits to business. The evidence supporting the estimated Equivalent Annual Net Cost to Business should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of Working Together to Safeguard Children	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/04/2012	
RPC Opinion date and reference	14/05/2012	RPC12-DfE-1332
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed for this stage. The IA would benefit from setting out exactly which guidance is being considered for removal following the consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA says (Page 4) that it would remove and replace statutory guidance as well as remove existing non statutory practice guidance . The IA would benefit if it clearly set out exactly which elements of the statutory guidance and non-statutory guidance are being considered for removal following the consultation</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') based on the reduction and replacement of guidance. At final stage the IA will need to clearly differentiate between reduction in statutory guidance, which comes within the scope of One-in One-out, and non-statutory guidance which is outside the scope to enable the net benefits to business to be identified. The evidence supporting the estimated Equivalent Annual Net Cost to Business should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

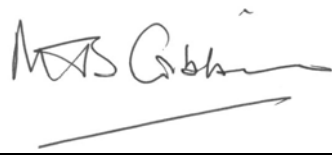
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of chapter 8 Serious Case Reviews of Working Together to Safeguard Children (working together 2010)	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/04/2012	
RPC Opinion date and reference	14/05/2012	RPC12-DfE-1333
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed for this stage. The IA says that the changes to serious case reviews are expected to be cost neutral. This will need to be fully tested and confirmed during consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs.</i> The IA says that ‘Anecdotal evidence suggests that the cash and time costs from a change to a systems methodology will be cost neutral at worst, but may well lead to cost savings’ (Page 3). This assessment will need to be tested and strengthened during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA states that this measure is outside of scope of ‘One-in, One-out’ as it will impose no direct costs on business. This needs to be confirmed with the Better Regulation Executive before the final stage. In addition, the IA says that <i>‘The revision to the SCR process should not have any impact on private sector organisations who may become involved in SCRs.’</i> This assessment will need to be tested and strengthened during the consultation period.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Selling liqueur confectionery to children	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/05/2012	
RPC Opinion date and reference	14/05/2012	RPC12-HO-1374
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The analysis of the likely impacts of the proposed removal of the offence for the sale of liqueur confectionery to under 16s appears reasonable, given the nature of the proposal. However, the assessment of the impact on business for One-in, One-out purposes should be correctly summarised and reported on a new IA template before it is finalised.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The proposal will repeal the offence under the section 148 of the Licensing Act 2003 which restricts the sale of liqueur confectionery to under 16s as a measure aimed to simplify regulation and clear the statute books of unnecessary laws. The IA provides an adequate assessment of the likely impacts of the proposal, given the nature of the proposal and based on the proportionality principle. However the assessment of the impact on business should be better summarised and presented in the IA.</p> <p>In addition the IA should contain a discussion of whether there is any risk to children of allowing under 16s to purchase liqueur confectionery.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure as it removes a regulatory burden on business. Although the direct costs and benefits to business have not been monetised, the conclusion that the proposal is likely to be net beneficial to business appears reasonable. However, the IA should provide a clearer assessment of the OIOO in the main text (page 6) and report this clearly on the summary page of the IA.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reforms: Cross-Border Workers	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	12/04/2012	
RPC Opinion date and reference	16/05/2012	RPC11-DWP-1224(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should more clearly present the numbers used in the IA and explain how the costs and benefits are divided between UK and non-UK residents.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs to the UK and costs to cross-border workers.</i> The proposed removal of cross-border workers from auto-enrolment would impose a cost on those workers. This cost has been fully monetised and included in the NPV. However, it appears that not all cross-border workers will be UK residents. The HM Treasury Green Book says that “All impacts (including costs and benefits both direct and indirect) on non-UK residents and firms should be identified and quantified separately”. The IA should clearly set out how UK residents have been defined in this case and separate out costs and benefits accordingly.</p> <p><i>Presentation and derivation of estimates.</i> The IA should more clearly present how its numbers have been arrived at. For example providing the calculations underpinning the figure of 2000 for those opting out and the estimated pension contributions (paragraph 30).</p> <p><i>Number of Cross Border Workers.</i> The IA uses the number of cross border workers commuting out of the UK to estimate the number of workers commuting into the UK. However academic research from the European Commission indicated a difference between the two numbers. The IA should contain more discussion of this assumption and the impacts on the costs and benefits of the proposal of varying it.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of (-)£7.4m. This is consistent with the Current One-in, One-out Methodology and provides a reasonable assessment of the likely size of impact. However, we note that we have not yet validated the net impact on business of the main proposal of introducing the duty on employers to automatically enrol jobholders into a workplace pension scheme. Therefore this EANCB figure is validated on the condition that the main ‘IN’ for auto-enrolment uses the appropriate baseline and scores the impact of</p>		


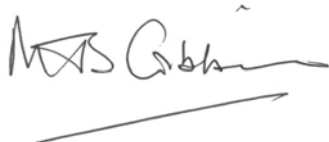
all jobholders being enrolled into a workplace scheme. Otherwise these amendments cannot be considered OUTs.



Signed


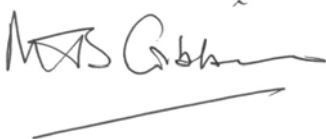
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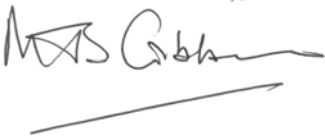
Michael Gibbons, Chairman


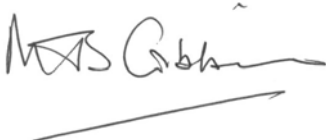
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Grandfathering Period of the Emissions Performance Standard	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/04/2012	
RPC Opinion date and reference	16/05/2012	RPC12-DECC-1275(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues that we raised in our previous Opinion (15/03/2012) have now been addressed. The department has provided us with further information that clarifies why, under the central scenario, it is considered that the proposal will not adversely affect investors' decision to invest. This information should be included in the IA to support the cost-benefit analysis.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Appraisal of impacts.</i> In our previous opinion (15/03/2012) we noted that the IA failed to explain why it was considered appropriate that the costs and benefits were only appraised to 2030 rather than to 2045. The appraisal period has now been amended to reflect the expected life of the policy.</p>		
<p>Furthermore the IA now clearly sets out the baseline (page 10) that is being used to appraise the impacts and sets out that <i>if there were to be no further regulation agreed in this area, grandfathering for operational life would be the default due to the way the legislation would be introduced</i> and that the baseline would provide maximum certainty for investors. The department has provided us with further information that clarifies why, however, under the central scenario it is considered that the proposal will not adversely affect investment decisions. This information should be included in the IA to support the cost-benefit analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is an IN with zero net cost. This is consistent with the current One-in, One-out (OIOO) methodology.</p>		
<p>Signed</p> 	<p>David Parker, Committee Member</p>	


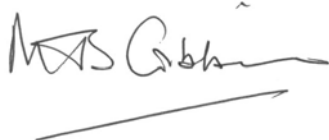
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Antarctic Bill	
Lead Department/Agency	Foreign and Commonwealth Office	
Stage	Final	
Origin	International	
Date submitted to RPC	10/05/2012	
RPC Opinion date and reference	16/05/2012	RPC12-FCO-1348
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal to implement the UK's international obligations under the Antarctic Treaty System have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts on operators.</i> The IA says that the policy objective is to increase protection for the Antarctic environment by fully implementing recent changes to the UK's international obligations arising under the Antarctic Treaty System (ATS), in particular from the Liability Annex. The costs and benefits have been adequately assessed and although no monetised estimates have been provided, the IA offers adequate qualitative arguments to support the proposal. In particular, many of the requirements of the Treaty are concerned with formalising existing UK's practices, which the IA says many operators are already complying with. However, the IA could have reflected better the output of the consultation to provide a more robust verification of some of its arguments.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says, <i>'all changes being introduced by the Antarctic Bill reflect either new obligations arising under the Antarctic Treaty System [or] amendments to existing international obligations...'</i>. However, it also says that changes <i>"in Part 2 that do not relate to the amendments made to Annex II"</i> (page 12) are not required for the UK to meet its Treaty obligations. Therefore, these aspects of the proposal are in scope of 'One-in, One-out' (OIOO)</p> <p>Two of these amendments are deregulatory in nature (OUTs) and the other two are regulatory in nature (INs). An Equivalent Annual Net Cost to Business (EANCB) has not been scored for these measures on the basis that the likely impacts are negligible. On the evidence presented this appears to be a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


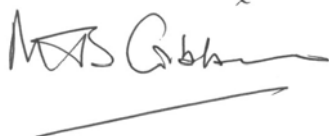
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Further Education Level 3 and 4 Post-24 Loans	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/04/2012	
RPC Opinion date and reference	18/05/2012	RPC11-BIS-0995(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, there is a degree of uncertainty around the assumptions used in the cost-benefit analysis, and the IA should have reflected this by providing a range for the costs and benefits and conducting sensitivity analysis.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimates of Costs and Benefits.</i> Due to a lack of available evidence the Department has had to make a number of assumptions, for example around the take up of the new loans and the proportion of learners who pay back some of their loan. Sufficient evidence is provided to demonstrate that these assumptions are best estimates given the available evidence. However, there is still a degree of uncertainty and the IA should have reflected this by providing a range for the costs and benefits and conducting sensitivity analysis. This would demonstrate whether the recommendation in the IA is dependent on the assumptions made. The IA would also benefit from providing more detailed information about the outcome of the public consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure with a net direct cost to business ('an IN') of £0.8m in Equivalent Annual Net Cost to Business (EANCB) terms. This appears a reasonable estimate of direct cost to business. The Better Regulation Executive has confirmed that other costs as a result of the restriction on business are not considered direct for One-in, One-out purposes.</p>		
Signed 	Michael Gibbons, Chairman	


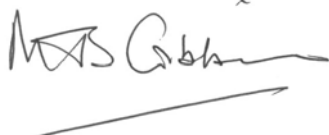
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	School Premises Regulation Simplification	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Final	
Date submitted to RPC	20/04/2012	
RPC Opinion date and reference	18/05/2012	RPC12-DfE-1069(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of rationalising a number of overlapping regulations setting out requirements for school premises have been adequately assessed. However, the IA would benefit from the inclusion of an extended discussion of any risks associated with the proposed measure in accordance with information obtained from consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Rationale for measure and Options.</i> The rationale for streamlining a number of overlapping regulations setting out requirements for school premises is clearly explained; and due consideration has been given to several options. However, the preferred option was <i>..chosen because it strikes a balance between reducing administrative burdens whilst protecting the welfare and safety of pupils’.</i></p> <p><i>As support for the proposed changes to the regulations was mixed, with many respondents suggesting revisions to the regulation’ or that more information be provided in guidance”</i> (page 12), the IA should include greater discussion of the extent to which consultee reservations have been addressed, in particular in relation to any risks associated with rationalising the regulations. Although we note that some comments have been taken into account by revising the wording of some regulations and the Department is also proposing to expand the guidance, it would be helpful if these revisions could be identified more clearly.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that has a direct net benefit (an ‘OUT’) with an Equivalent Net Cost to Business (EANCB) or -£0.02m. This is consistent with the current One-in, One-out’ methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


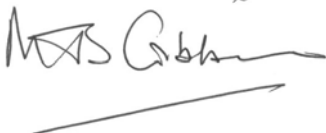
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	UK implementation of the amended EU Prospectus Directive	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
Date submitted to RPC	13/04/2012	
RPC Opinion date and reference	22/05/2012	RPC11-HMT-1100(2)
Overall Assessment	GREEN	
<p>This IA is fit for purpose. The estimates of the costs and benefits, which have been refined and strengthened following the public consultation, appear reasonable.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> Our previous Opinion (27/10/2012) highlighted a number of areas where we thought the estimates of costs and benefits of the proposal should be improved following the public consultation. In accordance with this, the final stage IA presents revised estimates of familiarisation costs and revised estimates of the benefits to business from changes to the disclosure regime.</p> <p>We note that although the proposal is primarily deregulatory there is a tightening of regulation through introduction of a stricter threshold of requiring a prospectus for investment offers between 50,000 to 100,000. The IA says that <i>‘the impact may in fact be intangible, where market dynamics simply adjust to the requirements of the new regime’</i>. The IA also says that from the consultation <i>“we received no response to questions regarding these issues, and therefore have left our assumptions unchanged”</i> (page 8). Therefore, the economic impact of this specific change is unidentified.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure (‘an OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.6m. This is a reduced estimate of the EANCB and is based on more robust evidence gathered during the consultation. Based on the evidence presented this appears reasonable.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment on the proposal to use a Legislative Reform Order to change legislation on payments by parish and community councils and charter trustees.	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	01/05/2012	
RPC Opinion date and reference	23/05/2012	RPC12-CLG-1287(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues that we raised in our previous Opinion (22/03/2012) have now been addressed. In particular, it is now clearer how the new guidance will help achieve the objective of maintaining “<i>sound financial control</i>” (page 1), whilst permitting “<i>modern methods of payment</i>” (page 3).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues that we raised in our previous Opinion (22/03/2012) have now been addressed. In particular, it is now clearer how the new guidance will help achieve the objective of maintaining “<i>sound financial control</i>” (page 1), whilst permitting “<i>modern methods of payment</i>” (page 3). In addition, the IA provides a fuller discussion of the potential time savings to parish councils that are expected to result from the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. Although an Equivalent Annual Net Cost to Business (EANCB) has not been scored at this stage, the consultation will have to be used to gather evidence so that an estimate of the EANCB can be produced for validation at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


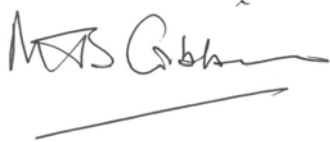
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to the conditions of authorisation for Building Regulations competent persons schemes	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/05/2012	
RPC Opinion date and reference	23/05/2012	RPC12-CLG-1288(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The majority of the issues raised in our previous Opinion (30/03/2012) have now been addressed. However, the IA should provide more detail on what level of promotional activity will be required under the condition for Membership Growth.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The majority of the issues that we raised in our previous Opinion (30/03/2012) have now been addressed. In particular, more evidence to support the assumptions used throughout the analysis has been provided, supporting the validity of the estimated Net Present Value (NPV). Also, the concerns of consultation respondents, especially those of scheme operators, have either been allayed or addressed through ongoing stakeholder engagement.</p> <p>However, under the Membership Growth condition (number 6) the IA should provide more detail on the level of promotional activity that will be required. This will allow scheme operators to have certainty over whether or not they have met the requirements.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£4.7m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


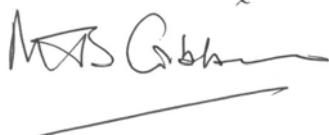
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Registration of Charges	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	23/05/2012	RPC10-BIS-0634(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous opinion of 03/03/2012 have been adequately addressed. However, the additional costs to Companies House should be presented in the total transition costs in the summary page, in addition to reporting and describing them in the costs section.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Issues raised in our previous Opinion (03/03/2012) have been adequately addressed. In particular, the revised IA presents clearly the proposed changes in regulation and their impact on the UK. However, the additional costs to Companies House should be presented in the total transition costs in the summary page, in addition to reporting and describing them in the costs section.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£21.9m. The majority of these benefits are to come from a significant reduction in the time it will take companies to register their charges. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


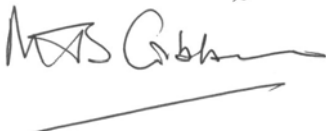
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Companies House Fees Regulations	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/05/2012	
RPC Opinion date and reference	23/05/2012	RPC12-BIS-1354
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposed reduction in the Company House fees have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The costs and benefits of the proposed reduction in the Companies House fees have been adequately assessed. The IA correctly identifies the reduction in fees as a transfer between businesses and Companies House.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out'.</p>		
Signed		Michael Gibbons, Chairman


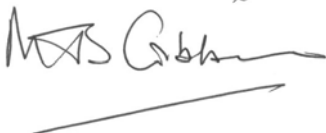
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Capable communities and informed citizens in control	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	28/05/2012	RPC12-DH-1315(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it should provide more robust evidence to explain why the findings of the IBSEN research are not considered sufficiently reliable to be used in the IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Personal budget entitlements.</i> The IA now better explains the potential costs of the proposed introduction of personal budgets for social care. The IA reports IBSEN research that found that those receiving individual budgets incurred higher health care costs. Possible reasons for this result are cited including uncertainties in how these costs arose and the possibility that the pilot studies “<i>may have prompted recipients to become more aware of possible unmet health needs.</i>” The Department concludes that “<i>there is no clear intuitive reason why personal budgets for social care should generate higher health care costs</i>” (paragraph 152). The IA should provide a fuller explanation for rejecting the IBSEN result, given its possible importance.</p> <p><i>IA stage.</i> We note that the IA has been reclassified to Consultation stage as a further IA will be prepared for the Bill stage. At final stage the IA would benefit from providing more evidence to support the assumptions used in the cost-benefit analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no cost on business or civil society organisations. This appears reasonable, and has been confirmed with the Better Regulation Executive (BRE).</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Offshore Hallmarking by UK Assay Offices	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	28/05/2012	RPC12-BIS-1017(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately identified and are supported by qualitative arguments. However, the IA should explain how some of the quantified estimates provided by the British Hallmarking Council (BHC) have been arrived at and the level of confidence attached to these estimates.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> The IA outlines qualitative arguments for the costs and benefits of the proposed measure. With regard to monetised estimates, the IA says <i>precise financial details have been difficult to obtain because the four Assay Offices are in competition with each other for hallmarking business and there are commercial sensitivities in proving full economic data</i> (page 21). The IA has, nevertheless, provided monetised estimates of the benefits which are underpinned by evidence provided by the British Hallmarking Council (BHC). While we accept that the information provided by the BHC appears to be the best available evidence, the IA does not explain how the BHC arrived at these estimates or how much confidence they have in them. The IA should include this information so that readers are made aware of any uncertainties that may be present in these figures.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that although the proposed measure is deregulatory, it is out of scope of 'One-in, One-out' on the grounds that there are no direct costs or benefits to business. This appears to be a reasonable assessment and has been supported by the Better Regulation Executive.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of adult social care legislation	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	28/05/2012	RPC12-DH-1314(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (27/05/2012) have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (27/05/2012) have been adequately addressed. In particular the IA now explains better the impact of the proposal on the different groups affected, and presents clearly the evidence and assumptions used in the analysis.</p> <p><i>IA stage.</i> We note that the IA has been reclassified to Consultation stage as a further IA will be prepared for the Bill stage. At final stage the IA would benefit from providing more evidence to support the assumptions used in the cost-benefit analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no cost on business or civil society organisations. This appears reasonable, and has been confirmed with the Better Regulation Executive (BRE).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Clear and fair partnership between state, communities, families and individuals	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	28/05/2012	RPC12-DH-1316(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The revised IA now better explains the impacts of the proposal on the different groups affected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (27/05/2012) have been adequately addressed. In particular, the revised IA now better explains the impacts of the proposal on the different groups affected.</p> <p><i>IA stage.</i> IA stage. We note that the IA has been reclassified to Consultation stage as a further IA will be prepared for the Bill stage. At final stage the IA would benefit from providing more evidence to support the assumptions used in the cost-benefit analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no cost on business or civil society organisations. This appears reasonable, and has been confirmed with the Better Regulation Executive (BRE).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	High quality care and effective workforce	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	28/05/2012	RPC12-DH-1317(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The revised IA now better explains the impacts of the legislative and non-legislative measures on the different groups affected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (27/05/2012) have been adequately addressed. The revised IA now better explains the impacts of the legislative and non-legislative measures on the different groups affected.</p> <p><i>IA stage.</i> We note that the IA has been reclassified to Consultation stage as a further IA will be prepared for the Bill stage. At final stage the IA would benefit from providing more evidence to support the assumptions used in the cost-benefit analysis.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no impact on business or civil society organisations. This appears reasonable, and has been confirmed with the Better Regulation Executive (BRE).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Merchant Shipping and Fishing Vessels (Health and Safety at Work) Chemicals Agents (amendment) Regulations 2012 (the Amendment Regulations)	
Lead Department/Agency	Department of Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	11/05/2012	
RPC Opinion date and reference	29/05/2012	RPC12-DfT-1083(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. Though the IA does not provide monetised estimates of the costs and benefits sufficient analysis has been undertaken in qualitative terms to demonstrate that the estimated impacts of this measure are minimal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> Though the IA does not provide monetisation of the costs and benefits of the proposal, it provides sufficient analysis in qualitative terms to demonstrate that the expected costs and benefits will be minimal. This estimated impact is supported by the outcome of the consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says this proposal is of European origin and is therefore out of scope of One-in, One-Out (OIOO). As there is no evidence of going beyond minimum requirements or failure to take-up derogations this is correct in accordance with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Green Deal and Energy Company Obligation	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/05/2012	
RPC Opinion date and reference	29/05/2012	RPC12-DECC-0618(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, there are a number of areas where the IA should be improved prior to publication to help understanding of how the policy will deliver the estimated costs and benefits that are set out in the IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Additional impacts of the Green Deal and Energy Company Obligation (ECO):</i> The Net Present Value (NPV) of the estimated additional impacts of Green Deal and ECO are correctly based on a counterfactual that there is no further government intervention in place in this area (paragraph 98). Therefore the additional impacts have been adequately assessed in accordance with the IA Toolkit. There are however, a number of key assumptions that will have to be adequately monitored going forward.</p> <p><i>Estimates of take-up.</i> As in our previous Opinions (on the consultation stage IA), we remain concerned that the estimates of take-up set out in the IA are optimistic and it still remains unclear what the difference in the total cost of measures are under the Green Deal compared to the situation where individuals finance energy efficiency measures in the absence of the Green Deal. We note that the Department has amended the IA to recognise more explicitly the uncertainty around the figures provided (e.g. page 43) and will look to manage this through monitoring and evaluation. This will be essential in order to provide the certainty required.</p> <p>It also unclear whether the projected increases in cavity wall installations and solid wall installations, in particular the latter, are realistic despite the revisions in the latest version of the IA, given the past levels of take-up in both areas. It is also unclear why the Green Deal should result in the increase in loft top-ups estimated given that the IA says that consumers are likely to finance low cost measures through non-borrowing means (i.e. from their own savings Footnote 38, page 31).</p> <p><i>Presentation of consultation responses and evidence base.</i> The IA reports a number of changes made to both the Green Deal and the Energy Company Obligation (ECO) following consultation. These are set out on pages 6 and 7, but the implications are contained in Annex G and H. The IA should, early in the main body of the text, outline and score the main changes to both policies delivered by the consultation. For example, how the cost of assessments and how the revised interest rate</p>		

repayment schedule will impact on the extent of take-up.

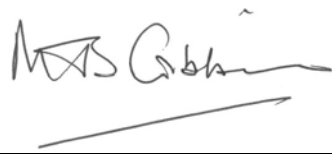
Risks. The IA has sections covering market failures and sensitivity analysis at pages 15, 21, 43 and 50. A summary section on risks should be provided pulling from these sections and including uncertainties such as a scenario covering failure of consumer buy-in to the measures, dealing with rogue assessors, and potential adverse publicity from intense campaigns of doorstep selling by assessors.

Competent Persons' schemes. The IA refers to installers being certified to meet a new standard which aligns with CLG'S Competent Persons' schemes (paragraph 167). The IA should provide a summary of the synergies between the Green Deal and Competent Persons' schemes presenting any overlaps clearly.


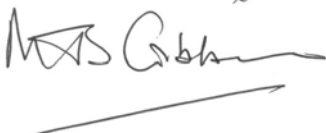
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


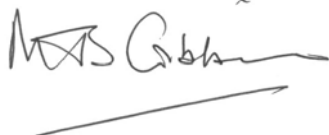
The IA says that the proposal (in total for both the Green Deal and Energy Company Obligation (ECO)) is an IN with a net cost to business. This is consistent with the current One-in, One-out (OIOO) Methodology. The IA scores an Equivalent Annual Net Cost to Business (EANCB) of £1.265 billion. A compensating OUT (or OUTs) will need to be identified and submitted for validation.


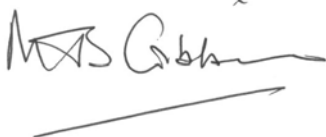
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Michael Gibbons, Chairman

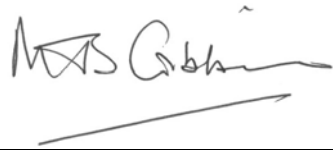
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Next Steps for Nursery Milk	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	04/05/2012	
RPC Opinion date and reference	30/05/2012	RPC11-DH-1179(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in RPC's previous Opinion (15/02/2012) have been adequately addressed. However, the IA should provide an explicit assessment of the direction of impacts on business for 'One-in, One-out' purposes.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (15/02/2012) have been adequately addressed. In particular, our concerns about the basis on which the Net Present Value was calculated have been addressed.</p> <p><i>Options.</i> The IA presents the costs and benefits of 3 different options for consideration at consultation, although at this stage no option is selected as preferred. In addition, it appears that there are potentially a wide range of possible solutions to this problem under consideration. Given that it appears the feedback from stakeholders may have a significant impact on which option is selected, consultees should be encouraged to suggest additional alternative solutions to be taken forward at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The additional costs to business have been adequately assessed at this stage of policy. The revised IA says that the proposal is in scope of One-in, One-out and that they "<i>will provide a fuller assessment of the direct impact on business (including and estimate of the equivalent annual net cost to business of the different policy options) in the final IA</i>" (page 14). The department should seek confirmation of this position with the Better Regulation Executive prior to submitting an IA at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introduce a Designs Opinion Service	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/04/2012	
RPC Opinion date and reference	31/05/2012	RPC12-BIS-1349
Overall Assessment	GREEN	
<p>The IA is fit for purpose. To help inform the consultation, the IA could benefit from providing information on how the Patents Opinion Service currently works to show the likely impact of the introduction of an equivalent service in designs to help resolve disputes at an early stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Evidence from existing Patents Opinion Service.</i> The IA says that <i>legislative change is required to deliver an Opinion Service for designs along the lines of the existing service for patents</i> . To help inform the consultation, the IA could benefit from providing information on how the Patents Opinion Service currently works to show the likely impact of the introduction of an equivalent service in designs to help resolve disputes at an early stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Joining the Hague Agreement on Designs	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/04/2012	
RPC Opinion date and reference	31/05/2012	RPC12-BIS-1350
Overall Assessment	GREEN	
<p>The IA is fit for purpose. To provide useful context to the estimated impacts, the IA could show what effect becoming a member of the Hague Agreement has had for businesses in these countries.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Evidence.</i> The IA says joining the Hague Agreement on designs would <i>negate the need, cost and risks of having to take out EU-wide protection or making a UK domestic applications alongside and application through the Hague system</i> (page 5). To provide useful context to the estimated impacts, the IA could show what effect becoming a member of the Hague Agreement has had for businesses in these countries.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Inspection of Documents	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	30/04/2012	
RPC Opinion date and reference	31/05/2012	RPC12-BIS-1358
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should be improved in the areas outlined below to maximise its impact during consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Estimated Costs of Proposal.</i> The IA estimates the costs associated with the proposal as a one-off, relating to development and testing costs. However, it does not provide any details of the costs associated with the training of staff to use the IT system or on-going costs relating to the operation and maintenance of the System. Such costs should be developed and taken into consideration in the final IA.</p>		
<p><i>Estimated Benefits of the Proposal.</i> The IA provides an estimate of benefits in terms of reduced legal fees for applicants. The IA should explain more clearly why businesses use ‘an agent’ under the current regime and why they are not expected to use professional services when the new IT system is developed.</p>		
<p><i>Access to hard copies of documents.</i> To enable some stakeholders to make a more informed contribution to the consultation, the IA could have made clearer the position of existing and potential customers who, for one reason or another, might want the retention of aspects of the current regime. In particular, those in the past who have chosen to, “.. either travel in person to Newport or London..” (page 4) to view information in respect of registered design.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is an ‘OUT’ under One-in, One-out (OIOO), <i>as it proposes a relaxation of guidelines that firms are currently forced to adhere to, and provides a net saving to business</i>” (page 7). This appears correct under the current OIOO Methodology. However, the evidence to support the size of the Equivalent Annual Net Cost to Business (EANCB) as a consequence of the proposal will need to be firmed-up prior to validation at final stage.</p>		

Signed

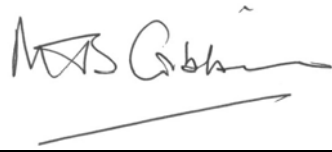
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Michael Gibbons, Chairman


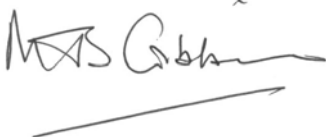
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Improved Transparency of Executive Remuneration	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/05/2012	
RPC Opinion date and reference	31/05/2012	RPC12-BIS-1372
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a more detailed comparison between the likely impacts of the two alternative options and explain more clearly why Option 1 is considered the preferred option at this stage of policy.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA says that the preferred option (Option 1) is considered to be a more proportionate approach to addressing the problem under consideration (paragraph 65). However, given the issues discussed on pages 8-9, and the information provided in the IA, Option 2 would appear to improve the quality of pay reporting across a wider range of relevant issues than Option 1. The IA would therefore benefit from better explaining why Option 1 is currently considered to be the preferred option.</p> <p><i>Estimates of costs and benefits.</i> In the absence of monetisation of the expected costs and benefits, the IA should provide a more systematic assessment of the differences between options to better demonstrate that the disclosure requirements set out under the preferred option will deliver the largest net benefit. For example, this could usefully include feedback from the earlier consultation on company reporting (referenced in paragraph 22).</p> <p><i>Nature of impact of additional information requirements.</i> The IA says that the additional requirements of the proposal will be <i>readily available at no or limited additional cost to the company and already forms part of the decision-making process within remuneration committees</i>. As this information is seemingly already available, the IA would benefit from clarifying why shareholders do not appear to use this information under the ‘do nothing’ scenario to improve the link between pay and performance. Again, the IA could usefully refer to feedback from the earlier consultation to demonstrate how the proposal will deliver additional benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology</p>		


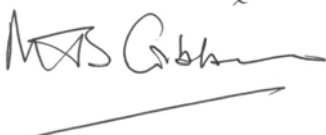
and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.


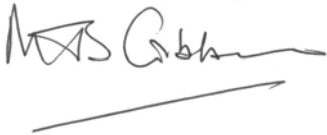
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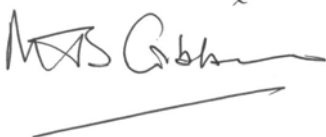
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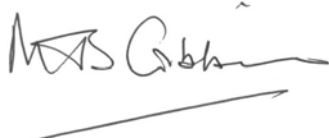
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removal of TV Licence notification requirement for Retailers	
Lead Department/Agency	Department for Culture Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	28/05/2012	
RPC Opinion date and reference	31/05/2012	RPC12-DCMS-1320(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised on our Opinion of 15/05/2012 have been adequately addressed. However the IA should have been more explicit in explaining why TV licence fee evasion has, correctly, not been treated as a transfer.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised on our opinion of 15/05/2012 have been adequately addressed. In particular, the IA now contains a more robust estimate of the cost to business of providing notifications based on estimates provided by retailers.</p> <p>Benefits accruing to non-compliant individuals due to any increase in TV licence fee evasion have not been included in the cost benefit calculations, in line with government guidance on appraisal (The Green Book). This should have been made more explicit in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business with an Equivalent Annual Net Cost to Business (EANCB) of -£2.49m. This is consistent with the current 'One-in, One-out' methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Updated Security Instructions for London Underground	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/04/2012	
RPC Opinion date and reference	31/05/2012	RPC12-DfT-1356
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should set out the basis for the estimates of the transitional costs as this would more clearly show why these transitional costs are considered reliable estimates.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Evidence base.</i> The IA presents estimates for transitional costs of revising existing practices which were provided by London Underground Limited (LUL). The IA should set out the basis for these estimates, as this would more clearly show why these transitional costs are considered reliable estimates. The IA would also benefit from explaining to what extent key stakeholders, including other Government Departments, have been consulted in developing these proposals as this would help support the estimated additional impacts of this proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that “LUL is a public sector entity (i.e. not a business), and as a consequence, the ‘one-in, one-out’ policy for new regulation does not apply” (page 16). This is consistent with the current ‘One-in, One-out’ Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

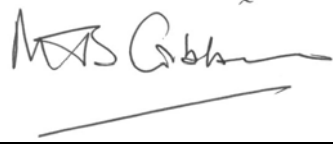
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transposition of Pharmacovigilance Directive 2010/84/EU	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	European	
Date submitted to RPC	23/05/2012	
RPC Opinion date and reference	01/06/2012	RPC11-DH-1042(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. However, we have reservations regarding the methodology used to apportion UK costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs to UK.</i> In line with Government methodology for assessing costs and benefits, as set out in the HM Treasury Green Book, the IA attempts to separate out the costs and benefits to the UK of transposing the pharmacovigilance regulations. As these costs will fall on multinational firms it is difficult to accurately assess what portion of costs will fall on the UK. The IA has assumed that all of the costs will be passed on to shareholders and therefore the UK cost is estimated based on the proportion of shareholders believed to be UK residents.</p> <p>While this approach is explained in the IA, we have serious reservations regarding how it has been applied. We accept it would be disproportionate to resolve these wider methodological issues within this individual IA. However, we would expect to see work undertaken to produce an agreed methodology across Whitehall to help Departments assess the UK and non-UK costs and benefits of regulations in a consistent way within and across departments.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the measure is of European origin, with no evidence of going beyond the minimum requirements, it is out of scope of One-in, One-out.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Bidding in Auctions of Emissions Allowances	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
Date submitted to RPC	10/05/2012	
RPC Opinion date and reference	01/06/2012	RPC11-HMT-1200(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of this measure have been identified and assessed. However, the Department has provided additional information to explain the basis of the estimates of the costs and this should be included in the IA before publication.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Basis of costs and benefits.</i> The IA explains that the proposal will allow the Financial Services Authority (FSA) to authorise relevant persons to bid in auctions of emissions allowances, and that the FSA <i>shall only authorise such persons where they comply with the requirements of the national legislation transposing the EU Third Money Laundering Directive</i> . The Department has provided additional information to explain the basis of the estimates of some of the costs and this should be included in the IA before publication.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>Although this proposal is of European origin, there is evidence that this goes beyond the minimum requirements. However as the ‘gold-plating’ does not result in increased direct costs to UK-based business and/or civil society organisations, it is out of scope of ‘One-in, One-out’.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Shareholder votes on directors' remuneration	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/05/2012	
RPC Opinion date and reference	01/06/2012	RPC12-BIS-1270(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the costs and benefits of the proposal have not been monetised, there is sufficient qualitative discussion of the likely impacts. However, the IA would benefit from making more use of the international evidence that is available where a similar proposal has already been implemented.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact of empowering shareholders.</i> The proposal intends to empower shareholders by giving them a binding vote on future pay policy, whereas under the 'do-nothing' they only have an advisory vote. While the IA sets out the limitations with an advisory vote (pages 10-11), the IA would benefit from making more use of the international evidence that is available where a similar proposal has already been implemented (for example, Netherlands paragraph 66). This would better show whether the proposal is likely to have the desired effect on the link between pay and performance. Furthermore such analysis would better demonstrate the validity of the statement that this proposal is unlikely to result in additional costs of engagement with shareholders (paragraph 73).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will not be net costly for business (a 'zero IN'). On the assumption that the proposal will not result in additional costs of engagement for business, as set out in the IA, this is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Collective Redundancy Consultation	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	30/04/2012	
RPC Opinion date and reference	01/06/2012	RPC12-BIS-1353
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the costs and benefits are not monetised at this stage, there is a sufficient level of qualitative analysis of impacts to facilitate an effective consultation. The IA should explain better why the non-regulatory option of improving the guidance alone cannot achieve the policy objectives.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA says that Option 3 will complement either of Options 2a (30 days minimum period) and 2b (45 days minimum period), but it is not considered as a fully independent option. It appears that this is because the proposal aims to remove an element of ‘gold-plating’, although it seems that Option 2b, which is considered, would also retain an element of ‘gold plating’. The IA should explain better the basis of each option and why a non-statutory Option 3 is not being considered as a real alternative option for “<i>achieving a higher quality of consultation</i>” (paragraph 49) between employers and employees. The IA would also benefit from a clearer summary of the differences between the impacts of Options 2a and 2b.</p> <p><i>Costs and benefits.</i> Although the IA does not provide any monetised estimates of costs and benefits, it clearly explains the main impacts of the proposal and sets out the methodology that will be used to monetise potential impacts after the consultation process.</p> <p><i>EU comparison.</i> The IA would benefit from providing a comparison of how the Collective Redundancies Directive is implemented in other EU countries. This would enable consultees to consider the potential impact of the proposal on the attractiveness of operating a business in the UK.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		

Signed

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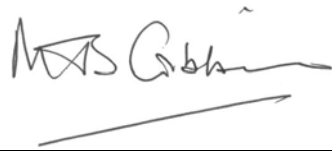
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of scope of design protection	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	08/05/2012	
RPC Opinion date and reference	01/06/2012	RPC12-BIS-1367
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, to enable consultees to make a more meaningful contribution to the consultation, the IA should explain more clearly how the current gap in monetised estimates will be addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Estimated costs and benefits of the proposal.</i> The IA does not provide any monetised costs or benefits of the proposal. We note that the Intellectual Property Office has commissioned research which will be published alongside the consultation. However, to enable consultees to make an informed contribution to the consultation, the IA should explain more clearly how the current gap in monetised estimates will be addressed and how the research is intended to contribute to this.</p>		
<p><i>Rationale for intervention.</i> We note the proposed measure is not EU driven but will entail some alignment of UK design processes with EU's. However, the IA could have been clearer in parts. For example, it says "<i>there is no impetus from stakeholders for removal of 'home grown' UK law (the UDR and the RD). In fact, it has been pointed out that the UDR (for example) provide for 'additional' protections much appreciated by designers</i>" (page 4). Later on, however, it states that proposal is replacing the current law (page 8). Given these statements, to enable consultees to gain a better understanding of the proposed measure and therefore make a more meaningful contribution to the consultation, the IA should make clearer in whose interests the measures are being undertaken. In addition, the IA could have included an extended discussion on the balance to be struck between design owners' interests and that of potential innovators, particularly as protection for one might be a disadvantage to the other.</p>		
<p><i>Presentation.</i> The IA states that one of the policy objectives and intended effects of the proposed measure is, <i>to widen the defences to design infringement</i> (page 1). For the benefit of consultees, the phrase <i>defences to design infringement</i> could have been more clearly explained at the outset.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been</p>		


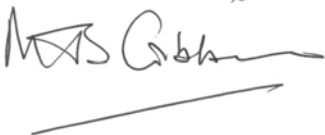
identified and are they robust?



The IA says that the proposal is 'Zero Net Cost' in terms of One-in, One-out (OIOO). The OIOO assessment will need to be robust to enable its impact to be validated at final stage.

Signed


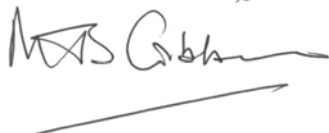
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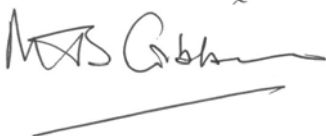
Michael Gibbons, Chairman


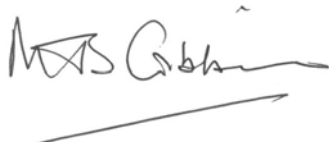
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment of design ownership provisions	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	08/05/2012	
RPC Opinion date and reference	01/06/2012	RPC12-BIS-1368
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, to enable consultees to make a more meaningful contribution to the consultation, the IA should explain more clearly how the current gap in monetised estimates will be addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimated costs and benefits of the proposal.</i> The IA does not provide any monetised costs or benefits of the proposal. We note that the Intellectual Property Office has commissioned research which will be published as evidence alongside the consultation. However, to enable consultees to make an informed contribution to the consultation, the IA should explain more clearly how the current gap in monetised estimates will be addressed and how the research is intended to contribute to this.</p> <p><i>Rationale for intervention.</i> We note the proposed measure is not EU driven but will entail some alignment of UK design processes with EU's. However, the IA is ambiguous in parts; it says, "the laws surrounding the ownership of unregistered and registered design are unnecessarily complex and difficult to understand, creating complex ownership issues which can lead to legal disputes . However, later on it states. .. there is little evidence that this is currently causing problems to business.." (Page 4). To enable consultees to gain a better understanding of the proposed measure, the rationale for intervention and in particular the associated risks of not doing so could have been discussed further.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is 'Zero Net Cost' in terms of One-in, One-out (OIOO). The OIOO assessment will need to be robust to enable its impact to be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Air Navigation Order (ANO) 2009 Changes as a result of EASA Air Operations Regulations	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	02/05/2012	
RPC Opinion date and reference	01/06/2012	RPC12-DfT1361
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA clearly sets out the rationale for the proposals and includes detailed quantified analysis of the benefits of enabling air travel to continue. However, the IA should consider in more detail the potential impact on Greenhouse Gas emissions, so that the environmental impact of air travel is not understated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> Although the IA includes detailed quantified analysis of the benefits of enabling air travel to continue, it says that “<i>the proposals are unlikely to have much direct impact on pollution</i>” and that “<i>any costs would be too small in relation to the benefits of air travel</i>” (page 11). Whilst it appears reasonable that “<i>it is not proportionate to try to quantify the costs of any increased emissions</i>” relating to this proposal, the IA should consider this issue in more depth so that the environmental impact of the aviation industry is not understated.</p> <p>In addition, the IA would benefit from focusing more on the impacts considered directly attributable to the proposal. Some of the considerable amount of information provided on air accidents does not appear to be directly relevant.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’.</p>		
Signed 	Michael Gibbons, Chairman	

V3

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Childcare (General Childcare Register) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/05/2012	
RPC Opinion date and reference	06/06/2012	RPC12-DfE-1302(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (30/04/2012) have been addressed. The nature of the consultation is adequately detailed and there is sufficient evidence to support the conclusion that there is unlikely to be a loss of earnings to childminders.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (30/04/2012) have been addressed. In particular, the IA now provides more details of the relevant stakeholders engaged in the consultation process (page 5), thus providing more certainty that the estimated impacts of the proposal can be considered robust. There is also now sufficient evidence to support the conclusion that there is unlikely to be a loss of earnings to childminders (pages 7-8).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.003m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

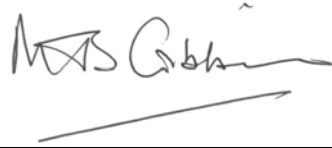
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Childcare (Inspections) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/05/2012	
RPC Opinion date and reference	06/06/2012	RPC12-DfE-1303(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issue raised in our previous Opinion (30/04/2012) has been addressed. The revised IA now says that a review of the regulations will be carried out.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issue raised in our previous Opinion (30/04/2012) has been addressed. In particular, the IA now says that that a review of the regulations will be carried out, with the intended timing and process set out in detail.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£0.20m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Regulating security in the construction phase of new build nuclear power stations	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	03/05/2012	
RPC Opinion date and reference	07/06/2012	RPC11-DECC-0861(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the issues surrounding the security risks during the construction phase of new nuclear power stations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly sets out the issues surrounding the security risks during the construction phase of new nuclear power stations. We note that the IA explains that the costs of the proposal have been presented on a per power station basis, as the number of power stations that will be constructed is uncertain.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal relates to an international agreement or obligation, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
Signed		Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consumer Rights in Digital Content	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	29/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1376
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, it appears that the figures from the sensitivity analysis in Annex B would be more appropriate low estimates of costs and benefits than those reported on the summary sheets. In addition it is not clear whether the estimate of the additional training cost is up rated to account for non-wage costs.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Sensitivity analysis.</i> In Annex B the IA presents alternative figures for costs and benefits based on using a different multiplier to estimate the number of complaints. This produces a lower figure for both costs and benefits. It appears that this would have represented a better low estimate of costs and benefits.</p>		
<p><i>Training costs.</i> In estimating the additional training costs to firms the IA assumes an average wage of £7.51 (paragraph 104). It is not clear whether this figure has been adjusted to account for non-wage labour costs. This should be clarified and up rating applied as appropriate.</p>		
<p>In addition, as one of the main justifications offered for the reforms is a benefit to business (e.g. in terms of reduction in the number of disputes and training of staff) the IA should have presented evidence on the extent of the current associated costs to business to help inform consultees of the scale of the problem.</p>		
<p><i>Impact on consumer.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would allow consultees to understand how the benefits suggested in the IA might be realised.</p>		
<p>The IA mentions (e.g. at paragraph 99) a potential increase in the risk of fraud by some consumers who claim the digital content is faulty but then retain a copy. It is stated that this will be explored in the consultation. However, the IA should have explained how this problem could be avoided.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says the proposal is a regulatory measure with a net direct cost to business ('an IN'). This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consumer Bill of Rights Service	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1377
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should better explain how the current liability of ‘reasonable care and skill’ affects business and consumers. It will be important that more evidence is gathered as part of the consultation to provide robust estimates of costs and benefits at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Current liability standard.</i> The IA says the proposal will change the current liability standard of ‘reasonable care and skill’ from an implied term to a ‘statutory guarantee’. It is not clear from the IA whether the current system already requires business to meet certain regulatory standards or not. This is important in order to confirm that the proposed introduction of the statutory guarantee can be considered as a simplification and modernisation of the existing regulatory system. This current position should be made clearer in the IA.</p>		
<p><i>Options.</i> The IA lists "Guidance and Best Practice" as an option in its own right (Option 2). However, it subsequently appears that this is not being taken forward, for the reasons stated on page 9. This could have been explained more clearly. The IA could also have explained more fully as to why the proposals referred to on page 4 have been set aside for now.</p>		
<p>The IA refers (on page 8) to consumers having rights to pursue remedies after two failed repairs or a failed replacement. However, this would come from the implementation of a particular option in the IA on "Supply of Goods: Repair or Replacement of Faulty Goods" which is being reviewed separately. The current IA could have considered what the impact on costs and benefits would be should that option not be implemented.</p>		
<p><i>Costs and Benefits.</i> We note that there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage it is not clear from the IA how the department intends to fill these gaps. It will be important that the department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage.</p>		
<p>In addition, one of the main justifications offered for the reforms is that it will ‘remove</p>		

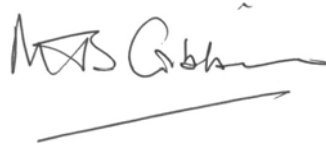
burdens on business' (page 5). The IA should present some evidence to support this assertion.

Impact on consumer. The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would allow consultees to understand how the benefits suggested in the IA might be realised.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says the proposal will create both costs and benefits for business. The Department has provided further information that sets out more clearly what they expect the net impact on business to be. They have confirmed that there will be both costs and benefits to business and that the difference between these will be small, meaning that it is not certain at this stage what the net effect will be. This will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.

Signed

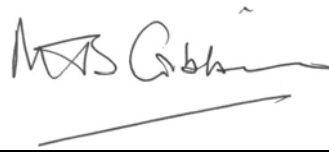
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Supply of Goods: A Single Scheme of Remedies For Faulty Goods	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1378
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more evidence from the Law Commission consultation to explain better why the long-term right to reject is not being taken forward at consultation. More evidence will have to be gathered during consultation to provide robust estimates of costs and benefits at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits.</i> We note that while some quantification of the impacts has been provided there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage it is not clear from the IA how the department intends to fill these gaps. It will be important that the department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage.</p>		
<p><i>Impact on consumers.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would allow consultees to understand how the benefits suggested in the IA might be realised.</p>		
<p>In addition, the IA could usefully say more about the trade-off between the simplicity provided by having a single framework for all transaction types and the need to recognise that the different transactions have different characteristics.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal will create both costs and benefits for business. The Department has provided further information that sets out more clearly what they expect the likely net impact on business to be at this stage and that the measure is likely to be 'an OUT'. This additional information should be included in the IA. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. This will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual</p>		

Net Cost to Business should be provided at final stage.

Signed

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Michael Gibbons, Chairman

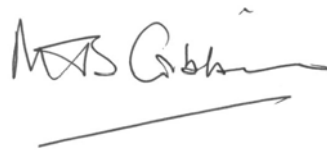
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Supply of Goods: Repair or Replacement of Faulty Goods	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1379
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, more evidence will have to be gathered during the consultation period to enable robust estimates of the costs and benefits to be provided at final stage. In addition the IA should have included more information on the scale of the problem.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits.</i> We note that there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage it is not clear from the IA how the department intends to fill these gaps. It will be important that the department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage.</p>		
<p>In addition, the IA should have included more information on the scale of the problem, for example on the cost of repairs relative to the value of goods and on the proportion of disputes solved by repair, replacement and refund respectively under the current arrangements. This would aid consultees in understanding the relative merits of the options.</p>		
<p><i>Comparison of Options.</i> The IA would benefit from providing a clearer summary of the impacts of the various options considered. This would help the consultees to better understand the differences in these options and will allow a more systematic comparison of the qualitative impacts of the options at final stage to justify the selection of the preferred option.</p>		
<p><i>Consumer Sales Directive (CSD).</i> Once the proposals are implemented consumers will still have certain rights as a result of the consumer sales directive. The IA could have benefited from more discussion of how the rights provided by CSD will sit alongside the more clearly defined statutory rights and whether there is any risk that they would undermine the certainty these proposals aim to produce.</p>		
<p><i>Impact on consumer.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would</p>		

allow consultees to understand how the benefits suggested in the IA might be realised.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says the proposal will create both costs and benefits for business. The Department has provided further information that sets out more clearly what they expect the likely net impact on business to be at this stage and that the measure is likely to be 'an IN'. This additional information should be included in the IA. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. This will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.

Signed

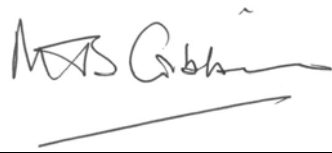
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Michael Gibbons,
Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Supply of Goods: The short term right to reject faulty goods	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1380
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should clarify the labour cost assumptions used to estimate training costs.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Training costs.</i> In estimating the additional training costs to firms the IA assumes an average wage of £6.08 (paragraphs 45 and 53). It is not clear whether this figure has been up rated to account for non-wage labour costs. This should be clarified and up rating applied as appropriate.</p> <p><i>Costs and Benefits.</i> We note that while some quantification of the impacts has been provided there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage it is not clear from the IA how the department intends to fill these gaps. It will be important that the department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage.</p> <p>Paragraphs 58-61 set out the methodology for calculating the impact on business from this policy. However it is currently not clear whether (c) 'the value of refunds that did not take place' also includes the cost from refunds that were never requested due to consumers believing that there was a 14 day limit. This cost should be considered.</p> <p>In addition, the IA should include more information on the scale of the problem, for example on the frequency of disputes under the current arrangements. This would aid consultees in understanding the relative merits of the options.</p> <p><i>Impact on consumer.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would allow consultees to understand how the benefits suggested in the IA might be realised.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says the proposal will create both costs and benefits for business. The Department has provided further information that sets out more clearly what they expect the likely net impact on business to be at this stage and that the measure is likely to be 'an OUT'. This additional information should be included in the IA. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. This will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.

Signed

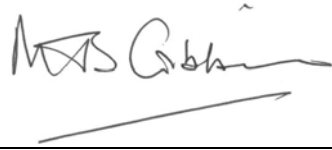
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Michael Gibbons, Chairman


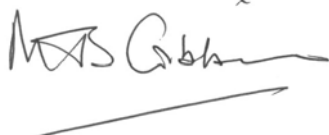
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Supply of Goods: A New Statutory Scheme of Guarantees	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-BIS-1381
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should explain better how the current system of ‘implied terms’ affects business and consumers. It will be important that more evidence is gathered as part of the consultation to provide robust estimates of costs and benefits at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> We note that there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage it is not clear from the IA how the Department intends to fill these gaps. It will be important that the Department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage. Additionally, it is not clear whether there will be any transitional costs to retailers from the proposal.</p> <p><i>Current system of ‘implied terms’.</i> The IA says the proposal will move away from the current system of implied terms and adopt a system of statutory guarantees which will clarify and simplify the current legal terminology and structure of the law. The IA should explain better what ‘implied terms’ means.</p> <p><i>Impact on enforcement arrangements.</i> The IA should explain how the new statutory guarantees will be enforced and any potential impact the creation of statutory guarantees for standards of goods will have on how standards are currently enforced.</p> <p><i>Impact on consumer.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would allow consultees to understand how the benefits suggested in the IA might be realised.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal will create both costs and benefits for business. The Department has provided further information which explains that at this stage it is</p>		


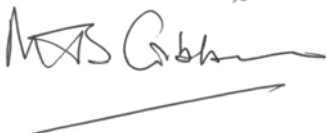
expected the proposal will have an overall small benefit for business which has not been quantified. This additional information should be added in the IA. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. This will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.


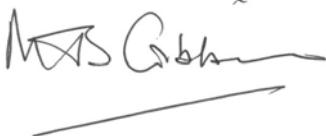
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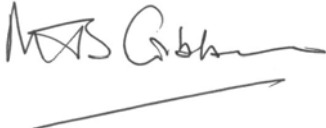
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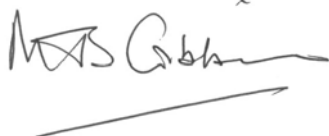
Michael Gibbons, Chairman


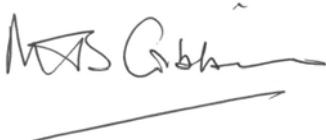
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	London Health Improvement Board	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	08/06/2012	RPC12-DH-1328(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion of 02/05/2012 have been addressed. While there is a degree of uncertainty around the administrative savings to London Boroughs this has now been reflected in the IA by providing a range for the estimated costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Uncertainties around impact.</i> The issues raised in our previous Opinion of 02/05/2012 have been addressed. The revised IA now provides more detailed analysis explaining how the administrative cost savings to London Borough Councils will be realised. The degree of uncertainty around these administrative savings has been reflected in the IA by means of a range for the estimated costs and benefits.</p> <p>The IA could usefully provide more discussion of the level of uncertainty around the estimate of the cost of the London Health Improvement Board and whether there is a risk that this could be significantly higher than estimated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as there is no direct impact on the private sector. This is correct as proposals that have no impact on business or civil society organisations are out of scope of OIOO under the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Bank Executive Remuneration Disclosure	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	23/04/2012	
RPC Opinion date and reference	11/06/2012	RPC11-HMT-1018(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The Department has provided us with additional information that clarifies the basis of the estimates of the direct compliance costs and more clearly justifies why the high estimates of costs are considered to be best estimates. This information should be included in the IA prior to it is publication.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Estimated costs of the proposal.</i> The IA provides estimates of the transitional and ongoing costs to the Financial Services Authority, as well as estimates of the direct costs of compliance for business. The Department has provided us with additional information that clarifies the basis of these estimates and more clearly justifies why the high estimates are considered to be best estimates. This information should be included in the IA prior to it is publication.</p> <p><i>Benefits of proposal.</i> The IA says that <i>it is difficult to evidence and calculate the value of the benefits of greater transparency in curbing unsound compensation practices by disincentivising short-termism and risky behaviour, and thus promoting financial stability</i> . However, the IA would benefit from a discussion of similar proposals that have been aimed at improving transparency. This would provide useful context to assessing the impact of the proposal on shareholder governance and how this is likely to have the effect of aligning risk and remuneration.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.04m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposal to exempt holiday lets from EPC requirements where they are rented out for less than 4 months in a 12 month period.	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	29/05/2012	
RPC Opinion date and reference	11/06/2012	RPC12-CLG-1255(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (13/03/2012) have now been addressed. In particular, the impacts of the proposal now appear to be assessed against a more appropriate baseline.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (13/03/2012) have now been addressed. In particular, the IA no longer assumes in the base case that all owners of holiday lets rented out for less than four months a year will continue to obtain an EPC and ignore the existing guidance. Instead, it is now assumed that owners would have taken note of the guidance and not obtained an EPC, and that the removal of this ‘gold plating’ will simply provide additional certainty. This appears to be a more realistic baseline to which the impacts of the proposal are compared.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is “an ‘OUT’, because it removes gold plating from an existing regulation” (page 9). Given that this proposal will provide additional certainty for business, this appears to be a reasonable assessment. An Equivalent Annual Net Cost to Business (EANCB) has not been scored.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Draft Audit Bill	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	23/05/2012	
RPC Opinion date and reference	11/06/2012	RPC12-CLG-1347(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues that we raised in our previous Opinion (10/05/2012) have now been addressed. In particular, it is now clearer how the proposed decentralised framework will be supported by the NAO Code of Practice and guidance relating to procurement of audit services and the work of auditors.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues that we raised in our previous Opinion (10/05/2012) have now been addressed. In particular, it is now clearer how the proposed decentralised framework will be supported by the NAO Code of Practice and guidance relating to procurement of audit services and the work of auditors.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As it is judged the proposal does not impact on business or civil society organisations, it is out of scope of 'One-in, One-out'. As explained (paragraphs 27 to 32), while some regulatory functions currently undertaken by the Audit Commission will move to the Financial Reporting Council this will not change the regulatory burden.</p>		
Signed 	Michael Gibbons, Chairman	

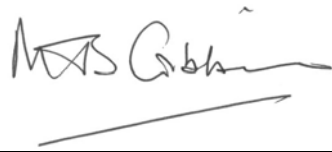
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment to the regulations underpinning the School Census and Pupil Referral Unit (PRU) Census collections	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/04/2012	
RPC Opinion date and reference	11/06/2012	RPC12-DfE-1355
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should state clearly that the potential costs and benefits from increased A-level participation are only indirectly related to this regulatory change, and dependent on a large number of external factors.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Improved A-level attainment.</i> The IA describes that any potential improvement in A-level attainment would be highly dependent on the recommendations from the planned evaluation and the success of their subsequent implementation. Whilst it appears appropriate to refer to the intended impacts of the evaluation when explaining the rationale for intervention, the IA should state clearly that these potential costs and benefits from increased A-level participation are only indirectly related to this regulatory change, and dependent on a large number of external factors.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.001m. This is consistent with the One-in, One-out methodology and appears to be a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extend the permitted development rights to increase in the number of flats that can be created above shops without requiring a planning application	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/05/2012	
RPC Opinion date and reference	14/06/2012	RPC12-CLG-1384
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for intervention has been set out clearly and the costs and benefits of the proposal have been adequately assessed. The IA could explain more clearly that the possible costs of Certificates for Lawful Development applications have correctly not been included within the calculations of the Net Present Value (NPV).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Certificates of Lawful Development.</i> The IA explains that “<i>although applicants will no longer be required to prepare and submit a planning application for two flats above a retail premises, they may choose to apply for a certificate of lawful development</i>” (page 9). The potential costs to applicants of obtaining these certificates are then set out. The IA could explain more clearly that as these certificates will be taken up voluntarily, the costs will only be incurred by those who believe the benefit will at least be equal to the charge. It could also be stated more explicitly that this cost has not been included within the overall NPV calculation.</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of -£0.3m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


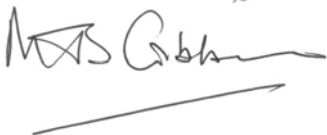
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Two Year Olds' Entitlement to Early Education: Options for Extended Eligibility in the Second Phase of the Entitlement	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/05/2012	
RPC Opinion date and reference	14/06/2012	RPC12-DfE-1362
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the basis behind a number of assumptions made within the IA should be better explained so that consultees can assess their validity. Furthermore, the IA should explain more clearly if, and how, the proposal is designed to mitigate the risk of funding education for two year olds “<i>who are more likely to already be accessing early education</i>”.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Assumptions.</i> There are a number of assumptions that have been made within the IA to estimate the costs of the proposal. However, to help enable consultees to assess whether these appear appropriate, the basis behind some of these assumptions should be better explained. In particular, the IA should clarify why the take up rate is assumed to be 10 per cent higher under Option 3 than Option 2. In addition, the Department has assumed that administrative costs will increase proportionately with the expansion of the current scheme (page 15), thus ignoring the potential to spread overhead costs over a greater level of activity. These, along with all other assumptions made in the IA, ought to be tested through consultation so that they can be strengthened at final stage.</p>		
<p><i>Non-monetised benefits.</i> The IA identifies that there is expected to be benefits to children from increased participation of improved cognitive skills, and also possibly increased profits to early education providers. Where monetisation is not considered possible, these impacts should be discussed in greater depth so that the estimated Net Present Value of -£2.25bn does not misinform consultees of the true overall net impact of the proposal.</p>		
<p><i>Risks.</i> The IA says that “<i>in the Two Year Early Education Pilot a notable minority (10%) of two year olds that took up places were from relatively affluent families with an income of £30,000 or more</i>” (page 15). The IA should explain more clearly if, and how, the proposal is designed to mitigate this risk of funding education for two year olds “<i>who are more likely to already be accessing early education</i>” (page 15).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


The IA says that *“this measure is not within the scope of One-in, One-out (OIOO), because delivery of the free entitlement is voluntary so there are no direct burdens on business”* (page 19). Based on the evidence presented, this assessment appears to be consistent with the current OIOO methodology.

Signed

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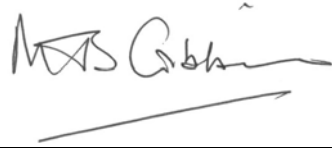
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on making foreign languages compulsory at Key Stage 2.	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/05/2012	
RPC Opinion date and reference	15/06/2012	RPC12-DfE-1382
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA acknowledges that there will be an opportunity cost of concentrating limited resources on language teaching at Key Stage 2. However, the possible implications of this reduction in time spent on other subjects should be considered in more depth in order to facilitate a more effective consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on other subjects.</i> The IA acknowledges clearly that there will be an opportunity cost of concentrating limited resources on language teaching at Key Stage 2 as “an increase in the amount of time devoted to the teaching of languages will lead to other subjects seeing a reduction in time spent teaching those subjects” (page 10). However, the IA should consider the possible implications for pupils of this reduction in time spent on other subjects in more depth in order to facilitate a more effective consultation.</p> <p>The evidence base supporting the costs and benefits to both schools and pupils will need to be strengthened during the consultation so that the net impacts of the proposal are clearer at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that there are no direct costs or benefits to business, as only maintained schools are affected by changes to the National Curriculum, so the proposal is out of scope of One-in, One-out (OIOO). Based on the evidence presented this appears to be a reasonable assessment and consistent with the OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Facilitating Settlement Agreements	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	08/06/2012	
RPC Opinion date and reference	18/06/2012	RPC12-BIS-1392
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The assessment of the costs and benefits is adequate given the uncertainty in this area however the IA should have attempted to outline the potential scale of the overall impact of the proposal. In addition IA should more clearly explain that much of the cost of settlement agreements is a transfer to ensure that the IA reflects the overall impact on the UK and not just the impact on business. The IA should also include more discussion of the risks to employers.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of Settlement Agreements.</i> The IA provides monetised estimates of the costs of an employment relationship ending through formal disciplinary procedures and of going through a settlement agreement. However it does not include an estimate of the overall cost due to the difficulty in estimating how many settlement agreements will occur. The IA should have made more of an attempt to provide a range for the overall costs and benefits to demonstrate the scale of the potential impact.</p>		
<p>In addition the IA concludes that <i>What we know about costs and risks of using settlement agreements suggests that they may not be significantly cheaper than the costs we are aware of with disciplinary procedures</i> . However, while the costs to employers of both routes are similar, the majority of the cost of using settlement agreements is a transfer from employers to employees, while the costs of disciplinary cases are mostly real resource costs. This means that the cost to the UK of using settlement is far lower than that of using disciplinary procedures. While the IA mentions the benefit to employees it should be more clearly presented to ensure that the IA looks at the overall impact on the UK and not just the impact on business.</p>		
<p><i>Risk to Employers.</i> The IA mentions a potential risk to employers if the changes result in more employees lobbying for settlement agreements. The IA should have provided more information on this risk, its potential scale and any measures that have been taken to mitigate it.</p>		
<p>We note that as a Red Tape Challenge measure this has not been through formal consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says that the measure is out of scope of 'One-in, One-out' as all of the costs and benefits are voluntary and therefore considered indirect for 'One-in, One-out' purposes. This would appear to be correct and is consistent with 'One-in, One-out' methodology.

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the 'i' in "Gibbons".

Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Guidance for Water Company Social Tariffs	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	31/05/2012	
RPC Opinion date and reference	18/06/2012	RPC12-DEFRA-1325(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA has gone some way in addressing the issues raised in our previous Opinion (18/05/2012), in particular explaining more clearly the voluntary nature of water companies introducing social tariffs. The revised IA also includes improved qualitative arguments to explain the lack of monetised estimates of costs and benefits relating to certain aspects of the proposed measure. However, for reasons outlined below, greater effort should be made to provide monetised estimates of the full costs and benefits of the proposal. In addition, the IA should make clearer whether customers would realise reduction in their bills in between price reviews and, if not, the reasons why water companies may not pass these costs on.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Monetisation of costs and benefits.</i> In our Opinion of 18/05/2012, we commented on the lack of monetised estimates of the potential costs and benefits of the proposal. The revised IA includes improved qualitative arguments to explain the lack of monetised estimates of costs and benefits relating to certain aspects of the proposed measure. However, whilst we can understand that there is an element of uncertainty in monetising the full costs and benefits, we are somewhat surprised that the IA has not demonstrated greater attempts to do so. It is implicit in the IA that water companies welcome the proposed measure and there is no evidence in the IA that the majority of companies will not take up the flexibility offered by the proposed measure (especially given the stated benefits). In addition, as the number of water companies and their customer base are both known, greater attempt at monetising these impacts do not appear unreasonable. The IA should make greater effort to monetise the full costs and benefits.</p>		
<p>Revenue gain to water companies. The IA says, “<i>if a company collects more debt than is forecast, they retain this additional revenue as profit. This means that between price reviews, increased revenue will lead to a financial benefit to the company (but no extra cost to customers), and in the following Price Review period there will be a financial benefit to customers (but no extra cost to the company)</i>” (page 8). As an objective of the proposed measure is to “<i>reduce the burden of bad debt on paying customers</i>” (page 1), the IA would benefit from clarifying to what</p>		

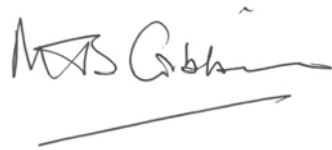
extent this objective will be achieved. In particular, the IA should make clearer whether customers would realise reduction in their bills in between price reviews and, if not, the reasons why water companies may not pass these costs on in between price reviews.

Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


Supplementary information provided separately by the Department states, *Under the OIOO methodology, this measure is an 'IN' with a 'zero net cost' to business* and this should be fully incorporated into the IA.

As the proposal only impacts on business when they decide voluntarily to introduce a social tariff, it can be assumed that water companies will obtain a net benefit from the proposal and so the OIOO assessment that the measure is a 'ZERO IN' is consistent with the current OIOO Methodology.

Signed

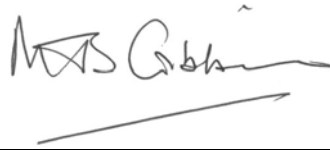
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Michael Gibbons, Chairman


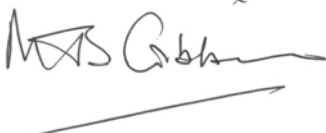
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on a revised Code of Practice for Local Authorities on Delivery of Free Early Education Provision for 3 – 4 year olds	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/06/2012	
RPC Opinion date and reference	19/06/2012	RPC11-DfE-1061(4)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion of 27/03/2012 have been adequately addressed. However, the IA should provide more evidence to support the estimated benefits of increased take-up of free entitlement.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Most of the issues raised in our previous Opinion of 27/03/2012 have been adequately addressed. In particular, the revised IA better explains how the estimated additional hours of free entitlements have been calculated.</p> <p><i>Benefits of increased take up of free entitlement.</i> The IA should however provide further evidence to support the estimated benefits from the increased take up of free entitlement. It is assumed that only 15% of the additional free entitlement replaces hours that are currently privately funded, meaning that the additional benefits arise from the 85% that is additional provision. The IA would benefit from a greater discussion of why this is considered a reasonable estimate, given the magnitude of the benefits.</p> <p>These benefits are also driven by the difference in the value of the opportunity cost of an additional hour of spare time for parents (£11.87) and the marginal cost of an additional hour of provision (£3.91). However, the IA should provide a greater explanation for what this latter estimate actually reflects. This would better explain the anticipated total costs of additional provision and would therefore improve the understanding of the expected impacts of this proposal.</p> <p><i>Impacts on private providers.</i> The proposal aims to make the free entitlement more flexible, to maximise take-up of the full free early education entitlement. The IA would benefit from a clearer explanation of the impact on providers relative to the ‘do nothing’ scenario. The IA should also include relevant responses from the consultation, so that it is more evident that private providers will not be worse off from this proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The revised IA now says that the proposal is a deregulatory measure, with no new regulatory requirements on business, and that this will be net beneficial for business</p>		


(an 'OUT') with an Equivalent Annual Net Cost to Business of (-)£0.5m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.

Signed

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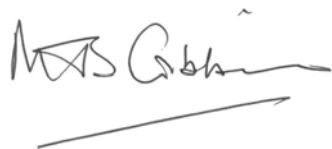
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Directive 2011/90/EU Additional APR Assumptions	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
Date submitted to RPC	31/05/2012	
RPC Opinion date and reference	19/06/2012	RPC12-BIS-1360(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (24/05/2012) have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (24/05/2012) have been adequately addressed. In particular, the revised IA now provides a monetised best estimate of the costs of this proposal. It also clarifies that the additional costs of marketing and advertising are included in the main implementation costs.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the measure is of European origin, without any evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	


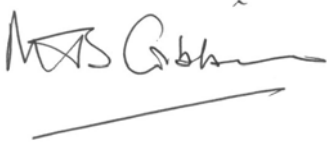
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment to the National Minimum Wage Regulations 2012 Increase in NMW rates	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/06/2012	
RPC Opinion date and reference	19/06/2012	RPC12-BIS-1364(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Following our previous Opinion on this IA (12/06/2012), the Department has provided further evidence to support the counterfactual used. This evidence should be incorporated in the IA.</p> <p>We understand that Ministers have agreed that increases to the rates of the National Minimum Wage (NMW) should be treated as outside of the scope of One-in, One-out (OIOO). Based on the evidence presented, the RPC believes that this is inconsistent with the current OIOO methodology and with how previous proposals, with similar types of impacts on business, have been treated for OIOO purposes.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Counterfactual.</i> Following our previous Opinion on this IA (12/06/2012), the Department has provided further evidence to support the counterfactual used. This evidence should be incorporated in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>We are aware that Ministers consider that a change to the NMW is out of scope of OIOO because it is equivalent to a fee or charge. The IA therefore states that this proposal relates to a change in fees and charges, and as such is out of scope of OIOO.</p> <p>However, it is not clear why a regulatory change that results in increased labour costs for businesses should be considered a fee or a charge. Previous regulatory changes that have resulted in similar types of transfers between employers and employees (e.g. the move from RPI to CPI for pensions up-rating resulting in reduced labour costs to employees; the amendment to the formula for up-rating statutory redundancy payments which also results in reduced labour costs to employees) have been treated as in scope of OIOO.</p> <p>It is therefore not clear how the decision to treat the NMW as out of scope is consistent with the OIOO Methodology or with the way that other proposals have been treated under OIOO.</p>		


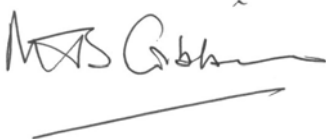
Based on the evidence presented in the IA and the counterfactual used to assess the costs and benefits, if this measure were in scope of OIOO, it would be an 'IN' with an Equivalent Annual Net Cost to Business of £155m.


Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extended Collective Licensing (ECL)	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	29/05/2012	
RPC Opinion date and reference	20/06/2012	RPC11-BIS-1054(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of allowing an ‘opt-out’ from collective licensing have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Alternative options.</i> The costs and benefits of allowing an ‘opt-out’ from collective licensing have been adequately assessed. The IA includes an option of amending the EU and international copyright framework (option 1). While the possibility of changes to the international agreements has been discussed the IA could benefit from making it clearer that this is not a real alternative policy solution to the problem under consideration.</p> <p><i>Impact on rights holders.</i> We note that some consultees had concerns regarding the loss of the ability to negotiate on a price. While the IA sets out the safeguards that have been put in place to mitigate this concern, it would have benefited from including more background information on how collecting societies value rights, particularly when money is collected without the explicit consent of rights holders.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure with a zero cost to business (zero IN) as the proposal introduces an entirely optional service which businesses will only take up if they consider it to be beneficial to do so. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Codes of Conduct	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	31/05/2012	
RPC Opinion date and reference	21/06/2012	RPC11-BIS-1141(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly the time period and origin of the data on the total collections and income paid to members by different collecting societies.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Cost-income ratio.</i> The IA presents figures for the total collections and income paid to members to demonstrate the cost-income ratio (page 4). This data shows a wide variation in the levels of costs of collecting societies which, the IA argues, is evidence of existing inefficiencies in this area. Although the IA shows in the endnotes the sources of all the reports from which the data for each individual collecting society is taken, it is not immediately apparent what years this data is taken from and whether these numbers remain stable over time. The IA should clearly state which year the numbers refer. In addition, the IA could benefit from presenting a range of different years data to show whether this pattern is consistent over time.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says the proposal is a regulatory measure with a net direct cost to business (an IN) with an Equivalent Annual Net Cost to Business (EANCB) of £0.29m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

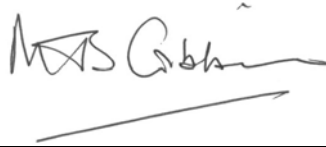
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Supply of Goods: Deduction from refund for use at rescission of contract	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/06/2012	
RPC Opinion date and reference	21/06/2012	RPC12-BIS-1375(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The main issues raised in our previous Opinion (11/06/2012) have been adequately addressed, however, some remain and these should be addressed prior to publication for consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The main issues raised in our previous Opinion (11/06/2012) have been adequately addressed. The revised IA now explains that a straight line depreciation model is not currently used by retailers and that informal consultation with business groups supports the IA's rejection of this option as too time consuming and confusing. The IA also clarifies the different thresholds used in options 2 and 3 for applying no deductions.</p> <p>However, we note that some of the issues raised in our previous opinion have not been addressed. The Department should address these before proceeding to consultation.</p> <p><i>Costs and Benefits.</i> We note that while some quantification of the impacts has been provided there are gaps in the evidence base and analysis in the IA. While this is not unusual at consultation stage, it is not clear from the IA how the department intends to fill these gaps. In particular, it is not currently apparent whether sufficient information will be available at Final Stage to differentiate between similar options. It will be important that the department uses the consultation period to strengthen the evidence base (especially in relation to the potential benefits to business) to enable a more robust estimate of costs and benefits at final stage.</p> <p>In addition, the IA should have included more information on the scale of the problem, for example on the number of consumers who currently receive refunds discounted for use. This would aid consultees in understanding the relative merits of the options. In particular, as one of the main justifications offered for the reforms is a benefit to business (e.g. in terms of reduction in the number of disputes and training of staff) the IA should present evidence on the extent of the current associated costs to business to help inform consultees of the scale of the problem.</p> <p><i>Impact on consumers.</i> The IA could have benefited from a wider discussion of how consumers would benefit from these proposals and evidence on how improved consumer confidence could promote competition and economic growth. This would</p>		

allow consultees to understand how the benefits suggested in the IA might be realised.


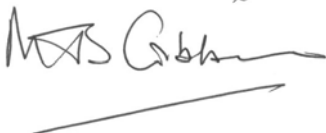
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


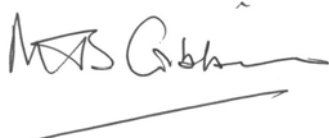
The IA says the proposal will create both costs and benefits for business. The Department has provided further information that sets out more clearly what they expect the likely net impact on business to be, which will depend on the option chosen. This additional information should be included in the IA. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely direction of impacts. This assessment will have to be specifically tested during the consultation. A robust estimate of the Equivalent Annual Net Cost to Business should be provided at final stage.


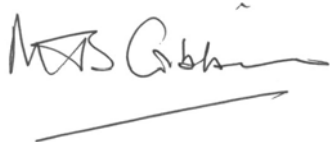
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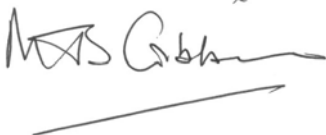
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	African Horse Sickness Regulations through the implementation of Directive 92/35/EEC.	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
Date submitted to RPC	31/05/2012	
RPC Opinion date and reference	22/06/2012	RPC11-DEFRA-1159(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the background to this proposal and the associated costs and benefits. The IA could benefit from more details of why the proposed cap has been set at £2,500.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and Benefits:</i> The IA clearly explains the background to the proposal and the impacts of an outbreak under both the current and proposed regimes. This shows clearly how the proposed regime allows a more proportionate approach than is available at present. The IA also provides sufficient information on the current and proposed compensation arrangements, although it could have discussed further how the specific proposed cap of £2,500 was arrived at.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As the measure is of European origin, without any evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out' under the current methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Regulation of Payment Networks	
Lead Department/Agency	HM Treasury	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/06/2012	
RPC Opinion date and reference	22/06/2012	RPC12-HMT-1383
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should, however, state explicitly why Option 2 is preferred especially as the benefits of the options are non-monetised, and hence a net position for each cannot be quantified</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA considers the costs and benefits of three options: to encourage industry to make voluntary changes, to create a new public sector body to coordinate payments strategy (preferred), and to create a new utility style regulator to license and oversee the development of payment systems. It appears that the option to create a new public sector body to coordinate payments strategy (Option 2) is the preferred option as it is expected to be much less costly to implement than Option 3, whilst Option 1 is unlikely to meet the stated objectives. The IA should, however, state explicitly why Option 2 is preferred especially as the benefits of the options are non-monetised, and hence a net position for each cannot be quantified.</p> <p><i>New staffing requirements.</i> The IA could helpfully explain the difference in the staffing requirements of each option in more detail. One example is that it appears, from the IA, that provision has been made for employing ‘independent directors’ in option 2 (page 15), but not in option 3</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Orphan Works	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/06/2012	
RPC Opinion date and reference	26/06/2012	RPC11-BIS-1063(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. We accept that the proposal will create significant opportunities for innovation; however, while the figures provided by the Department are based on the best available evidence, it should be made clear that this is only an attempt to capture the magnitude of the potential benefits and that the reality could differ considerably from the estimate provided.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefit to growth and business.</i> The IA says the proposal will allow commercialisation of orphan works content which will create additional benefits to growth and innovation estimated to be in the range of £9m-£91m per annum. We accept that the proposal will create new business opportunities as the orphan works content can be easily commercialised and used in various sectors. However, the scale of the potential benefits is uncertain, as it will depend on how businesses take advantage of these opportunities. While the figures provided by the Department are based on the best available evidence, it should be made clear that this is only an attempt to capture the magnitude of the potential benefits and that the reality could differ considerably from the estimate provided.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-) £3.9m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed	Michael Gibbons, Chairman	
		

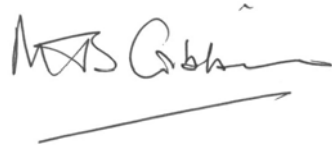
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Enhanced suspension of consumer credit licences	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/06/2012	
RPC Opinion date and reference	26/06/2012	RPC12-BIS-1431
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly explains the background to the proposal. Whilst the costs and benefits have not been monetised the likely impacts have been discussed in detail in qualitative terms.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The costs and benefits of this proposal have not been monetised. However, the likely impacts of the proposals have been discussed in detail in qualitative terms and it is made clear that most of the costs will fall on non-compliant firms, and are therefore not included in the assessment in line with government appraisal methodology.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure. However as costs will either fall on compliant businesses or be able to be recovered through compensation it will have a net impact of zero and is therefore considered a 'zero IN'. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extending the Environmental Permitting framework to incorporate water abstraction and impoundment licensing and fish pass approvals	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/05/2012	
RPC Opinion date and reference	26/06/2012	RPC12-DEFRA-1369
Overall Assessment	AMBER	
<p>The IA is fit for purpose. In order to contribute to a more meaningful consultation, the IA should be amended in accordance with the issues raised below.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Fish pass applications and Charges.</i> The IA says no fee is charged for Fish Pass approvals applications (page 11). However, it is not clear whether the proposal will result in the introduction of fees for applicants for fish passes. To enable consultees to make an informed contribution to the consultation, the IA should make clear whether there is any change to the position on charges and fees for the existing fish pass approvals regime in the light of the proposed change to the Environmental Permitting Framework.</p>		
<p><i>Risks of new licences being required.</i> The IA says, “..withdrawal of exemptions under the Water Act 2003 for some abstraction activities.. [could]..lead to around 10,000 extra licences. These have not been included in the assessment as the decision on whether to withdraw the exemption for these activities has not been made” (page 9). To enable consultees to make a more informed contribution to the consultation, the IA should clarify the extent to which the withdrawal of the exemption could become a reality, give an indication of when it is envisaged that a decision will be made, and amend the estimates provided as necessary.</p>		
<p><i>Groundwater investigation.</i> The IA says, <i>Where water is abstracted from an underground source, such as a well or borehole, it is common that a groundwater investigation consent is required prior to an abstraction licence. Groundwater investigation consents are not included in this assessment</i> (page 5). In order to enable consultees to make a more informed contribution to the consultation, the IA should explain why Groundwater investigation consents are not included in the assessment.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been</p>		


identified and are they robust?

The IA's summary sheet indicates that the proposal is deregulatory in nature and has a direct net benefit to business (an 'OUT') with an Equivalent Net Cost to Business (EANCB) of -£0.15m. This appears correct subject to clarification of the points outlined above. In addition, the evidence to support the size of EANCB as a consequence of the proposal will have to be verified prior to validation at final stage.

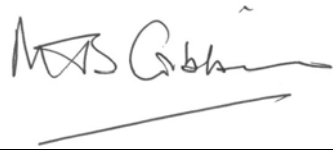
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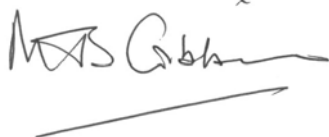
Michael Gibbons, Chairman


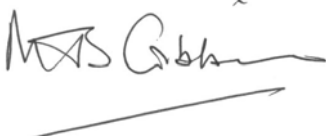
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removal of Insurance Check at Vehicle Licensing	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	29/05/2012	
RPC Opinion date and reference	26/06/2012	RPC12-DfT-1412
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA clearly sets out the proposal and identifies the potential costs and benefits, though some have not been monetised at this stage. The IA should provide greater clarity on whether some of the benefits identified would accrue to business. The IA would also benefit from greater elaboration about the introduction of a possible charge as well as the inherent risks of this proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits:</i> The IA sets out the potential costs and benefits of the proposal and clearly explains the benefits of removing the insurance checks when motorists license their vehicles. However, it is not clear what proportion of such checks are undertaken by businesses licensing vehicles (beyond the fleet registration scheme). The IA should make clear whether any of these benefits would accrue to business.</p>		
<p><i>Costs & Benefits - New Charge:</i> Paragraph 48 when discussing the costs to Government, briefly mentions that the removal of the insurance check could mean that an additional charge is introduced. To assist consultees understand this issue, the IA would benefit from greater elaboration of this point, in particular, identifying on whom this charge might/would fall.</p>		
<p><i>Risk:</i> Whilst the IA mentions that the level of uninsured driving has fallen by 25 over the last five years (paragraph 52) the IA correctly states that these proposed changes may increase the risk in insurance evasion. The IA would benefit from a more detailed discussion of this risk, particularly any impacts on 3rd parties.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		


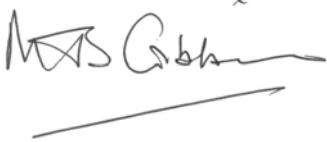
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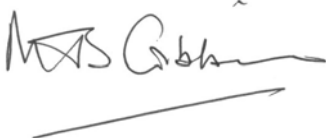
Michael Gibbons, Chairman




 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The draft Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013	
Lead Department/Agency	Department for Work Pensions	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	06/06//2012	
RPC Opinion date and reference	27/06/2012	RPC12-DfT-1425
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the rationale of this proposal, which is aimed at addressing an unintentional anomaly within the 2005 Pensions Act.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The IA clearly sets out the rationale of this proposal, which is aimed at addressing an unintentional anomaly within the 2005 Pensions Act. Informal discussions with representatives of industry prior to this consultation have indicated that beyond clarification of the legal position, this measure will not have any significant monetary costs or benefits. This assumption will need to be tested during consultation to help inform the Final Stage IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at Final Stage.</p>		
Signed 	Michael Gibbons, Chairman	


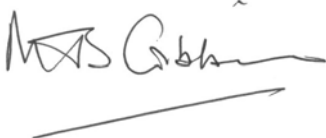
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Simplifying the Houses in Multiple Occupation Licence Renewal Application Form	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/06/2012	
RPC Opinion date and reference	27/06/2012	RPC12-CLG-1154(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. However, the potential scale of the benefit could have been presented more clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Non-monetised benefits to landlords.</i> The IA says that as a result of the proposal the burden on landlords of submitting applications will be reduced (page 8). However, as it has not been possible to monetise this benefit, the IA could provide more detail on the feedback from local authorities which had suggested that the bureaucracy facing landlords “<i>will significantly reduce</i>” (page 8). This will enable the scale of the benefit to landlords to be presented more clearly.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that is beneficial to business (an ‘OUT’) although the Equivalent Annual Net Cost to Business (EANCB) has not been scored. It has not been considered possible to monetise the direct benefit to business <i>as the scope of licensing varies between local authorities, according to the number, management and complexity of properties that have to be licensed... and that landlords may also have numerous properties in different local authorities</i>”. In view of the high level of uncertainty associated with this policy and given that this measure is expected to reduce bureaucracy facing landlords, this appears to be a reasonable assessment and is consistent with the current One-in, One-out (OIOO) Methodology.</p>		
Signed	Michael Gibbons, Chairman 	


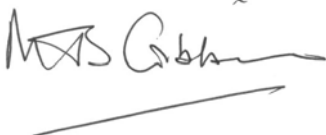
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Granting a time-limited exemption to a generation licence	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/05/2012	
RPC Opinion date and reference	27/06/2012	RPC12-DECC-1401
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the various options under consideration and an explanation of the potential associated costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The IA clearly explains the various options under consideration in relation to the case for granting a licence exemption to a potential new owner of Lynemouth Power Station and the associated costs and benefits. The current estimate indicates that overall the proposal would be net beneficial to business. This and the costs and benefit estimates will need to be fully tested during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


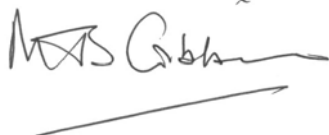
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	ATOL Reforms using Primary legislation	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	30/05/2012	
RPC Opinion date and reference	27/06/2012	RPC12-DfT-1413
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the aim of the proposal and identifies the associated costs and benefits, which ultimately may materialise if and when they are introduced via Secondary legislation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The IA supports the implementation of Primary legislation giving powers to the Secretary of State to implement future ATOL regulations. While the Primary legislation will have no direct impact on its own, the IA includes an assessment of the costs and benefits of how the powers are expected to be used. Although some of the assumptions will need to be strengthened in the IAs for the Secondary legislation, for example around the impact on demand, this is a helpful way of presenting the impacts of Primary legislation which gives the reader a picture of what the eventual impacts will be.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this measure has no direct impact on business or third sector organisations it is out side of the scope of One-in, One-out. The Estimated Annual Net Cost to Business which ultimately may materialise if and when they are introduced via Secondary legislation will require validation at that stage.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Regulation establishing technical requirements for credit transfers and direct debits in Euros	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
Date submitted to RPC	17/05/2012	
RPC Opinion date and reference	27/06/2012	RPC12-HMT-1387
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Rationale, costs and benefits.</i> The IA clearly explains the rationale for standardisation for payments of direct debits and credit transfers in Euros and provides a reasonable assessment of the likely costs and benefits of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal is of European origin, with no evidence of going the minimum requirements it is out of scope of One-in, One-Out (OIOO). This is consistent with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment of the transfer of private sewers and lateral drains to statutory water and sewerage companies	
Lead Department/Agency	Department for Environment, Food and Rural Affairs /Ofwat	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/03/2012	
RPC Opinion date and reference	28/06/2012	RPC11-DEFRA-0778(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. Based on the additional information and clarification on the methodology, the revised assessment of the One-in, One-out position as an 'IN' with 'zero net cost' to business appears reasonable.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>As part of the Statement of New Regulation 2 we have previously confirmed this proposal as 'an IN' of £185.6 million in Equivalent Annual Net Cost to Business (EANCB) terms. Following the recommendation of the Cross-Whitehall Group of the Economics of Regulation to consider the value of the assets transferred to the water companies in the calculations of the net direct impact on business, the Department has revised and resubmitted the IA for validation of the revised EANCB estimate.</p> <p>The revised IA now considers that the assets transferred to the water companies represent a benefit to these companies which needs to be considered in the EANCB calculation. The Department estimates the value of the assets at £203 million, which is calculated based on the estimated future flow of financial returns on those assets. This additional benefit compensates the additional costs to the water companies, which the IA says will make the overall net position of the proposal as 'an IN' with 'zero net cost' to business.</p> <p>While we accept that the assets transferred to the water companies have some value, we note that the actual size of those assets is highly uncertain.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The revised IA says the proposal is an 'IN' with 'zero net cost' to business. Based on the additional information and clarification provided this appears reasonable.</p>		
Signed  	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Work Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	24/05/2012	
RPC Opinion date and reference	28/06/2012	RPC12-DWP-1129(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA explains that the costs of the proposal will be nil or negligible and this is supported by evidence received during consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The IA explains that the costs of amending the disclosure of information requirements will be nil or negligible. This assessment appears reasonable as it has been supported by stakeholders during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with nil or negligible impact. It has therefore been scored as a 'Zero IN' for One-in, One-out purposes. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

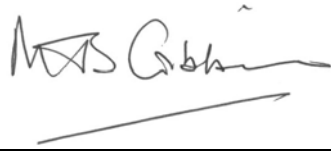
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reforms (Automatic Enrolment) (Impact on business)	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/05/2012	
RPC Opinion date and reference	28/06/2012	RPC12-BIS-1398
Overall Assessment	GREEN	
<p>The IA is fit for purpose. Based on the evidence presented the assessment of the net direct cost to business appears reasonable.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>We note that the policy decision surrounding the Workplace Pension Reforms (Auto-enrolment) has already been made and that the purpose of the current IA is purely to assess the direct cost to business of this proposal for 'One-in, One-out' purposes for reporting in the next Statement of New Regulation.</p> <p>Based on the evidence presented the assessment of the direct cost to business appears robust. We note that the key assumptions used in estimating the impacts on business in this IA, such as the assumptions about the labour market adjustment and consequential treatment of the impacts on employers as direct impacts for One-in, One-out purposes, are consistent with the previous pensions IAs already validated by us (e.g. RPI/CPI IA).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £2,820m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed Changes to the RIDDOR Reporting System	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/06/2012	
RPC Opinion date and reference	28/06/2012	RPC12-HSE-1417
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the rationale for the proposed changes and the associated potential costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly sets out the rationale for the proposed changes and the associated potential costs and benefits of amending the RIDDOR reporting system in line with recommendations from the L fstedt review. The IA also explains where the Health and Safety Executive will be seeking to use the consultation to develop the evidence base further to enable a more robust estimate of the costs and benefits at Final Stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


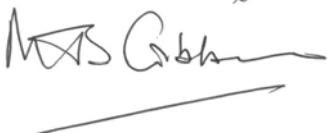
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementation of Professor L fstedt's recommendation to exempt from health and safety law those self employed whose work activities pose no potential risk of harm to others.	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/06/2012	
RPC Opinion date and reference	28/06/2012	RPC12-HSE-1418
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the rationale and possible impacts of exempting the self-employed from aspects of health and safety law.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly identifies the costs and benefits of exempting from health and safety law those self-employed whose work activities pose no potential risk of harm to others. While not all of the costs and benefits have been monetised the IA sets out where this has not been done at this stage and explains that these are expected to be quantified following consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introducing a fee charging regime into Employment Tribunals and the Employment Appeal Tribunal	
Lead Department/Agency	Ministry of Justice	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	01/06/2012	
RPC Opinion date and reference	29/06/2012	RPC11-MOJ-1020(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more analysis of the likely impact of the proposal on employees of the reduction in the number of Employment Tribunal claims. In addition, the IA should have made more effort to accurately reflect the likely cost from reduced demand for legal services.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on employees.</i> As a result of introducing fees for Employment Tribunals (ET) the total number of cases will be reduced. This will impose some cost on employees who no longer make ET claims against employers. While this impact is identified (paragraph 4.19), it has not been monetised. The IA should further elaborate on the potential size of these costs. The IA should also consider whether the reduction in ET cases has any impact on the deterrent effect ET cases have on employers.</p> <p><i>Impact on lawyers.</i> The IA includes a cost to lawyers of reduced revenue resulting from a reduction in ET cases. This cost is estimated as the full loss of income. However the IA accepts that this is an overestimate as in reality the market would adjust, reallocating resources to their next most productive use (paragraph 4.64). The IA should have made more effort to accurately reflect the likely cost from reduced demand for legal services.</p> <p><i>Consultation.</i> The IA would benefit from providing a clear summary of responses of the consultation by key affected group and explain more clearly the evidence considered for changing the consultation proposals. This would clarify the net impacts of the proposed new fee system on the relevant stakeholders.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is out of scope of One-in, One-out (page 1). As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x). However, the IA should provide this explanation in the IA.</p>		

Signed

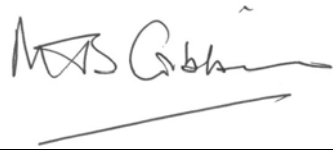
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Michael Gibbons, Chairman


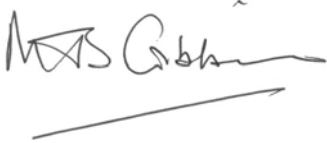
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Legislative Reform Order to amend the constitution of the Royal College of Veterinary Surgeons Preliminary Investigation Committee and Disciplinary Committee	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/05/2012	
RPC Opinion date and reference	29/06/2012	RPC12-DEFRA-1122(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could benefit from stating that the Royal College of Veterinary Surgeons (RCVS) is considered to be a Civil Society Organisation and therefore within the scope of 'One-in, One-out'.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal to amend the Veterinary Surgeons Act 1966 (VSA) have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.04m. This is consistent with the current 'One-in, One-out' Methodology and provides a reasonable assessment of the likely impacts. The IA could benefit from stating that the RCVS is defined as a Civil Society Organisation, as has been confirmed to us by the Department, and therefore within the scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	


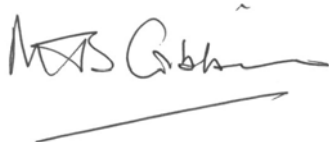
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Child maintenance reforms: case closure, charging, supporting family-based arrangements	
Lead Department/Agency	Department for Work and Pensions	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/05/2012	
RPC Opinion date and reference	29/06/2012	RPC12-DWP-1386
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from a clearer and more concise summary of the main impacts of the proposal, in order to facilitate a more effective consultation. In particular, the IA should consider more explicitly the potential overall implications of the new charges, if any, on the welfare of both 'parents with care' (PWCs) and their dependents</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact of charges on 'parents with care' (PWCs).</i> The IA provides detailed quantitative analysis to demonstrate the impact that collection charging will have on the income of a parent who is the primary carer for the child (a PWC). In conclusion, the IA says that “<i>the collection charge will represent a small proportion of a PWCs net income including maintenance received and that the maintenance when received less the collection charge still represents a significant contribution to PWC net income</i>” (page 24). However, although the proposal is expected to result in an annual net cost to parents of £212m, the IA does not discuss explicitly whether there is expected be any impact upon the welfare of both PWCs and their dependents. The likely overall impact on these groups should be considered in order to help facilitate a more effective consultation .</p> <p><i>Presentation.</i> In addition, the IA would benefit from presenting a clearer and more concise summary of the main impacts of the proposal so that they can be more easily understood by consultees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is based on the savings to employers from a reduced caseload of deduction from earnings orders (DEOs) relative to the counterfactual. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		




Signed



A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".


Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of fees for s.37 Electricity Act 1989 applications	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	21/05/2012	
RPC Opinion date and reference	02/07/2012	RPC12-DECC-1389
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA appears to assume that the change to the fee will not impact on the number of development applications. The IA should explain why it is considered that there will be no change in demand in response to the proposed increase in fees. This will have to be tested during the consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact of fee on applications.</i> The IA appears to assume that the change to the fee will not impact on the number of development applications. The IA should explain why it is considered that there will be no change in demand in response to the proposed increase in fees. This will have to be tested during the consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in change in the level of regulatory activity, it is out of scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Personal Budgets	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/06/2012	
RPC Opinion date and reference	02/07/2012	RPC12-DfE-1448
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal to introduce personal budgets for all children with Education, Health and Care Plans have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal to introduce personal budgets for all children with Education, Health and Care Plans have been adequately assessed. Although the benefits of the proposal such as improved choice and transparency have not been monetised, the IA provides a comprehensive qualitative assessment of the benefits which are expected to occur.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of 'One-in, One-out' (OIOO) because <i>"the regulation does not impact on business or civil society"</i> (page 17). This assessment is consistent with the current OIOO methodology.</p>		
Signed		Michael Gibbons, Chairman

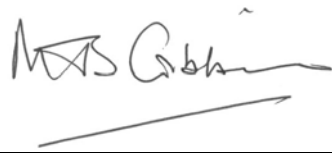
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Single Assessment Process and Education, Health and Care Plan	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/06/2012	
RPC Opinion date and reference	02/07/2012	RPC12-DfE-1449
Overall Assessment	AMBER	
<p>The IA is fit for purpose. So that the estimated Net Present Value is not misinterpreted, the IA should state explicitly that this figure is not considered to represent the full impacts of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Non-monetised costs and benefits.</i> The IA says that “it is possible that there will be some additional costs to education services due to the above mentioned 40,400 young people potentially becoming eligible for the EHC Plan” (page 40), although this cost has not been monetised due to the high level of uncertainty surrounding likely take-up. In addition, the IA describes the possible welfare benefits to young people with Special Educational Needs (SEN) that may result from them being brought into the system. So that the estimated Net Present Value (NPV) of £165.8m is not misinterpreted, the IA should state explicitly that this figure is not considered to represent the full impacts of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of ‘One-in, One-out’ (OIOO) because “the regulation does not impact on business or civil society” (page 17). This assessment is consistent with the current OIOO methodology.</p>		
Signed  	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Local Offer	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	22/06/2012	
RPC Opinion date and reference	02/07/2012	RPC12-DfE-1451
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain the reasoning behind the assumptions regarding on-going costs to Local Authorities so that the resource implications of the proposal can be presented more clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>On-going costs to Local Authorities (LAs).</i> It is assumed in the IA that developing a Local Offer will take “one day of clerical worker’s time, one hour for a junior manager to check the accuracy of the literature and half an hour for a senior manager to sign off” (page 16), although the basis of these assumptions has not been included. The IA should explain the reasoning behind these assumptions so that the resource implications of the proposal for Local Authorities can be presented more clearly.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of ‘One-in, One-out’ (OIOO) because “the regulation does not impact on business or civil society” (page 13). This assessment is consistent with the current OIOO methodology.</p>		
Signed		Michael Gibbons, Chairman


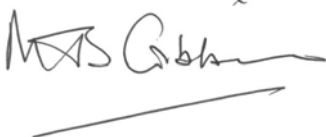
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Small Pots and Automatic Transfers	
Lead Department/Agency	Department for Work and Pensions	
Stage	Development	
Origin	Domestic	
Date submitted to RPC	22/05/2012	
RPC Opinion date and reference	02/07/2012	RPC12-DWP-1391
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide further discussion of the likely impact of a potential reduction in retirement savings diversification. In addition, the IA should discuss further the potential implications of the proposal measure for micro-business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Risk.</i> The IA acknowledges that there is a risk associated with a loss of pension benefits in transferring small pension pots as envisaged under the preferred option. However, in consolidating all previous pension savings into the latest pension pot it would appear the success or failure of that pot will have an impact on all pension savings to date. As this could result in a differing risk profile to pension saving, the IA should provide further discussion of the likely impact of a potential reduction in retirement savings diversification.</p> <p><i>Policy development.</i> The policy is in its very early stages of development and there are significant gaps in monetised estimates of costs and benefits. We note that, <i>no decision has been made on an implementation date and this would be dependent on the timetable for supporting primary and secondary legislation amongst other factors</i>” (paragraph 49). We also note that, <i>“the Department would need to do further work with stakeholders, and clarify the details of the scheme/schemes before providing an assessment of these costs (and as a result have not provided an estimate of the transition costs or the direct impact on business)”</i> [page 4]. Accordingly, the pre-consultation IA for Secondary Legislation ought to be informed by more robust analysis of the costs and benefits.</p> <p><i>Micro-business exemption.</i> The IA states that it is anticipated that the vast majority of small and micro-business will use large pension schemes to fulfil their automatic responsibilities and that it is these schemes that will be impacted by the proposed measure (page 2). However, the IA should discuss further the potential implications of the proposal measure for micro-business, particularly in the context of the micro-business exemption rule.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


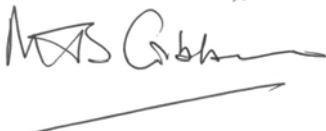
The IA explains that the proposal is expected to be net beneficial to business, but goes on to say that “*given the further work that is needed to understand the short term transition costs for industry and employers, the Department is not yet able to present a full assessment of the net cost and benefit to business (EANCB)*” (page 22). Given the early stages of policy development, this appears reasonable. A formal assessment of the business impacts for ‘One-in, One-out’ purposes will be required when the updated IA is submitted to the RPC prior to consultation on the Secondary Legislation.


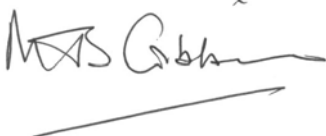
Signed



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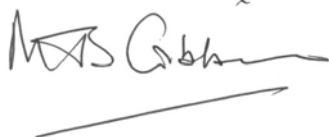
Michael Gibbons, Chairman


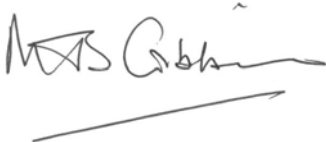
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Dealing with the problems of late night drinking implementation of secondary legislation	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	25/06/2012	
RPC Opinion date and reference	29/06/2012	RPC11-HO-1029(4)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (15/06/2012) have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (15/06/2012) have been adequately addressed. In particular, the IA now includes a monetised estimate of the cost of introducing Early Morning Restriction Orders (EMROs), which falls on businesses operating licensed premises. However, the IA could have more clearly presented the One-in, One-out position.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £28.2m. However the late night levy is a tax and therefore out of scope of One-in, One-out (paragraph 16, iv). For One-in, one-out purposes the EANCB is therefore £10.1m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amended appeal route for design decisions of the intellectual Property Office	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	03/07/2012	
RPC Opinion date and reference	13/07/2012	RPC12-BIS-1433(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (26/06/2012) have been addressed. In particular, the revised IA provides a clearer assessment of the additional costs to IPO from Patents County Court fees and Registered Designs Appeals Tribunal fees.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (26/06/2012) have been addressed. In particular, the IA now makes it clear that the costs to IPO that are recovered from Patents County Court fees and Registered Designs Appeals Tribunal fees have been subtracted from the running costs.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial to business (an IN with a zero net cost). This is consistent with current 'One-in, one-out' methodology and provides a reasonable assessment of the likely direction of impacts. The conclusion that this policy will be net beneficial to business will need to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Land Registration Fee Order 2012	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	25/05/2012	
RPC Opinion date and reference	04/07/2012	RPC12-BIS-1407
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly explains the background to the proposal as well as the associated costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The costs and benefits associated with decreasing Land Registrations Fees to address a projected over-recovery have been clearly set out in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

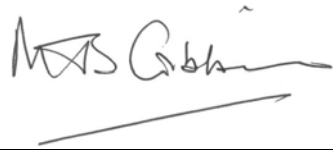
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	New approval process for prospective adopters	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/05/2012	
RPC Opinion date and reference	04/07/2012	RPC12-DfE-1403
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly explains the rationale behind the desire to improve the adoption system, and provides a clear description of the potential associated costs and benefits of the proposal. It will be important that the consultation period is used to develop monetised assessments of these costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly explains the potential impacts of the proposal and provides a qualitative description of the potential costs and benefits to both the public sector and third sector organisations. It will be important that the consultation period is used to develop monetised costs and benefit calculations, especially in relation to the potential levels of savings for the third sector. In addition the IA would have benefited from more discussion of the impact on prospective adopters, especially given that they appear to be one of the main beneficiaries of the policy proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Legislation on referrals to the Adoption Register	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	25/05/2012	
RPC Opinion date and reference	04/07/2012	RPC12-DfE-1404
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly explains the rationale behind the desire to improve the adoption system, and provides a clear description of the potential associated costs and benefits of the proposal. It will be important that the consultation period is used to develop monetised assessments of these costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly explains the potential impacts of the proposal and provides a qualitative description of the potential costs and benefits to both the public sector and third sector organisations. It will be important that the consultation period is used to develop monetised costs and benefit calculations.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


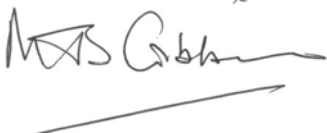
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transforming the Services of the Office of the Public Guardian	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	24/05/2012	
RPC Opinion date and reference	04/07/2012	RPC12-MOJ-1400
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA assess that there are no costs and benefits of the proposal for business or the third sector. This measure would therefore be out of scope of One-in, One-out this should be made clear in the IA prior to consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA sets out clearly the costs and benefits of the proposal, which will not affect business or the third sector at this stage. The costs and benefits set out in the IA are based on a number of assumptions and it will be important that these are fully tested during consultation to ensure robust estimates are developed at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>Based on the evidence presented this proposal does not appear to have any direct impact on business or the third sector and thus under the current One-in, One-out' Methodology it would appear to be out of scope of 'One-in, One-out'. This should be made clearer on the cover sheet and the main text of the IA.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


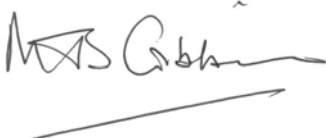
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A new enforcement tool to deal with economic crime by commercial organisations: Deferred prosecution agreements	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/05/2012	
RPC Opinion date and reference	04/07/2012	RPC12-MOJ-1409
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a more detailed explanation of the assumptions used to calculate the costs and benefits of this proposal. Also the position in relation to One-In, One-Out should also be stated more explicitly. The IA should be amended accordingly prior to consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits of the proposal.</i> Whilst the IA does provide details of the potential costs and benefits, to aid consultation, the IA should include a more detailed explanation of how these costs and benefits have been quantified. For example, the assumptions underpinning the additional costs to the Serious Fraud Office (SFO) and HM Courts Tribunal Service (HMCTS) are not presented. Also the estimated annual resource savings to the SFO and HMCTS are informed by the figures in the tables on pages 8-9 but the particular assumptions used should be stated so that they can be effectively tested by consultees.</p> <p>The assumptions for average penalty income under Deferred Prosecution Agreements compared to those for Contested Trials and Civil Recovery Orders are explained. However, the IA should provide further elaboration on how these numbers are then used to arrive at the total annual penalty income figures across the three scenarios.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>This proposal relates to the introduction of a new enforcement mechanism and in line with the current One-in, One-out' methodology it would appear to be out of scope of 'One-in, One-out'. This should be made clear on the cover sheet and the main text of the IA.</p>		


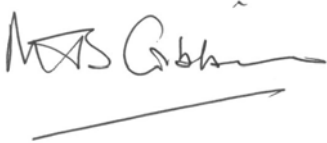
Signed


A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".

Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Examining the speed limit for HGVs over 7.5 tonnes on single carriageway roads	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/06/2012	
RPC Opinion date and reference	04/07/2012	RPC12-DfT-1345
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should make the underlying assumptions more explicit to help respondents to the consultation to comment on the appropriateness and reliability of the estimates.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefit to business.</i> The IA says that this proposal is expected to ease congestion and therefore result in significant time savings across all categories of drivers (paragraph 24). The IA explains that these estimates have been modelled using the department's own appraisal guidance (page 7). However to facilitate the consultation, the IA should make the underlying assumptions more explicit and clearly state what is the anticipated reduction in congestion from the proposal. This will help respondents to the consultation to comment on the appropriateness and reliability of these estimates, which is particularly important given their magnitude.</p> <p>The IA acknowledges that the proposed speed limit balances <i>the private benefits of speed of travel with the social costs of high speeds, most clearly identified with accident risk</i>. The consultation will have to be used to further strengthen the evidence base so that the estimated impacts can be validated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

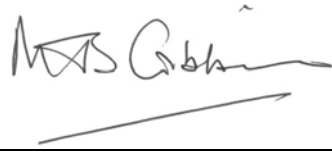
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Introduction of a criminal offence for deliberate copying of registered and unregistered design	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	06/06/2012	
RPC Opinion date and reference	05/07/2012	RPC12-BIS-1427
Overall Assessment	GREEN	
<p>The IA is fit for purpose. However, the IA could benefit from presenting cost and benefit ranges in the summary sheet to give consultees a clearer picture of the potential impacts of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of costs and benefits.</i> The RPC notes that the consultation is clearly intended to help develop policy options and estimate the associated costs and benefits involved. While most of the costs and benefits of the options have not been monetised at this stage the IA does include some suggested ranges. The IA could benefit from presenting these ranges in the summary sheet to give consultees a clearer picture of the potential impacts."</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Local Authorities (Transport Charges) (Amendment)(England) Regulations 2012	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/05/2012	
RPC Opinion date and reference	05/07/2012	RPC12-DfT-1460
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale and the associated costs and benefits for this proposal have been clearly set out and assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Cost and Benefits:</i> The rationale and the associated costs and benefits for the introduction of new fees and charges in relation to anti-terrorist traffic regulation orders have been clearly set out and assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transmission Constraint Licence Condition	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	28/05/2012	
RPC Opinion date and reference	09/07/2012	RPC12-DECC-1098(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Information provided separately to us by the Department should be included in the IA prior to publication to explain more clearly how the costs of the proposal should be exceeded by the benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of proposal.</i> The IA says the preferred option, “would prohibit, during a transmission constraint period: dispatching or withholding one or more generation units in circumstances when the generator had more economic options available..” (page 1). However, it is not clear from the IA how this would work in practice. The department has provided us with further information that clarifies how the new conditions in generator licences would address the problem of <i>companies with generation located in a transmission-constrained region engaging in exploitative behaviour</i>”. The additional information also includes references to consultees’ responses supporting the assessment that any additional costs to the licensing regime will be insignificant. Furthermore, the new information better illustrates how businesses are expected to benefit from the proposed measure as consumers of electricity. This information should be included in the IA prior to publication.</p>		
<p><i>Implementation and enforcement.</i> The IA says that, “we also implicitly assume that the licence condition is effectively enforced by Ofgem.. [and that].. in its consultation on the draft Guidance for the TCLC, Ofgem is consulting on the details of implementation and enforcement. We anticipate that responses to Ofgem’s consultation will inform the Final IA (paragraph 98). However, the extent to which this Final Stage IA has been informed by Ofgem’s consultation remains unclear, as does the actual enforcement regime to be established. Both of these should be set out more clearly in the IA.</p>		
<p><i>Presentation.</i> Figure 2 provides an illustration of the impact of export constraints on pricing over the period April 2005 to August 2008. The IA would benefit from more recent data, where available, to demonstrate the current scale of the problem.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (an ‘IN with a zero net cost’). This is consistent with the current One-in,</p>		

One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.

Signed

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Michael Gibbons, Chairman

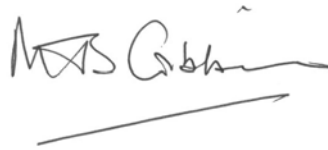
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Money Laundering Regulations 2007	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
Date submitted to RPC	20/06/2012	
RPC Opinion date and reference	09/07/2012	RPC11-HMT-0846(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion (19/03/2012) have been adequately addressed. However, there are still some issues remaining that should be addressed before the IA is finalised. In particular, the IA should provide a clearer explanation of the regulatory changes of some of the measures and explain better the additional benefits of regulating estate agents dealing with overseas properties.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Most of the issues raised in our previous Opinion (19/03/2012) have been adequately addressed. In particular, the revised IA provides more information about the basis of the monetised estimates of the costs and benefits and explains clearly that the best available evidence, including the additional information collected during consultation from the industry and other stakeholders, has been used as a basis for these estimates.</p> <p><i>Regulating estate agents for overseas properties.</i> The IA says that approximately 200 businesses will face start-up and recurring costs for introducing and maintaining procedures to comply with the regulation. The IA says that <i>industry bodies have said that it is not possible to estimate the costs</i>” and that in order <i>to avoid assuming a zero cost for this measure</i>” the monetised estimate of £1,000-£2,000 for <i>”writing policy and procedures”</i> has been used (page 18). The IA should explain clearly why these estimates are considered to be the best estimate of the additional costs to business. The IA also says that all responses to the consultation, including from estate agents and other businesses, <i>“...supported this proposal unanimously”</i> (page 19). The IA would benefit from setting out clearly the additional benefits the new regulation will provide to estate agents and other businesses to explain why they are interested in having more regulation of this area.</p> <p><i>Fit and proper test by HMRC.</i> The revised IA appears to be providing less information and explanation about the actual policy change proposed as part of this measure. The IA says <i>‘the regulations will be amended to provide greater clarity for HMRC to apply the fit and proper test in a manner consistent with the intention of the global standards and the EU Directive and the fit and proper test by the FSA under the Payment Services Regulations’</i> (page 19). The IA also says that HMRC’s application of the fit and proper test will be improved to help ensure that ‘unfit’ and ‘improper’ individuals are not controlling businesses at high risk of money laundering and</p>		

terrorist finance. It is, however, not clear what the actual regulatory change being proposed under this component is. We note that the earlier version of the IA (March, 2012) contained much clearer explanation of the actual regulatory change in this area. The IA would benefit from having that information added to this version of the IA.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

While the proposal is of European origin, there is evidence of the removal of 'gold-plating' from an existing regulation. This should therefore be scored as an 'OUT' in accordance with the current One-in, One-out Methodology (paragraph 23). The IA estimates an Equivalent Annual Net Cost to Business of (-)£3.13 million, which provides a reasonable estimate of the likely impacts.

Signed

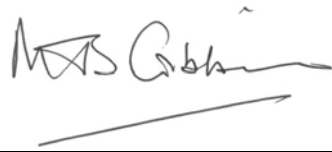
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Michael Gibbons, Chairman


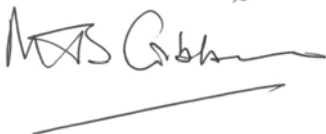
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Welfare of wild animals in travelling circuses	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/06/2012	
RPC Opinion date and reference	10/07/2012	RPC11-DEFRA-1181(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous opinion (11/06/2012) have been adequately addressed. However, the IA should incorporate the information provided separately by the department clarifying why concerns about animal welfare are sufficient to justify the introduction of a licensing scheme, but not the outright ban the Government proposes ultimately to introduce on wider ethical grounds. The IA should also elaborate on what forms a ban might take and how the costs and benefits presented here might be affected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The issues raised in our previous opinion (11/06/2012) have been adequately addressed. In particular, the IA now explains more clearly the origin of the monetised estimates of the costs to travelling circuses as a result of the proposed measure; and the rationale for intervention more clearly explained. In addition, the department has provided separate information regarding the findings of the Radford Report and how those findings are consistent with the rationale for introducing the proposed measure. However, the IA should incorporate the information provided separately by the department clarifying why concerns about animal welfare are sufficient to justify the introduction of a licensing scheme, but not the outright ban the Government proposes ultimately to introduce on wider ethical grounds.</p>		
<p>The IA mentions that there is an intention to ban the use of wild animals in travelling circuses on ethical ground and therefore the proposed measure may be an interim one. The proposed ban may impact on the costs and benefits of this policy, and those impacts will depend on the nature of ban (paragraph 5.7). The IA should have contained a discussion of what forms a ban might take and how the costs and benefits presented here might be affected by the different forms of ban.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


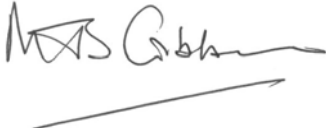
The IA says the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.02m. This is consistent with the current One-in, One-out Methodology and appears to be a reasonable assessment of the likely impacts.


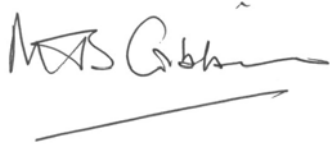
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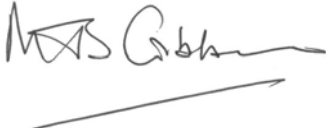
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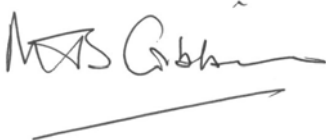
Michael Gibbons, Chairman


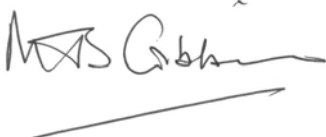
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amending regulations to align Deduction from Earnings Orders with the new statutory child maintenance scheme	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/06/2012	
RPC Opinion date and reference	10/07/2012	RPC11-DWP-1220(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide ranges of the potential costs and benefits based on a sensitivity analysis to show how the assumptions can affect the final outcome of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Ranges of costs and benefits.</i> The IA says ‘no specific information was received through the consultation which could be used to update or change the costs and benefits outlined here’ (paragraph 80). As the estimates of the additional costs and benefits are based on some key assumptions (e.g. additional time saved, number of companies upgrading software), the IA should carry out sensitivity analysis and present ranges of costs and benefits to show the potential variation in the overall net economic impact of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of (-) £0.8 million. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


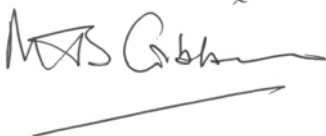
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	UK implementation of EU Directive 2009/20/EC on the insurance of ship-owners for maritime claims	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	07/06/2012	
RPC Opinion date and reference	10/07/2012	RPC12-DfT-1177(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. Whilst the costs and benefits of this proposal have not been monetised, the IA contains detailed qualitative analysis to explain the potential impact on UK ship-owners</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The IA sets out clearly the rationale for the proposal. Whilst the Department has not been able to provide a monetised assessment of the costs and benefits of the proposal, the IA sets out why monetisation has not been possible and provides detailed qualitative analysis of the potential impacts. This analysis demonstrates that the vast majority of UK registered ship-owners already maintain third party insurance to satisfy the requirements of the Directive, with this conclusion supported by industry stakeholders.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	


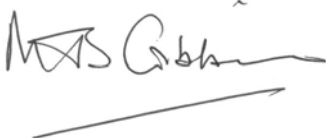
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Workplace Pension Reform revised implementation schedule	
Lead Department/Agency	Department for Work and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/07/2012	
RPC Opinion date and reference	10/07/2012	RPC12-DWP-1262(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (03/07/2012) have been adequately addressed. In particular, the IA now explains that whilst the costs from reduced ‘consumption smoothing’ have been monetised, they are not included in the NPV due to the level of uncertainty associated with the estimate.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The issues raised in our previous opinion (03/07/2012) have been adequately addressed. While the department have still chosen not to include the cost from reduced ‘consumption smoothing’ in the NPV, they now make it clear that this is due to uncertainty surrounding the estimate and not because it is a non-financial cost.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Net Cost to Business (EANCB) of -£137m. This is consistent with the current One-in, One-out Methodology and provides reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


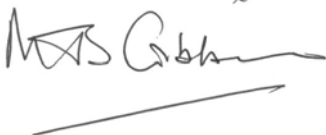
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Copyright exception for Parody	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/06/2012	
RPC Opinion date and reference	12/07/2012	RPC12-BIS-1057(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA provides a clear description of the proposal. Whilst the associated costs and benefits have not been monetised, the IA does provide a sufficient qualitative description of the associated costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA explains clearly the rationale for this measure. Whilst the associated costs and benefits have not been monetised, the IA does provide a sufficient qualitative description of the associated costs and benefits as well as some quantitative information about the entertainment sector to illustrate the potential scale of benefits. This qualitative description provides enough details to conclude that the measure would be beneficial, which based on the evidence presented would appear reasonable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18). However, the IA explains that it has not been possible to monetise the Equivalent Annual Net Cost to Business.</p>		
Signed 	Michael Gibbons, Chairman	


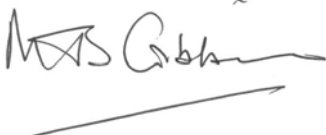
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Copyright exceptions for disabled people	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	18/06/2012	
RPC Opinion date and reference	12/07/2012	RPC12-BIS-1144(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for the proposal and the associated costs and benefits have been clearly set out and assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA explains clearly the rationale for this measure, which is aimed at removing, for those with disabilities, barriers to accessing versions of copyright works suitable for their needs. The associated costs and benefits have also been identified and adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.07m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


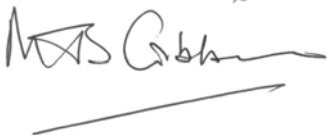
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Directive of the European Parliament and the Council on combating Late Payment	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
Date submitted to RPC	09/07/2012	
RPC Opinion date and reference	12/07/2012	RPC12-BIS-1441
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for government intervention to reduce late payment is clearly set out and the costs and benefits have been adequately assessed at this stage. However, the IA could benefit from providing more information on the length of delays in cases of late payment.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Length of late payment.</i> The IA provides information on the volume of late payment, particularly to small firms, and attempts to estimate the cost this imposes. However, the IA would benefit from providing more information on the length of delays in cases of late payment and how this affects the value of the cost.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	


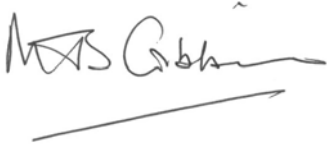
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on the review of planning appeal procedures	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	01/06/2012	
RPC Opinion date and reference	12/07/2012	RPC12-DCLG-1423
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The rationale for the proposal and the associated costs and benefits has been clearly set out. However, the IA should discuss in more detail how Option 2C will be delivered in practice.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Option 2C would reduce the expected time set out in the procedural rules from the current levels of 12 and 20 weeks to 10 weeks for hearings and 16 weeks for enquiries respectively. However, the IA notes that only 19 of hearings and 60 of enquiries currently held meet the existing timeframes. It is not clear how reducing the time set out in the procedural rules will lead to a reduction in actual time taken for enquiries. The IA should discuss this in more detail. In addition, the department will need to use the consultation period to test how these new timeframes will be met by the Planning Inspectorate.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage. The department will also need to use the consultation period to clarify which benefits from the review can be considered as 'in-scope' of One-in, One-out.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The proposed merger of the Gambling Commission and the National Lottery Commission	
Lead Department/Agency	Department for Media, Culture and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	05/07/2012	
RPC Opinion date and reference	12/07/2012	RPC12-DCMS-1455
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for the proposal and the associated costs and benefits have been clearly explained.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The rationale for the proposed merger of the Gambling Commission and the National Lottery Commission has been clearly set out and the associated costs and benefits have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA states that this measure is out of scope of 'One-in, One-out' (OIOO) as it has no direct impact on business or civil society organisations. Based on the evidence presented this appears a reasonable assessment and consistent with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Adjustments to Gambling Commission Personal Licence and Operating Fees	
Lead Department/Agency	Department for Media, Culture and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/07//2012	
RPC Opinion date and reference	12/07/2012	RPC12-DCMS-1456
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. However, the summary page for the preferred option (page 2) should be amended to be consistent with the overall summary (page 1).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of the proposal have been adequately assessed. However, there appears to be an inconsistency between the numbers presented in the summary pages for the preferred option and the overall summary on the front page. The estimated cost and Net Present Value should be corrected on page 2 so it is consistent with the overall summary on page 1.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on the replacement of rules on welfare of animals at the time of slaughter and killing (Implementation of EU Regulation 1099/2009 in England)	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
Date submitted to RPC	26/06/2012	
RPC Opinion date and reference	12/07/2012	RPC12-DEFRA-1424
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The costs and benefits of the policy have been adequately assessed. However, the IA is difficult to read and contains a large amount of repetition, especially in relation to the presentation of the options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits:</i> The costs and benefits of the policy have been adequately assessed. However, the IA is difficult to read and contains a large amount of repetition, especially in relation to the options. Given the similarity of options 2 and 3 to option 1 the IA could have benefited from presenting the common costs and then discussing each option in terms of how it differed from those common costs. This would help consultees to understand better the differences of various options considered.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
Signed 	Michael Gibbons, Chairman	

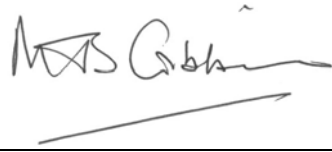
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Streamlining the application process on stopping up and diversion orders	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	31/05/2012	
RPC Opinion date and reference	12/07/2012	RPC12-DfT-1421
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA sets out the proposal clearly and identifies the potential costs and benefits, though some have not been monetised at this stage. To aid consultation the IA could benefit from including more detail of the benefits that have been achieved where Local Authorities already have responsibility for stopping up orders.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits:</i> The IA sets out the proposal clearly and identifies the potential costs and benefits, though some have not been monetised at this stage. The IA explains that under option 2 stopping orders would be devolved to local highway authorities and that such arrangements already exist in relation to London (page 14). To aid consultation, the IA could benefit from including more detail of the benefits that have been achieved in London from Local Authorities having responsibility for stopping up orders. This would give consultees a better idea of the potential impacts of this policy.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Use of works for public administration and reporting	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/06/2012	
RPC Opinion date and reference	13/07/2012	RPC11-BIS-1143(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of amending the copyright exemption for works public administration and reporting have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The benefits of allowing public bodies to share on line relevant third party materials that the public has a right to access under the Freedom of Information Act, have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that proposal will have no direct impact on business. This is a reasonable assessment based on the evidence presented. This measure is therefore out of scope 'One-in, one-out' in accordance with the current 'One-in, one-out' methodology (paragraph 16, i).</p>		
Signed		Michael Gibbons, Chairman


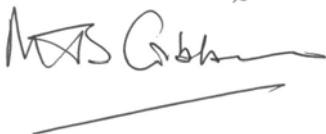
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Directive 2009/43/EC (simplifying terms and conditions of transfers of defence-related products within the Community)	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
Date submitted to RPC	05/07/2012	
RPC Opinion date and reference	13/07/2012	RPC11-BIS-1001(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (27/06/2012) have been adequately addressed. In particular, the IA now explains better the new regulatory requirements stipulated by the European Directive; and provides clearer qualitative arguments outlining why the new requirements entail negligible impact for UK business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The issues raised in our previous opinion (27/06/2012) have been adequately addressed. In particular, the IA now provides a clearer explanation of the new regulatory requirements resulting from the implementation of the EU Directive. The additional information provided in the revised IA is supplemented by a technical list of changes and extended discussion as to why the new requirements being addressed by the IA will have negligible implications for the UK (i.e. they entail changes which are already UK best practice).</p>		
<p>We note, however, that the aspect of the directive covering extension of controls on the provision of technical assistance (which might have implications for UK businesses) will be the subject of another IA, pending further explorative work with industry to ascertain the extent of impact. We also note that in this regard, the department has given consideration to the risk associated with not implementing the directive in full in the short term.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As that part of the proposed measure relating to simplification of the terms and conditions of transfers of defence-related products within the Community is of European origin, without any evidence of going beyond the minimum requirements, it is out of scope of One-in, One-out (OIOO).</p>		
<p>That aspect of the proposed measure relating to the relaxation of control on historic military vehicles is covered by domestic legislation and deregulatory in nature. As such it has a direct net benefit to business (an 'OUT'). However, the department have</p>		


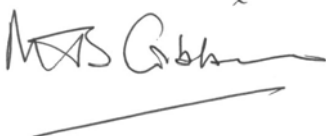
not been able to robustly monetise these benefits.


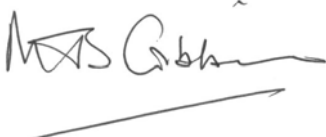
Signed


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Michael Gibbons, Chairman

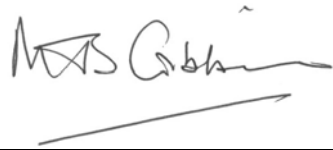
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment of restrictions for companies moving between IFRS and UK GAAP	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	14/06/2012	
RPC Opinion date and reference	13/07/2012	RPC11-BIS-1024(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (28/05/2012) have been adequately addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (28/05/2012) have been adequately addressed. The revised IA provides additional information which explains the reasons why 10 -25 of certain companies who are eligible to switch are expected to continue to use the more costly IFRS system. The IA also explains better the justification for choosing the option to allow switching once every 5 years.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business of (-)£2.08m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Control of Entry and Exit in the NHS pharmaceutical market	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	12/06/2012	
RPC Opinion date and reference	13/07/2012	RPC11-DH-1016(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should add the additional information provided to us to explain better the basis of the assumptions used in the cost-benefit analysis.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs to PCTs of administering market exit regime.</i> The IA makes several assumptions to estimate the additional costs to PCTs of £1.45m per annum to administer the market exit scheme, and the percentage of pharmacies likely to be de-listed by PCTs (3 over 10 years). The Department has provided additional information that explains clearly the basis of these assumptions. This additional information should be included in the IA before it is finalised.</p> <p><i>Impact on pharmacies.</i> The IA should provide more discussion of the cost to pharmacies which would have entered the market under the counterfactual but who will not be able to provide NHS pharmaceutical services as a result of these policies. Given that pharmacies chose to include NHS pharmaceutical services it appears they gain some additional benefit, for example increased sales of other products. These benefits would not be gained under this proposal. It appears the proposal will give advantage to incumbents, compared to new entrants. The IA should discuss this in more detail.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to contractual activity it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; xi).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Authorisation of Frequency Use for the Provision of Mobile Satellite Services	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	European	
Date submitted to RPC	29/06/2012	
RPC Opinion date and reference	13/07/2012	RPC12-DCMS-1323(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. With the additional information that has been provided to us, the issues raised in our previous Opinion (01/05/2012) have been addressed. This information, which better clarifies the basis of the estimated costs of the proposal, should be included in the IA prior to publication.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>With the additional information that has been provided to us, the issues raised in our previous Opinion (01/05/2012) have been addressed. This information, which better clarifies the basis of the estimated costs of the proposal, should be included in the IA prior to publication.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says this proposal is of European origin and is therefore out of scope of One-in, One-Out (OIOO). As there is no evidence of going beyond minimum requirements or failure to take-up derogations this is correct in accordance with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Flexible Parental Leave	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	11/07/2012	
RPC Opinion date and reference	16/07/2012	RPC10-BIS-0693(3)
Overall Assessment	AMBER	
<p>NB: This Opinion covers only the regulatory aspect of the proposal. Spending decisions in relation to the scope and level of flexible parental leave entitlements are outside of our remit.</p> <p>The IA is fit for purpose. While the revised IA better explains how the risk of fraud will be minimised, the additional costs related to enforcement should be considered in the final estimates of costs and benefits of this proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on the self-employed.</i> It still appears from the IA that there would be no economic or social benefit from extending the entitlement of parental leave to the self-employed. However, as we consider this to be a spending decision, we will not comment further on this aspect of the proposal.</p> <p><i>Enforcement and risk of fraud.</i> The revised IA now better explains how the risk of fraud will be minimised (paragraph 216) but acknowledges that additional costs are likely to arise. The IA says that the department will <i>complete a further consultation on the administration of the new system of parental leave... [and that] ...further detailed assessment of these risks and the costs of checks on employees and employers will be undertaken once the consultation on administrative detail has been completed</i> . It is expected that these additional costs will be submitted for validation at a later stage so that the full impacts of the proposed changes can be determined.</p> <p><i>Presentation.</i> The IA would benefit from considering how best to present its impacts. The department has provided us with further information that helps clarify the proposed changes and this should be included in the IA prior to publication.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost on business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £34.5m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		

Signed

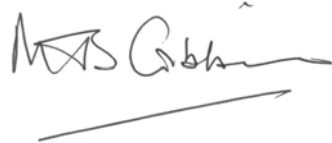
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Michael Gibbons, Chairman


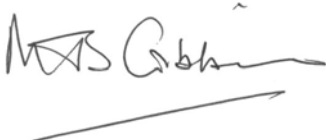
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on changes to the listed buildings consent system and compulsory purchase order system	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/06/2012	
RPC Opinion date and reference	16/07/2012	RPC12-DCMS-1464
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The rationale for the proposed changes to the listed buildings consent system has been adequately set out. However, the IA should be amended in a number of areas to provide greater clarification and to aid consultation. It is also important that the consultation period is used to distinguish between the costs and benefits to business, civil society and private individuals to enable a valid EANCB figure to be presented at Final Stage IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> For option 2B, a system of local and national class consents, the IA does not provide monetised estimates of transition costs, although an estimate of Local Planning Authority staff time is provided on page 16. As the set up costs for this option in particular may be significant, the basis for these estimates should be provided to assist consultation</p>		
<p>The hourly figures used on page 13 of the IA in estimating the net saving for option 2A appears to include only wage costs. These figures should be adjusted to include non-wage costs in line with Green Book guidance.</p>		
<p>The IA does not appear to distinguish how the costs and benefits could be attributed between business, civil society organisations and private individuals. This will impact on the Equivalent Net Cost to Business (EANCB). It is important that the consultation period is used to develop this so that a valid EANCB can be presented in the Final Stage IA.</p>		
<p><i>Monetisation:</i> The IA summary sheets (pages 6 and 7) refer to potential for greater costs (option 4A) and considerably greater costs (option 4B) in respect of the 73 of applicants who currently use agents. Similarly, the impacts of option 3 have not been monetised due to lack of data on how many existing LBC applications are unnecessary. The IA should provide greater clarity on how the consultation process will be used to develop monetised estimates of these issues to assist in the choice of the preferred option at Final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


The IA covers a number of proposals. Some proposals (e.g. 2A and 2B) are potentially deregulatory, and provide a direct benefit to business (an 'OUT'). However, other options could be regulatory and potentially impose a net cost to business (an 'IN'). The final choice of option(s) following consultation will decide which of these is the appropriate classification and an Estimated Annual Net Cost to Business will need to be presented in the Final stage IA.

Signed

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Michael Gibbons, Chairman

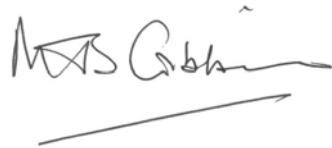
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Consumer Rights Directive: Information requirements and extension of the right to withdraw for off-premises contracts	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
Date submitted to RPC	02/07//2012	
RPC Opinion date and reference	18/07/2012	RPC12-BIS-1437
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> There are some aspects of the proposal where it is not clear from the IA what the marginal change will be relative to the ‘do nothing’ option. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily. In addition, an attempt to provide monetised estimates of the costs and benefits will have to be made at final stage so the net impacts of the proposal can be better understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>While the proposal is of European origin, there is evidence that implementation of the Directive goes beyond the minimum requirements resulting in increased costs to business and civil society organisations. This is therefore scored as an ‘IN’ in accordance with the current One-in, One-out Methodology (paragraph 22). The evidence supporting the analysis will have to be further strengthened so that an estimated Equivalent Annual Net Cost to Business (EANCB) can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Consumer Rights Directive: Provisions on Delivery, Passing of Risk, Communication by telephone and Consent for additional payments	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
Date submitted to RPC	02/07//2012	
RPC Opinion date and reference	18/07/2012	RPC12-BIS-1438
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA explains that the proposal is likely to result in a loss of revenue to business, although it is not clear from the IA that these costs are considered for ‘One-in, One-out’ purposes where the regulation has been extended to four additional sectors (gold-plating). These costs should be treated as direct costs to business and included within the estimated Equivalent Annual Net Cost to Business (EANCB).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Lost revenue.</i> The IA supports the introduction of new rules both on pre-ticked boxes which introduces “<i>the requirement for express consent for additional payment</i>” (page 12) and on telephone charges for contacting traders which will ensure that a “<i>consumer need not pay more than basic rate telephone charge to contact trader post-contract</i>” (page 2). The IA explains that these aspects of the proposal are likely to result in a loss of revenue to business, although it is not clear from the IA that these costs are considered for ‘One-in, One-out’ purposes where the regulation has been extended to four additional sectors (gold-plating). These costs should be treated as direct costs to business and included within the estimated Equivalent Annual Net Cost to Business (EANCB).</p>		
<p><i>Contracts with a value of less than 50 Euros.</i> The IA explains that the option to apply a derogation which exempts contracts with a value of less than 50 Euros from the regulations has been discarded, although it is unclear from the IA why this is the case. The department have provided us with additional information to explain why, in this case, implementing the available derogation would be neither appropriate nor beneficial to business. This explanation should be presented more clearly in the IA.</p>		
<p><i>Costs and Benefits.</i> There are some aspects of the proposal where it is not clear from the IA what the marginal change will be relative to the ‘do nothing’ option. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily. In addition, an attempt to provide monetised estimates of the costs and benefits will have to be made at final stage so the net impacts of the proposal can be better understood.</p>		


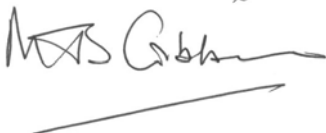
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


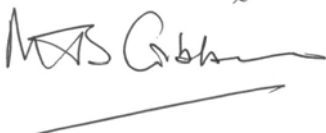
While the proposal is of European origin, there is evidence that, by extending to 4 additional sectors, implementation of the Directive goes beyond the minimum requirements resulting in increased costs to business and civil society organisations. This should therefore be scored as an 'IN' in accordance with the current One-in, One-out Methodology (paragraph 22). The evidence supporting the analysis will have to be further strengthened so that an estimated Equivalent Annual Net Cost to Business (EANCB) can be validated at final stage.


Signed

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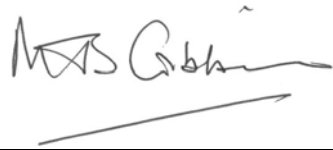
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Consumer Rights Directive: Pre-contractual information requirements for contracts other than distance or off-premises	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
Date submitted to RPC	02/07//2012	
RPC Opinion date and reference	18/07/2012	RPC12-BIS-1439
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The department has provided us with additional information to explain why, in this case, implementing the available derogation would be neither appropriate nor beneficial to business. This explanation should be presented more clearly in the IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Contracts with a value of less than 50 Euros.</i> The IA explains that the option to apply a derogation which exempts contracts with a value of less than 50 Euros from the regulations has been discarded, although it is unclear from the IA why this is the case. The department has provided us with additional information to explain why, in this case, implementing the available derogation would be neither appropriate nor beneficial to business. This explanation should be presented more clearly in the IA.</p>		
<p><i>Costs and Benefits.</i> There are some aspects of the proposal where it is not clear from the IA what the marginal change will be relative to the 'do nothing' option. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily. In addition, an attempt to provide monetised estimates of the costs and benefits will have to be made at final stage so the net impacts of the proposal can be better understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out'.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	EU Consumer Rights Directive: Information requirements and withdrawal rights for distance contracts	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	02/07//2012	
RPC Opinion date and reference	18/07/2012	RPC12-BIS-1440
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> There are some aspects of the proposal where it is not clear from the IA what the marginal change will be relative to the ‘do nothing’ option. The IA should provide a clearer explanation of the counterfactual so that the incremental costs and benefits of the proposal can be summarised more easily. In addition, an attempt to provide monetised estimates of the costs and benefits will have to be made at final stage so the net impacts of the proposal can be better understood.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>While the proposal is of European origin, there is evidence that implementation of the Directive goes beyond the minimum requirements resulting in increased costs to business and civil society organisations. This is therefore scored as an ‘IN’ in accordance with the current One-in, One-out Methodology (paragraph 22). The evidence supporting the analysis will have to be further strengthened so that an estimated Equivalent Annual Net Cost to Business (EANCB) can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Gambling Act 2005: Triennial Review of Stake and Prize Limits	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	28/06/2012	
RPC Opinion date and reference	18/07/2012	RPC12-DCMS-1459
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should either explain why the stake and prize limits were considered to be too low in 2007, or alternatively explain what has changed since 2007 to increase the optimum level for the limits at a rate higher than inflation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Revised stake and prize limits.</i> The option entitled ‘Package 2’ would raise the stake and prize limits by the level of inflation since 2007. However, this option has been rejected because the increases would not be high enough to “<i>create significant conditions for growth</i>” (page 1). The IA should either explain why the stake and prize limits were considered to be too low in 2007, or alternatively explain what has changed since 2007 to increase the optimum level for the limits at a rate higher than inflation.</p>		
<p><i>Triennial Review of Stake and Prize Limits.</i> As well as amending the existing stake and prize limits within the Gambling Act, the IA appears to be supporting a proposal to re-introduce a triennial review of these limits. Whilst there is detailed analysis presented regarding the costs and benefits of the proposed limit changes, the IA provides much less information on the design of the triennial review and its expected impacts. In particular, the IA should explain the reasons why the reviews had previously been stopped, and why any such reasons will not be re-introduced.</p>		
<p><i>Social costs of gambling.</i> We note that the IA explains there is a high degree of uncertainty over the social impacts of increased gambling and, more specifically, the likely effects of the proposals. This will have to be addressed during the consultation so the analysis can be validated at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal to amend the stake and prize limits within the Gambling Act of 2005 is out of scope of ‘One-in, One-out’ (OIOO), as there are no direct impacts on business. Based on the OIOO Methodology, and advice from the Better Regulation Executive (BRE), this appears to be a reasonable assessment as there is no requirement on business to change their current practices.</p>		

Signed

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Michael Gibbons, Chairman

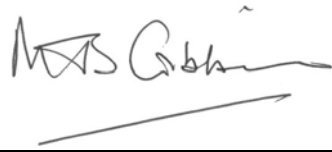
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	VOSA Fees - General Increase	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	15/06/2012	
RPC Opinion date and reference	18/07/2012	RPC12-DfT-1443
Overall Assessment	AMBER	
<p>The IA is fit for purpose. While the IA gives details of the individual fee increases to meet the £1m income required by VOSA (Vehicle and Operator Services Agency) to meet the shortfall, the IA would be improved by providing clarification as to why some fee increases appear higher than necessary to meet the targeted overall 1% rise and how the individual fee increases gross up to £1m.</p> <p>Furthermore, the IA should consider the impact on the fee increases from a possible fall in income of £1m to VOSA from a related IA RPC12-DfT-1445 on ‘Lorry, bus and coach examination fees - location differentiation’.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Fees.</i> The IA says ‘<i>the shortfall in income to be met by fee increases will be about £1m - 1% of predicted income for services concerned</i>’ (Paragraph 26). However, the percentage increases for individual fees presented in the tables on pages 22-25 are nearly all above 1%. Whilst this is mainly due to rounding of fees to the nearest £1, there are cases where the proposed fees are rounded up when it appears they should be rounded down whilst still leaving the percentage increase above 1%. Clarification should be provided on this and the actual average percentage fee increase that will be paid by customers. Furthermore, the tables on pages 22-25 would be improved by showing how the individual increases gross up to the £1m (1%) that VOSA is seeking.</p>		
<p>The related IA on ‘Lorry, bus and coach examination fees - location differentiation’ shows on table 4 that if the proportion of tests undertaken in VOSA on non VOSA sites increased from 55% to 60% then income to VOSA would fall by about £1m. That IA indicated that VOSA’s total income is £55m, so it is not clear how a 1% fee rise would raise the required £1m. The IA should clarify how a 1% fee increase of VOSA’s income of £55m equates to £1m and discuss the possible impact of a £1m income reduction on the proposed increase in fees for VOSA.</p>		
<p><i>VOSA efficiency improvements.</i> The IA says ‘<i>we believe that we will be able to absorb some of these cost increases by continuing efficiency improvements</i>’ (paragraph 22). The IA would be improved by providing more details of the efficiencies made by VOSA, such as movements in staff numbers relative to output, to strengthen the case for a fee increase.</p>		
<p><i>Risk/Uncertainty.</i> The IA states (paragraph 17) that VOSA expects to regain some of</p>		

the lost volumes since 2009 as 'the economy returns to growth during 2013/14'. The IA would benefit from this being subjected to sensitivity testing to assist the consultation.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).

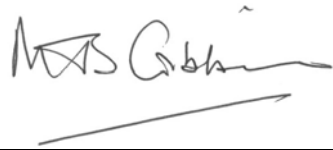
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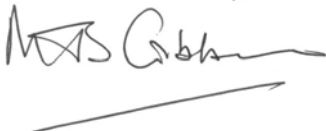
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Smart meter roll-out for the domestic and small and medium non-domestic sectors	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	04/07/2012	
RPC Opinion date and reference	19/07/2012	RPC11-DECC-0819(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion (22/06/2012) have been addressed. The IA would be improved by explaining more clearly the nature of what the department refers to as stranding costs and their treatment in the IA. The department has provided us with additional information, which should be included in the IA prior to publication.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>Most of the issues raised in our previous Opinion (22/06/2012) have been addressed. In particular, the IA more clearly demonstrates that the costs of the proposal account for the differences in the installation costs of smart and existing meters and any discounting effects from rolling out meters over a 7 year period instead of a 20 year period. The department has provided us with additional information, both in terms of the counterfactual and stranding costs which should be included in the IA prior to publication.</p>		
<p><i>“Stranding” costs.</i> Tables 4.5 and 4.6 represent expected bill impacts on consumers from the introduction of smart metering. However, page 69 of the IA says that these tables include <i>“.the costs of stranding..”</i>, (where stranding costs are the costs incurred when an existing meter is taken out of service before the end of its useful life). But these costs would also occur in the counterfactual. The department has provided us with further information to clarify this issue, and to explain that stranding costs reflect previous (‘sunk’) investment. As such, excluding them from the NPV appears correct, however, the IA would benefit from re-drafting to reduce confusion here and better explain the overall position.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will impose net cost to business (an ‘IN’) with an Equivalent Annual Net Cost to Business (EANCB) of £57m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		

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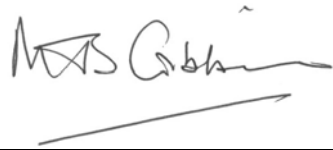
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Michael Gibbons, Chairman


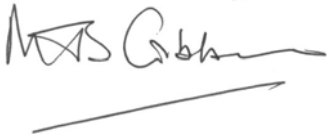
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Unfair Dismissal Compensatory Awards	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	06/06/2012	
RPC Opinion date and reference	19/07/2012	RPC12-BIS-1426
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should better explain the nature of claims that result in awards above the current cap. The IA should also explain how the proposal will meet the objective of improving certainty around the level of awards.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA contains an extensive discussion of current compensatory award payouts and demonstrates that the current cap is substantially above the median and that the proposed changes would affect only a small percentage of claims. However, the IA should have explained why some claims are currently above the cap proposed under each of the options and why reducing such awards are deemed appropriate. This would help consultees understand the possible impact of the policy, particularly the potentially significant effect on the small number of individuals who could be disadvantaged by some of the options and who may disproportionately be members of certain groups (e.g. older workers).</p> <p>One of the objectives of the policy is to address the information failure around expectations of the level of awards. However, given that the proposed cap will still be well above the mean award, it is not clear that the proposed policy will fully meet this objective. The IA should more fully discuss this issue and how the proposed policy will meet the objective.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal will only impact on non-compliant firms it is considered to be out of scope for One-in, One-out purposes.</p>		
Signed 	Michael Gibbons, Chairman	


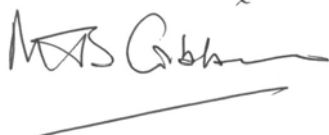
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Prior rights searches for Registered Designs	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/06/2012	
RPC Opinion date and reference	19/07/2012	RPC12-BIS-1435
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs of carrying out prior rights searches have been adequately assessed. The department will need to use the consultation to confirm that the proposal will be net beneficial to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits:</i> Monetised estimates have been provided for the costs of carrying out prior rights searches. While the department have not been able to monetise the benefits at this stage, a qualitative assessment is provided and the IA sets out that the consultation will be used to test whether they are greater than the costs. In particular the IA says that there will be a minimal cost when <i>‘the prior right search finds earlier examples of the design applied for; which then becomes a barrier to registration’</i>. The IA could better explain why this will be the case. This assumption will need to be tested during consultation.</p> <p>In addition, we note that sub option iii could potentially disadvantage firms that rely on the UK registration system. The department will need to use the consultation to test the extent of this risk. The department will also need to test the numbers provided during consultation, particularly on the number of applications given the discrepancy between UK numbers and those for France and Germany.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a ‘zero IN’). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the claim that the benefits to business are greater than the cost will have to be further strengthened so that it can be validated at Final stage.</p>		


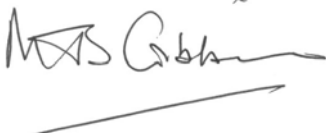
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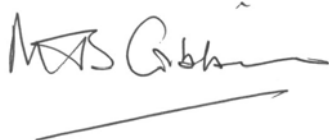
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of the Water Special Merger Regime	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	03/07/2012	
RPC Opinion date and reference	19/07/2012	RPC12-DEFRA-1365(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (22/06/2012) have been adequately assessed. In particular, the assessment of the proposal for One-in, One-out purposes has been re-categorised as ‘out of scope’ on the basis that the proposed measure has no direct impact on business. However, the IA would be improved by demonstrating how the impact of the proposal will be evaluated as part of a post implementation review (PIR) to determine its effectiveness.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Monetisation of costs and benefits.</i> In assessing the impact of the proposed reforms no monetised costs and benefits have been provided “.. primarily because these reforms do not create a certain outcome in terms of the industry structure that would emerge..[and]..we cannot know which companies would choose to merge or acquire which other companies, and any quantitative analysis of the outcome of these reforms would effectively require us to predict that outcome” (page 9). Whilst we accept that there are marked variations between the turnover of companies and the ways in which they operate, the IA would be improved by demonstrating how the impact of the proposal will be evaluated as part of a post implementation review (PIR) to determine its effectiveness.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA states the preferred option for this impact assessment has been categorised as Out of scope in terms of ‘One-in, One out (OIOO)’, on the basis that the reforms have no direct cost burdens on business and only apply to water companies that opt to merge (page 15). This appears to be consistent with the current OIOO Methodology.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

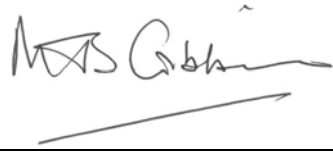
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to approval process for Water Company Charges Scheme	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	06/07/2012	
RPC Opinion date and reference	19/07/2012	RPC12-DEFRA-1385
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would be improved by demonstrating how the impact of the proposal will be evaluated as part of a post implementation review (PIR) to determine its effectiveness.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Monetisation of costs and benefits.</i> In assessing the impact of the proposed reform, no monetised costs and benefits have been provided because of the “.. significant uncertainty in predicting future levels of non-compliance..[and].. a marked variation in administrative processes adopted by companies” (page 5). Whilst we accept that there is diversity in the sector, the IA would be improved by demonstrating how the impact of the proposal will be evaluated as part of a post implementation review (PIR) to determine its effectiveness.</p> <p><i>Impacts of tariff innovation.</i> The IA says that the requirement for all water companies to have their charges schemes approved by Ofwat serves as a barrier to developing innovative tariffs as companies cannot risk a charge scheme not being approved. While the IA outlines the possible impacts of this (page 19), the IA would be improved from providing examples of the realised benefits of tariff innovation seen in the other regulated industries referred to in the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’). Based on the evidence provided, this analysis appears reasonable and is consistent with the current One-in, One-out Methodology. However, as there is no monetised Equivalent Net Cost to Business (EANCB) set out in the IA, this cannot be used as a compensating OUT.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed additional enforcement provisions to support the EU Prior Informed Consent Regulation on the export and import of dangerous chemicals	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	07/06/2012	
RPC Opinion date and reference	19/07/2012	RPC12-HSE-1430
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the rationale for the proposed changes and the associated potential costs and benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly sets out the rationale for the proposed changes and provides reasonable estimates of the monetised costs and a qualitative assessment of the benefits. The analysis suggests that there is an overall small impact on business. This and the anticipated level of the additional impacts will need to be tested during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Social Housing Tenancy Fraud	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	05/07/2012	
RPC Opinion date and reference	20/07/2012	RPC12-CLG-1115(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from providing more context to the assumptions that are made in regards to the estimated reduction in tenancy fraud (paragraph 44 and 63). For example, the IA would be improved by a clearer summary of the views of consultees in regards to these assumptions and, if available, referring to evaluations of similar proposals in this area.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Evidence base.</i> The IA would benefit from providing more context to the assumptions that are made in regards to the estimated reduction in tenancy fraud (paragraph 44 and 63). For example, the IA would be improved by a clearer summary of the views of consultees in regards to these assumptions and, if available, referring to evaluations of similar proposals in this area.</p>		
<p><i>Impact of existing measures.</i> The IA says that social landlords have recently stepped up efforts to crack down on tenancy fraud (paragraph 4). The IA also lists a variety of initiatives tried by Government to reduce unlawful occupation (paragraph 11 and 12). The IA would benefit from explaining the impacts of these measures as this would help show why the proposal is expected to be more effective as well as providing greater context to the estimated additional impacts on tenancy fraud.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.193m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Alcohol Measures in the Police Reform and Social Responsibility Bill (EANCB Validation Only)	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	11/06/2012	
RPC Opinion date and reference	20/07/2012	RPC10-HO-0524(2)
Overall Assessment	AMBER	
<p>Based on the evidence provided the estimate of the additional costs on business of the alcohol measures introduced by the Police Reform and Social Responsibility (PRSR) Act 2011 appears reasonable. However, these estimates will have to be revised as soon as more reliable evidence is available from the actual implementation of the measures.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>We note that the original IA for the PRSR Act 2011 received a negative Opinion from us in 2010. The Department has now submitted a paper on the estimated costs to business of the alcohol measures introduced by the PRSR Act 2011 for validation of the Equivalent Annual Net Cost to Business (EANCB) to report in the next Statement of New Regulation, as decided by RRC. We note that the Department is not planning to publish this paper. This Opinion only focuses on the impact on business for One-in, One-out purposes.</p> <p><i>Costs and benefits.</i> The paper provides a reasonable assessment of the likely impacts on business of the alcohol measures introduced by the PRSR Act 2011, as commenced on 25 April 2012. While the assumptions used in the analysis, such as the likely percentage of refusals of new applications and variation applications, are questionable, we realise the uncertainties around them. Based on the evidence presented the estimate of the costs on business appears reasonable. However, these estimates will have to be revised as soon as more reliable evidence is available from the actual implementation of the measures.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The Department claims that the proposal is a regulatory measure (an 'IN') with an EANCB of £17.0m. Based on the evidence presented this appears reasonable estimate of the likely impact on business.</p>		

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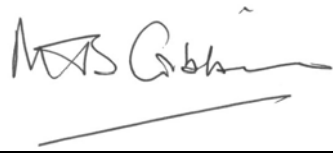
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Commencement Order for auxiliary aids requirement on schools and local authorities	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	21/06/2012	
RPC Opinion date and reference	20/07/2012	RPC12-DfE-1452
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA clearly sets out the rationale of the proposal and the potential costs and benefits to both state and independent schools. However the IA should include a discussion of the risks to independent schools.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA clearly sets out the rationale of the proposal and the potential costs and benefits to the public sector, as well as business. The IA explains that based on the available evidence it is expected that any impact on individual schools would be negligible. Based on the evidence provide this would appear a reasonable assessment. However, the IA should have included a discussion of the risks to schools should this not prove to be the case, particularly given the concerns raised by the Independent Schools Council during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17). However, the IA does not provide a specific estimate for the Equivalent Annual Net Cost to Business (EANCB), but rather says that the cost to business will be negligible and would therefore be recorded as a zero IN. Based on the evidence presented this would appear to be a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


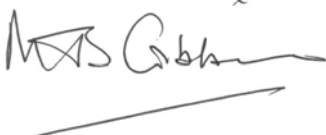
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Strict Liability in Health and Safety at Work Legislation	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	26/06/2012	
RPC Opinion date and reference	20/07/2012	RPC12-HSE-1453
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a clearer assessment of the expected costs and benefits of the preferred option and explain more clearly why this change in employer behaviour is not expected to have any detrimental impacts on employee welfare.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> The IA explains that it has not been possible to provide any monetised estimates of the costs and benefits of the proposal, as “<i>this is not feasible in the time available for the analysis</i>” (page 10). Whilst the IA does provide a sufficient qualitative discussion of the expected costs and benefits, this should be presented more clearly so that the marginal impacts of the preferred option can be understood more easily. In addition, the IA should clarify that, although the lawyers dealing with personal injury claims will face a loss of revenue, this should not be considered an additional resource cost.</p>		
<p><i>Risk to employees.</i> The IA explains that the proposal may have an impact on “<i>the behaviours which result in employers over complying with health and safety regulations</i>” (page 8). Whilst the IA considers the potential resource savings to employers, it does not discuss whether this reduction in over-compliance could result in an increased risk to the health and safety of employees. The IA should explain more clearly why this change in employer behaviour is not expected to have any detrimental impacts on employee welfare.</p>		
<p><i>Presentation of Options.</i> The IA provides an extensive explanation and discussion of the likely impacts of Option 1, whereas only a brief comparison with this option is provided for Option 2 (the preferred option). Given that this proposal is in the final stage of policy development, the IA would benefit from focusing primarily on the impacts of the preferred option relative to the counterfactual.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) although an Equivalent Annual Net Cost to Business (EANCB) has not been scored. This assessment is consistent with the current One-in, One-out</p>		


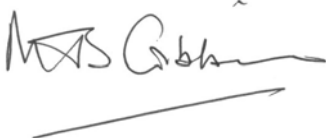
Methodology (paragraph 18).


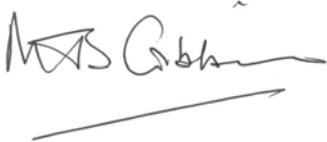
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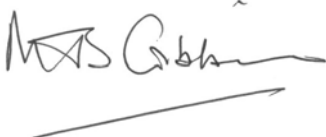
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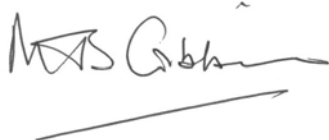
Michael Gibbons, Chairman




 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Updating the Electricity Act necessary wayleaves process for overhead lines	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/07/2012	
RPC Opinion date and reference	20/07/2012	RPC12-DECC-1446
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of setting fees for processing wayleave applications have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA sets out the expected costs and benefits of setting fees for processing wayleave applications. These numbers will need to be tested and strengthened during the consultation process.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>While the IA relates to a change in fees, which is out of scope of One-in, One-out (paragraph 16; x of the One-in, One-out methodology), the proposal will also result in a benefit to business from a reduction in the number of applications that industry must defend, which is in scope. The treatment in the IA is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


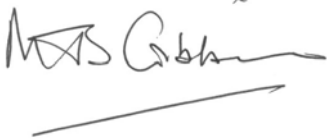
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Two Year Olds' Entitlement to Early Education: Options for Extended Eligibility in the First Phase of the Entitlement	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	15/06/2012	
RPC Opinion date and reference	20/07/2012	RPC12-DFE-1442
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. The IA could helpfully set out in more detail why the take up rate for option 3 would be expected to be greater than for option 2.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Assumed take-up rates.</i> The IA says <i>the estimated take-up rates are 10 percentage points higher for option 3 than for option 2 to reflect the increased clarity that a legal entitlement, with national eligibility criteria, is likely to bring</i> (page 11). To improve clarity, the IA could helpfully set out the basis of these separate assumptions more clearly and explain the reason for this differentiation between option 3 and option 2 in more detail.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that <i>“this measure is not within the scope of One-in, One-out (OIOO), because delivery of the free entitlement is voluntary”</i> (page 17), so there are no direct impacts on business. Based on the evidence presented, this assessment appears to be consistent with the current OIOO methodology.</p>		
Signed 	Michael Gibbons, Chairman	


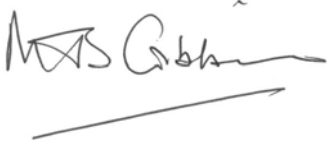
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Regulation for the legal deposit of UK off line publications	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/06/2012	
RPC Opinion date and reference	23/07/2012	RPC11-DCMS-0504(5)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for intervention is clearly outlined. In addition, the cost and benefits of introducing regulations governing the legal deposit of UK off line publications have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits of the proposal.</i> The rationale for the proposed measure is clearly set out. The costs and benefits associated with the proposal have been adequately assessed, informed by public consultation and supplemented by qualitative arguments and monetised benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Net Cost to Business (EANCB) of £0.01m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


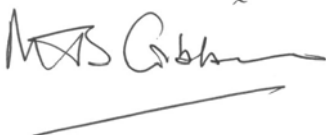
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Regulation for the legal deposit of UK on line publications	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/06/2012	
RPC Opinion date and reference	23/07/2012	RPC11-DCMS-1089(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for intervention is clearly outlined. In addition, the cost and benefits of introducing regulations governing the legal deposit of UK on line publications have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits of the proposal.</i> The rationale for the proposed measure is clearly set out. The costs and benefits associated with the proposal have been adequately assessed, informed by public consultation and supplemented by qualitative arguments and monetised benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says, “while there are aspects of the proposal that are a regulatory ‘IN’ (from compliance with the deposit of on line materials), there are a greater weight of regulatory ‘OUT’ (from facilitating easier compliance with existing deposit commitments)” - paragraph 95. Therefore, overall the proposal is considered to be a net deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Net Cost to Business (EANCB) of -£0.8m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


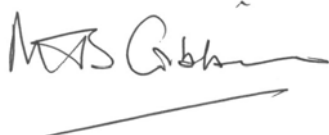
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Competent PRS Authority	
Lead Department/Agency	Department for Business, Innovation and Skills/ UK Space Agency	
Stage	Consultation	
Origin	European	
Date submitted to RPC	13/06/2012	
RPC Opinion date and reference	23/07/2012	RPC12-BIS-1436
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for intervention is outlined clearly. In addition, the costs and benefits of the proposal to set up a Competent Public Regulated Service (PRS) Authority in the UK have been adequately assessed. The IA could helpfully include an explanation as to why the measure is considered to be out of scope of 'One-in, One-out'.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits of the proposal.</i> The rationale for the proposed measure is clearly set out and the costs and benefits of the proposal have been adequately assessed to inform consultees effectively. The evidence base will have to be strengthened through consultation so that more robust analysis can be presented at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that this measure is out of scope of 'One-in, One-out' (OIOO), although no supporting explanation has been given for this. Whilst this appears to be a reasonable assessment, as the proposal does not appear to have any direct impacts on business, the IA could helpfully provide an explanation of the OIOO position.</p>		
Signed	 Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment to electric lines threshold in the Planning Act 2008	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	13/07/2012	
RPC Opinion date and reference	23/07/2012	RPC12-DECC-1388
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA sets out the issues surrounding the proposal with an explanation of the potential costs and benefits which should be further tested through consultation.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Transition Costs.</i> The IA sets out the issues surrounding the proposal with an explanation of the potential costs and benefits. We note that the IA says that are no transition costs expected. Both costs and benefits should be tested at Consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an OUT). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so it can be validated at final stage.</p>		
Signed  	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	UK implementation of European Directive 2010/63/EU on the protection of animals used for scientific purposes	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	European	
Date submitted to RPC	09/07/2012	
RPC Opinion date and reference	24/07/2012	RPC11-HO-0866(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA provides a reasonable assessment of the likely impacts of transposition of the EU Directive. We note that in some aspects of transposition the UK is retaining its current standards, which are above the minimum requirements of the new Directive. The IA however provides evidence that this will not result in additional costs to UK business, particularly in relation to Article 33 (page 9). Based on the evidence provided this appears reasonable. The proposal would benefit from early evaluation on this issue and transposition more generally.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>While the proposal is of European origin, there is evidence that implementation of the Directive goes beyond the minimum requirements by retaining the current UK higher standards for some Articles. However, the IA says that this does not create additional costs on business hence it is out of scope of One-in, One-out. Based on the information provided this appears reasonable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Mesothelioma Payment Scheme and Mandatory Membership of Employer Liability Tracing Office (ELTO)	
Lead Department/Agency	Department for Works and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	20/07/2012	
RPC Opinion date and reference	24/07/2012	RPC12-DWP-1420
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from using the consultation responses to show the distributional impacts of the proposal as well as any ensuing implications.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Distributional impacts.</i> The IA would be improved from better demonstrating the extent to which the consultation has been used to inform the impacts presented. For example, the IA says that the payment scheme will be funded by insurers, but that it is unlikely that they will pass the costs of the levy onto their customers through increased premiums (paragraph 82). However the IA then says, <i>employers in industries with no link to asbestos or who weren't in existence at the time of exposure would also be paying the levy to compensate people they did not expose to asbestos</i> (paragraph 84). The IA would therefore benefit from using the consultation responses to show the distributional impacts of the proposal as well as any ensuing implications.</p> <p>The IA also states that 50 of people who currently don't make a claim will be motivated by the creation of the scheme to make an attempt to trace an insurance policy. The IA could have included a discussion here as to the basis of that assumption, for example, making greater use of consultation responses from the insurance industry.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £38.4m. Based on the evidence provided in the IA, this appears consistent with the current One-in, One-out Methodology (paragraph 17) at this stage and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Exception for use of quotations or extracts of copyright works	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	10/07/2012	
RPC Opinion date and reference	26/07/2012	RPC11-BIS-1146(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a range of estimates for the number of academic and scholarly titles affected by the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits.</i> The IA assumes that 10 of the 24,000 estimated total number of new academic and scholarly titles will be affected by the proposal. This is expected to deliver savings to both the users of extracts and quotation and the right-owners. The IA says that ‘there appears to be no existing data on this, and no usable data was received during the consultation, so we have developed an estimate of this based on reasonable assumptions’ (page 4). This figure appears reasonable given the lack of available information. However, given the uncertainty, the department should undertake sensitivity analysis and present a range of possible estimates of this number.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a de-regulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of (-) £0.35m. Based on the information provided, this appears reasonable.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Exception for copying works for use by text and data analytics	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	11/07/2012	
RPC Opinion date and reference	26/07/2012	RPC12-BIS-1145(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. However the IA could benefit from more clearly explaining what products and services the policy change would support. In addition it could explain more clearly how text mining is expected to provide significant productivity increases for researchers.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Background.</i> The IA makes repeat references to text and data analytics. However it is not immediately clear to the reader exactly what products they are referring to. The IA could better explain what text and data analytics are used for and what kind of additional products and services the policy change would support. This would give a clearer picture of what the benefits of this policy will be.</p> <p><i>Productivity benefits.</i> While it has not been possible to monetise robustly the productivity benefits of text mining, the IA does provide a qualitative discussion supported by some indicative figures. These are based on a 2% improvement in productivity. While there is evidence to support a productivity benefit and the figures are only presented as illustrative, the department could better explain how they expect text mining to provide such significant benefits.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a de-regulatory measure that has a direct net benefit to business (an ‘OUT’) that will have a ‘zero net cost’ to business. Based on the information provided, this appears a reasonable assessment of the net direct impact on business.</p>		
Signed 	Michael Gibbons, Chairman	

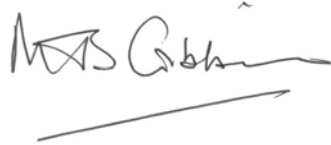
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reducing the number and costs of personal injury claims	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	26/06/2012	
RPC Opinion date and reference	27/07/2012	RPC12-MOJ-1454
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain the base case more clearly, including which of the other planned reforms are expected to be introduced and when, so that the marginal impacts of the proposal can be understood more easily. In addition, the IA should state explicitly which option is the Department’s preference to ensure that consultees are appropriately informed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Base case.</i> The IA provides details of a number of other planned reforms within this area that it appears are yet to be implemented (page 8). However, it is unclear whether or not the counterfactual presented in the IA takes account of these reforms and their resulting impacts. The IA should explain the base case more clearly, including which of these reforms are expected to be introduced and when, so that the marginal impacts of the proposal can be understood more easily.</p>		
<p><i>Options.</i> The IA presents 3 options as alternatives to the ‘do nothing’ option. Option 1 is to “introduce independent medical panels to assess whiplash injuries” and Option 2 is to “increase the small claims track limit of the county court for RTA personal injury claims from £1,000 to a maximum of £5,000”, whilst Option 3 is to “implement Options 1 and Option 2 together” (page 1). Whilst it appears from the analysis that Option 3 is preferred, this is not stated explicitly within the IA. The IA should state explicitly which option is the Department’s preference to ensure that consultees are appropriately informed.</p>		
<p><i>Behavioural impact.</i> The IA says that it is unable, at this stage, to quantify the impacts of this proposal as it would require information “on claimants’ and medical practitioners’ changes in behaviour as a result of this proposal” (page 12). The Department should aim to work with business to try to get a better understanding of the behavioural impact so that the analysis of the proposal can be strengthened at final stage.</p>		
<p><i>Economic costs.</i> The IA appropriately considers all possible impacts on each group affected by this proposal. However, the IA should explain more clearly which of these should be considered as true economic impacts. For example, it appears that impacts such as loss of income to legal service providers and reduced compensation to claimants with unmeritorious cases ought not to be accounted for as economic</p>		

costs within the overall cost-benefit analysis.


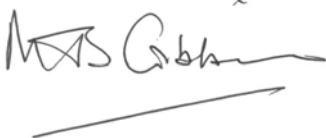
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


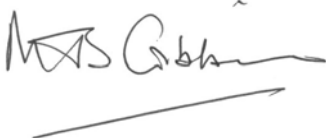
The IA says that the proposal is a regulatory measure that will be net beneficial to business (an 'IN' with a 'zero net cost'). This appears to be a reasonable assessment of the overall direction of impacts and is consistent with the One-in, One-out Methodology.


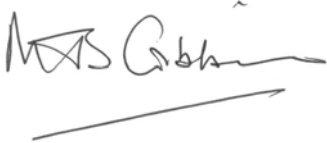
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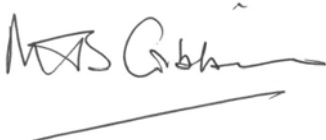
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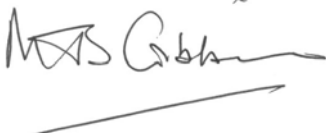
Michael Gibbons, Chairman



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reforms to the Land Drainage Act (LDA) 1991 for Internal Drainage Boards (IDBs)	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	20/07/2012	
RPC Opinion date and reference	27/07/2012	RPC12-DEFRA-1475
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impacts of the proposal have been adequately assessed and the assumptions clearly set out.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of the proposal.</i> The impacts of the proposal for the reform of the Land Drainage Act 1991 for Internal Drainage Boards have been adequately assessed. The IA clearly sets out the assumptions, which will help facilitate an effective consultation process and confirm the assumptions.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the regulation does not directly impact on business or civil society organisations, it is out of scope in accordance with the current One-in, One-out methodology (paragraph 16; i).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


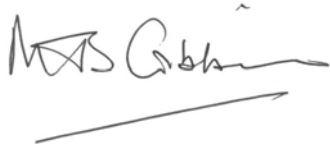
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Fees and framework for the inspection of children’s social care settings, residential special schools, boarding schools and residential further education colleges etc	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/07/2012	
RPC Opinion date and reference	27/07/2012	RPC12-DfE-1472
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal have been adequately assessed. The IA could benefit from explaining how far Ofsted is away from full cost recovery so that consultees can consider the appropriateness of the proposed fee increase.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Cost recovery.</i> The IA explains that fees will be increased by 10 in order to move towards a position of full cost recovery by Ofsted, “<i>whilst avoiding faster increases in fees which may be difficult for some providers to meet</i>” (page 6). The IA could benefit from explaining how far Ofsted is away from full cost recovery so that consultees can consider the appropriateness of the proposed fee increase.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Childcare (Fees) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	11/07/2012	
RPC Opinion date and reference	27/07/2012	RPC12-DfE-1474
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for intervention has been explained clearly, and the associated costs and benefits of the proposal have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The rationale for the proposal to “<i>extend the existing subsidy for registration fees to the Ofsted-managed early years register until 31st August 2015</i>” (page 1) has been explained clearly and the associated costs and benefits have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extend exception for copying for research and private study	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	06/07/2012	
RPC Opinion date and reference	30/07/2012	RPC11-BIS-1147(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the costs and benefits have not been monetised, the IA clearly explains the limitations and uncertainty around the available data to provide reasonable monetised estimates of costs and benefits. However, the IA should clearly separate the impacts of the two different parts (Options) of the policy.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The IA provides a reasonable assessment of the likely impacts of the two measures on different affected groups. Although the costs and benefits have not been monetised, the IA clearly explains the limitations and uncertainty around the available data, including that gathered during the consultation, to provide reliable monetised estimates of costs and benefits. However, prior to publication, the IA should be amended to provide a clearer summary of the overall impact, separating out the impacts of the two distinct parts (Options) of the policy (i.e. changing the scope of copyright law and introducing an exception).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that is likely to have a net benefit to business. As the Department have been unable to monetise the costs and benefits, no Equivalent Annual Net Cost to Business (EANCB) has been scored. Based on the evidence presented it appears reasonable to treat the measure as an OUT for One-in, One-out purposes.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment of the Order to ban the sale of certain non-native species in England and Wales under section 14ZA of the Wildlife and Countryside Act 1981	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	26/06/2012	
RPC Opinion date and reference	30/07/2012	RPC12-DEFRA-1289(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (23/03/2012) have been adequately addressed. In particular, the IA now explains more clearly how the costs and benefits of the proposal have been determined.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The issues raised in our previous opinion (23/03/2012) have been adequately addressed. In particular, the IA is now supplemented by improved qualitative arguments, explaining more clearly how the costs and benefits of the proposal have been determined. In addition, more detail is provided on mitigation action such as the wide availability of alternative plants for consumers.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is an IN with a net cost to business valued at £0.08 million in EANCB terms. This is consistent with the current One-in, One-out (OIOO) Methodology and appears a reasonable estimate given the available evidence.</p>		
Signed 	Michael Gibbons, Chairman	

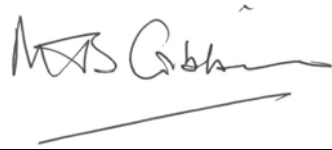
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	To amend the law relating to dealers in scrap metal	
Lead Department/Agency	Home Office	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	19/07/2012	
RPC Opinion date and reference	30/07/2012	RPC12-HO-1434(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous Opinions (06/07/2012 and 12/07/2012) have been largely addressed. There are, however, some residual concerns about the costs to business of the proposal and the extent by which it will reduce metal theft.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Compliance costs.</i> The IA now provides a more reasonable estimate of the costs of the proposed regulation relating to identity checking and recording, particularly given that the IA explains more clearly that compliance with Operation Tornado is voluntary, and that without legislation current “...<i>compliance rates will reduce.</i>” (Page 11).</p> <p><i>Enforcement.</i> The IA now acknowledges that it does not provide an estimate of costs to business from them demonstrating their compliance with the regulation under the proposed enforcement regime. Without such enforcement it is not obvious how effective the proposal could be in reducing metal theft, given as the IA says: “<i>The Bill will place an onus on the scrap metal dealers to verify the identity of individuals...supported by a criminal sanction for any dealer who fails to fulfil this requirement</i>” (Page 12). We believe the IA should better explain how enforcement will work in practice, and what the full cost of this will be, to achieve the aim of reducing metal theft.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a regulatory measure that has a net direct cost to business (an ‘IN’) with an Equivalent Annual Net Cost to Business of £6.5m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts given the evidence provided.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Free-Flow Road User Charging at the Dartford-Thurrock River Crossing	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	19/07/2012	
RPC Opinion date and reference	31/07/2012	RPC12-DfT-1393
Overall Assessment	GREEN	
<p><i>NB: This Opinion covers only the regulatory aspect of the proposal and not the element that refers to spending decisions, which are out of our remit.</i></p> <p>The regulatory aspect of the proposal has been adequately identified. We can therefore confirm that the IA is fit for purpose in this regard.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of the proposal.</i> The IA explains that the regulatory aspect of this proposal is the amendment to the existing charging order to cover the future enforcement of non-payment of road user charges under a 'free-flow' system. The impacts of this proposal have been adequately identified, including the cost to (compliant) businesses of dealing with any incorrectly issued Penalty Charge Notices.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed	 Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Holiday Scheme for Disabled Children Children's Homes	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	10/07/2012	
RPC Opinion date and reference	01/08/2012	RPC12-DfE-1471
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from presenting the net impacts more clearly to facilitate a comparison of the options.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation of impacts.</i> The IA appears to correctly identify both the distributional and resource impacts of the proposal but this does not appear to be reflected in the summary sheets of the IA. The IA would be improved by presenting these impacts more clearly to consultees readily compare the available options.</p> <p>For example, the removal of the registration and annual inspection fee is the estimate of the resource saving as this fee reflects the cost to Ofsted of carrying out these inspections. While this appears to be reflected in the IA (pages 7-8), it is not included in the summary sheets. These should be amended prior to publication. The IA would also benefit from explaining whether there is expected to be a resource saving, over and above the fee saving, to providers of holiday schemes from the proposed scaling back of registration requirements.</p> <p><i>Safeguarding.</i> The IA says that under the preferred option, it is expected that there will be no additional cost to children as there will be an appropriate level of safeguarding in place (page 11). However, the IA should explain what these measures are so that the impacts of the proposal can be better understood for both options.</p> <p><i>Consultation.</i> The IA provides reference to two currently registered scheme providers, but says that <i>there may be other schemes that may be operating without being registered</i>. As the proposal may have an impact on these providers, the consultation will have to be used to seek input from these other providers in order to provide a robust estimate of the impact and inform a better comparison between the options.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out</p>		

Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.

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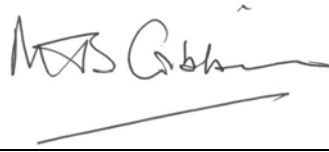
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on the Resolution of Non-Banking Financial Institutions	
Lead Department/Agency	HM Treasury	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	18/07/2012	
RPC Opinion date and reference	01/08/2012	RPC12-HMT-1482
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly the nature and scope of the expected impacts of the regulation both before and after any firm enters the proposed new regime.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA says that ‘the costs and benefits will mainly arise once a firm has entered into the regime and would also depend on the particular tool used by the Government to resolve a failing firm’ (paragraph 51). While this is important, the IA should explain more clearly the full range of potential costs and benefits. This would include any benefits from improved confidence in the financial system, and any additional moral hazard costs. Given the lack of monetisation the IA would also benefit from identifying (and including where appropriate) specific questions tailored towards gathering particular information (IA Toolkit, paragraph 37).</p> <p>The IA says that the direct impacts of the proposal are those incurred regardless of whether the powers being proposed are used, and that impacts from the use of these powers are indirect. However this would appear to be inconsistent with the IA Toolkit (paragraphs 87-88). The IA therefore should be amended to reflect more accurately the direct and indirect impacts of the proposal.</p> <p><i>Scope of proposal and behavioural impacts.</i> The IA should explain more clearly the type and extent of the institutions covered by the proposal, particularly in relation to coverage in terms of deposit and non-deposit institutions.</p> <p><i>Counterfactual.</i> The IA appraises the impacts of the proposal relative to a counterfactual of an <i>expected European-led process to introduce any necessary regimes and supporting stabilisation tools</i> . However, as no such measures have been announced, the IA should use a counterfactual of no change in the existing regulatory framework. Any future European-led changes would in turn be appraised against this counterfactual.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of One-in, One-out (OIOO) as it relates</p>		

to financial systemic risk. This is correct in accordance with the current OIOO Methodology (paragraph 16; xiv).

Signed

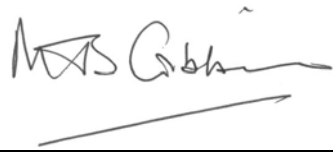
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Michael Gibbons, Chairman


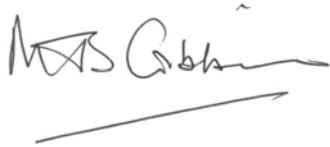
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Claims Management Rule Review- Phase Two Amendments to the Conduct of Authorised Persons Rules	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	19/07/2012	
RPC Opinion date and reference	03/08/2012	RPC12-MOJ-1483
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more discussion of the impact on Claims Management Companies. More efforts will have to be made at final stage to monetise the key impacts of this proposal to demonstrate clearly that the proposal is likely to be overall net beneficial.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact on Claims Management Companies.</i> Under Option 1 the proposal will require Claims Management Companies (CMCs) to refer to being regulated by the ‘Claims Management Regulator’ rather than the ‘Ministry of Justice’. The IA says that the current term ‘regulated by the Ministry of Justice’ may suggest that a CMC is legitimate and approved by Government. It is also suggested that some CMCs deliberately encourage this misunderstanding, presumably to attract new customers. The proposal may therefore impose costs on these businesses. Similarly, as the proposal (Option 2) will require that the contract must be agreed in writing between a CMC and a consumer, there must be some reason why CMCs currently choose not to do this. The IA should provide more discussion of the impact on CMCs of making them alter their behaviour, as this could potentially impose a cost on them.</p>		
<p><i>Monetisation of impacts.</i> The IA says that the costs and benefits of this proposal are not quantifiable at this stage and provides a qualitative discussion of the likely impacts on different affected groups. It will be important that the consultation period is utilised to develop monetised estimates of the impacts of this proposal to enable the department to demonstrate clearly that the proposal is likely to be overall net beneficial.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure with a net direct cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. As the costs and benefits have not been monetised at this stage, the department claims the proposal to be an ‘IN’ with ‘zero net cost’. The consultation will have to be used to strengthen the evidence base in this area and monetise where</p>		



possible so that the net cost to business can be validated.


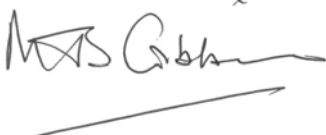
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Review of the Animal By-Products (Identification) Regulations 1995 and potential transfer of provisions to the Animal By-Products (Enforcement) Regulations 2011 in England and Wales	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	11/07/2012	
RPC Opinion date and reference	03/08/2012	RPC12-DEFRA1465
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The options, costs and benefits have been adequately assessed. The IA would be improved by providing further clarification of the One-in, One-out position and additional explanation of the calculation of some of the potential savings to industry under option 2.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options, costs and benefits.</i> The options, costs and benefits have been adequately assessed. The IA would, however, benefit from further explanation of how the current total annual costs to poultry slaughterhouses (Para 6.12 Bullet 1) have been calculated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA puts the preferred option as an ‘OUT’ on the basis (para 8.1) that it expects the savings to industry to exceed costs. Although this is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely overall direction of impacts, there would be benefit from greater clarification being provided on the direction of the ‘Ins’ and ‘Outs’. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment for The Port of Barrow, Port of Newhaven, Port of Falmouth, Port of Sullom Voe, Port of Lerwick, Port of Rosyth, Port of Immingham Grimsby, Port of Glasgow, Port of Hull Goole, Manchester Ship Canal, Port of Southampton, Port of Poole, Port of Cardiff and Port of Swansea Designation Orders 2012	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	16/07/2012	
RPC Opinion date and reference	03/08/2012	RPC12-DfT-1479
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the requirements of the Directive and provides reasonable estimates of the likely resource costs for the UK ports stated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Cost impacts.</i> The IA outlines the requirements of the Directive and provides estimates of the likely resource costs for the UK ports, which have been informed by initial discussions with the UK ports industry. The IA acknowledges that <i>as the Listed Ports may differ noticeably from those on which the estimates are based, these may be revised as necessary for the port concerned in light of the comments received from the consultation (Paragraph 5.4).</i> Since the assumptions that have been made are clearly set out in the IA, this is likely to help facilitate an effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Domestic fees regulations under new EU Regulation on placing on the market and use of biocidal products	
Lead Department/Agency	Health and Safety Executive	
Stage	Consultation	
Origin	European	
Date submitted to RPC	19/07/2012	
RPC Opinion date and reference	03/08/2012	RPC12-HSE-1428(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion have been addressed. In particular the IA now clearly sets out the correct counterfactual against which the proposal should be considered.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion (09/07/2012) have been adequately addressed. In particular the IA now clearly explains the current fees regulations that the options are assessed against.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The preferred option imposes a lower cost on business than any of the other Options considered for implementing the new EU regulations. There is therefore no evidence that it goes beyond minimum requirements, and so it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	

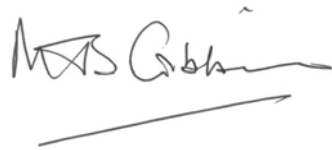
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Private Security Industry: Future Regulatory Regime	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	27/06/2012	
RPC Opinion date and reference	08/08/2012	RPC12-HO-1458
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide greater detail on the key assumptions which need to be strengthened as a result of the consultation. Also, the One-in, One-out (OIOO) position of the proposal, incorporating the fee payable to the regulator under the proposed business licensing regime, should be determined by the final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Assumptions used.</i> The IA says that currently companies who are part of the Approved Contractor Scheme (ACS) gain a 10% discount on their insurance premiums (paragraph 26). The IA assumes that all other licensed private security businesses will receive the same discount under the proposal, but does not provide sufficient analysis supporting this assumption. The IA also assumes that 5% of non ACS members would require public liability insurance (paragraph 36) without explanation as to why this figure is chosen. These assumptions should be tested at Consultation.</p>		
<p><i>Fee payable to the regulator.</i> The IA says it is currently unable to provide an estimate of the fee that business will have to pay to the regulator in the future (paragraphs 20 and 67). The IA should present estimates at the final stage as part of One-in, One-out (OIOO) validation.</p>		
<p><i>Presentation.</i> The Overview table of the Options (page 17) would benefit from providing a breakdown of the costs and benefits of each option to provide greater clarity for consultees. Also, the figures in the table on pages 10 and 12, covering the number of businesses within the sector, are used in the earlier calculation of costs and benefits. Therefore, the table would be better positioned at the head of the Options section (page 6).</p>		
<p><i>Consultation.</i> The IA should clarify some points in a number of paragraphs to improve the Consultation. Specifically, the IA should provide more detail on how micro-businesses are expected to demonstrate competence (paragraph 41) and it should seek to test the realism of the cost estimates supporting the administrative cost of applying for a business licence (paragraph 43). Also, the IA implies that 5% of micro-businesses could be linked to criminality (paragraph 58); however a better representation of this point could be the one used in paragraph 85, where it is more</p>		

carefully suggested that the assumption made is that 5 of the private security market is held by businesses with poor and criminal practices. Finally, paragraph 86 should explain more clearly how the withdrawal of regulatory controls could increase the risk of a deterioration in business practices, potentially leading to higher insurance claims.


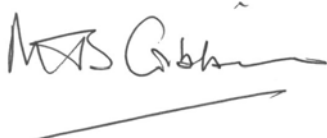
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


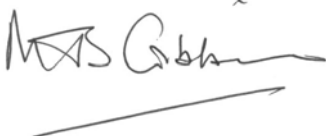
The IA says that the proposal is a regulatory measure that is an 'IN' for One-in, One-out (OIOO) purposes. This is consistent with the current One-in, One-out Methodology. The IA says the proposal is net beneficial to business and so records a 'zero IN'. Whether the proposal is in fact an 'IN' with a net benefit to business will need to be determined during consultation. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be strengthened further so that it can be validated at final stage.


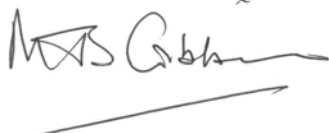
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Michael Gibbons, Chairman

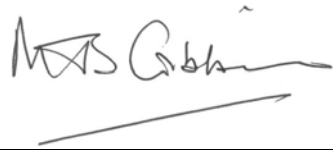
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The National Objectives, Requirements and Model Standards (NORMS)	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	29/06/2012	
RPC Opinion date and reference	09/08/2012	RPC12-DECC-1462
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA clearly explains the transition from a prescriptive approach to regulation, under the Technical Requirement Document (TRD), to an outcome focused approach under NORMS. However, the IA should include some additional information regarding the requirements of the Convention on the Physical Protection of Nuclear Material (CPPNM).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA clearly explains the transition from a prescriptive approach to regulation, under the Technical Requirement Document (TRD), to an outcome-focused approach under NORMS. The department has provided us with additional information regarding the CPPNM to clarify that these changes are needed to meet international requirements. This information should be reflected in the IA.</p> <p>The IA presents the benefits of the proposed policy in terms of a move to more outcome based regulation. The IA could benefit from expanding on the benefits of a less prescriptive approach to regulation. In particular the scale of these benefits will need to be considered when the NORMS document is reviewed in 12-36 months.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal relates to an international agreement or obligation, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' (paragraph 16, iii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Changes to the assessment and approval process for foster carers	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	12/07/2012	
RPC Opinion date and reference	09/08/2012	RPC12-DfE-1476
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA clearly explains the amendments that are being proposed and qualitatively sets out the expected impacts. However given the lack of monetisation, the IA would benefit from identifying specific questions tailored towards gathering particular information.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of the proposal.</i> The IA clearly explains the amendments that are being proposed to the assessment and approval process for foster carers and qualitatively sets out the expected impacts. However given the lack of monetisation, the IA would benefit from identifying (and including where appropriate) specific questions tailored towards gathering particular information (IA Toolkit, paragraph 37). This will help allow consultees to confirm the net impact of each of the six amendments that are being proposed, which will be required for One-in, One-out purposes at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Accounting Standards (Prescribed Bodies) Regulations 2012	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	27/07/2012	
RPC Opinion date and reference	13/08/2012	RPC12-BIS-1408
Overall Assessment	AMBER	
<p>The IA is fit for purpose. In the absence of wider consultation responses, the IA would benefit from making greater use of evidence available from similar legislation introduced in Ireland in 2009 and its evaluation (if available) to provide more context for the analysis.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Evidence base.</i> The IA says the proposal will provide companies that are relocating their headquarters to the UK with additional time to change their accounting system to UK GAAP or IAS, and as a consequence will result in savings to business. The IA explains that the estimates of the resource savings (Table 1) are based on information by only one company that is planning to relocate from the US to the UK (paragraph 42). In the absence of wider consultation responses, the IA would benefit from making greater use of evidence available from similar legislation introduced in Ireland in 2009 (page 7) and its evaluation (if available) to provide more context for the analysis. In addition, the IA would be improved by demonstrating how the impact of the proposal will be evaluated as part of a post implementation review (PIR) to determine its effectiveness.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of -£1.10m. This is consistent with the current One-in, One-out (OIOO) Methodology and provides a reasonable assessment of the likely impacts based on the one response to the consultation.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Maritime Passenger Rights Regulations 2012 (the proposed regulations)	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
Date submitted to RPC	17/07/2012	
RPC Opinion date and reference	13/08/2012	RPC12-DfT1478
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should undertake sensitivity analysis on the monetised staff time cost to the Maritime and Coastguard Agency (MCA) and provide any further details on how that cost is built up. This would help to facilitate an effective consultation.</p> <p>The IA would also be improved by cross-referencing to estimates of costs and benefits of the overall EU Regulation and greater clarity on how the consultation period will inform the impact of the enforcement measures covered by this IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs.</i> The IA says <i>based on discussions with the MCA, it is assumed that establishing and operating a national enforcement body would require one employee at the MCA” (Page 13).</i> It is acknowledged on page 2 that this estimate is sensitive to the assumptions made. However, no sensitivity analysis is undertaken and the IA does not set out how the staff time estimate is built up (e.g. from the estimated 2000 complaints per year). The IA would be improved by providing a sensitivity analysis on the staff time cost, including provision of any further details on how that cost is built up. The IA could also have provided an estimate of the cost of producing the required biennial report. These additions would help to facilitate an effective consultation.</p>		
<p><i>Benefits.</i> It is noted that benefits have not been monetised as there is no evidence of what impact the enforcement measures would have on compliance with the overall EU Regulation. The IA would be improved by cross-referencing to estimates of costs and benefits of the overall EU Regulation and greater clarity on how the consultation period will inform the impact of the enforcement measures covered by this IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Modernisation of the Street Trading Regime	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
IA Number	BIS 0374	
Date submitted to RPC	23/07/2012	
RPC Opinion date and reference	16/08/2012	RPC12-BIS-1485
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more discussion of the likely ongoing costs to business and familiarisation costs to enforcement bodies. The IA should also provide a clearer summary of the impacts of the three individual proposals included in the IA.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impact of different Proposals.</i> The policy will extend the street trading regime to include the supply of services in the streets (Proposal 1), provide tools to increase enforcement for unlicensed street trading (Proposal 2) and give power to limit the number of legitimate pedlars from trading at particular locations/times (Proposal 3). The intention is to replace the various different powers existing in different local authorities (LAs) with a new set of powers to <i>ensure that the public highway is not unnecessarily blocked and is available for all users fairly</i>” (page 1). While the IA provides a discussion of the main impacts of individual proposals, it is not clear what the combined effect of the implementation of these three proposals will be. The IA should explain this more clearly prior to publication and for the benefit of consultees.</p>		
<p><i>Impact on LAs.</i> The proposal will provide new powers and tools for LAs to address various problems in the current street trading regime. It is also expected that LAs will establish a licensing regime for the supply of services in the streets (Proposal 1). The IA should explain in more detail the impact of these changes on LAs and how much freedom they would have to determine how to utilise these new powers. It should also seek explicitly whether the proposed nationally-led approach to giving LAs new powers is the one they would prefer.</p>		
<p><i>Proposal 3.</i> The IA considers four different options for implementation of ‘Proposal 3’. The IA should provide a better comparison of the relative costs and benefits of each of these sub-options to maximise the value of consultation.</p>		
<p><i>Costs and Benefits.</i> The IA does not monetise the impacts of the proposals at this stage due to the lack of data about the number of pedlars and traders. The IA says that <i>‘until we consult further with local authorities, we remain unaware of the quantitative scale of the issue nationally, or in each local authority area’</i> (paragraph</p>		

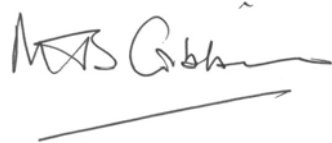
37). It appears that the department plans to ask a number of LAs to estimate the number of pedlars and street traders in their area. Nevertheless the IA should provide more discussion of the likely scale of the expected additional costs to legally licensed business. It should also set out more clearly any additional familiarisation costs to enforcement bodies.

Impact on consumers. The IA should provide more discussion of the likely impact the proposal will have on consumers of goods and services supplied by pedlars and street traders.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says that the proposal is a regulatory measure that will impose a net direct cost on business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The IA should provide a robust estimate of the Equivalent Annual Net Cost to Business at final stage.

Signed

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Michael Gibbons, Chairman

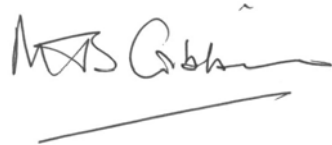
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Falsified Medicines Directive 2011/62/EU	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	European	
IA Number	4024	
Date submitted to RPC	04/07/2012	
RPC Opinion date and reference	16/08/2012	RPC12-DH-1467
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the estimates of costs and benefits will need to be more robust for validation at final stage. The IA would be improved by explaining to consultees how it utilises, and how it compares to, that produced by the European Commission for the Directive itself.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of proposal.</i> The IA estimates a wide range for costs in a number of areas. The IA should fully utilise the consultation to narrow this range where possible. The IA would be improved if it made clear to consultees how it utilises, and compares to, the IA produced by the European Commission for the Directive itself.</p>		
<p>The IA says that ‘<i>we do not know how effective the Directive will be at preventing the harm that is done by counterfeits</i>’ (paragraph 175). The IA acknowledges the likely ineffectiveness of some of these new measures in improving the UK system, which means the overall net impact of the proposal on UK is likely to be negative. For example, the IA says that it is clear that the annualised costs of the proposed changes in regulations affecting exports to non-EU countries ‘<i>is many times higher than</i>’ the estimate of the total UK annual harm caused by falsified medicines (paragraph 97). The IA should explain clearly why this and other issues have not been raised earlier, during the negotiation phase of the Directive. In addition, as the proposal is likely to create a net cost for the UK, at final stage the IA should provide more evidence to justify that the proposed route of implementation of the EU Directive is the least costly.</p>		
<p><i>Benefits of proposal.</i> The IA makes a number of assumptions to arrive at an estimate of avoided harm to consumers from the proposal based largely on estimates of National Institute of Health and Clinical Excellence (NICE)’s “<i>..threshold of £25,000 per QALY..</i>” (para 18) and a “<i>..society ..willing to pay to prevent ..the loss of one QALY (is) £60,000.</i>” (para 20). The IA should explain how this compares to the estimates of benefits from the Directive the Commission has produced.</p>		
<p><i>Wholesale dealing.</i> We note that the impacts of the measures affecting wholesale dealing have not been analysed fully ‘<i>because the safety features options are still being discussed within the Commission</i>’. However, the IA says that a separate IA will be conducted to assess the full impacts of that aspect of the Directive. At final stage</p>		

this IA should provide a full analysis of Wholesale Dealing or should omit reference to the measure altogether. If the latter approach is taken, the Department should submit a separate IA on the Wholesale Dealing elements of the Directive.


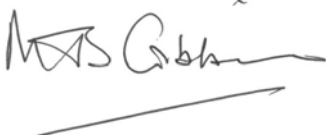
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of One-in, One-out (OIOO) in accordance with the current OIOO Methodology.

Signed

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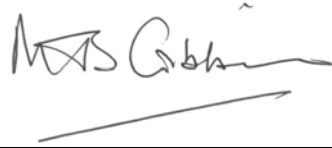
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reforming UK Narrative Reporting	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA Number	None Given	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	17/08/2012	RPC11-BIS-0955(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion have been addressed. In particular the IA now makes it clear that the policy will have no impact on the 60,000 non-quoted companies. In addition it is now clear that costs to the Financial Reporting Council (FRC) have been included in the overall NPV figure.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion have been addressed. In particular the IA now makes it clear that the policy will have no impact on the 60,000 non-quoted companies. In addition it is now clear that costs to the FRC have been included in the overall NPV figure.</p> <p>While the IA still contains only a limited assessment of option 2 (Reintroduction of the 2005 mandatory reporting and audit regime) sufficient discussion is now included of the greater costs. The IA also better explains why it is not expected to generate sufficient benefits to justify taking the option forward.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.37m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


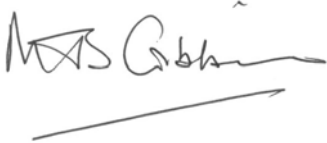
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Payment Surcharges	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
IA Number	None Given	
Date submitted to RPC	03/08/2012	
RPC Opinion date and reference	17/08/2012	RPC12-BIS-1461(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However the IA should set out a more detailed explanation of how the market currently operates and the costs to business of the proposed change. The IA should also present more clearly the expected benefits to consumers of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impacts of proposal.</i> The IA says that firms are not expected to change their overall prices as a result of this policy; instead they will reflect current payment surcharges either in headline prices or as part of other charges (page 9). However it would appear that current practices are undertaken to attract additional consumers or greater revenue which could not be achieved via alternative methods. The IA would be greatly improved by including a more detailed explanation of how the market currently operates and how prices are set so that the expected impact on business can be better understood. The consultation should be used to test the assumption that <i>prices are expected to remain broadly unchanged</i> (page 9).</p> <p>If consumers are being misled into over-consuming air travel by the current pricing structure, then it is possible that firms may find it difficult to sustain the same level of demand or the same average revenue per transaction if excessive payment surcharges are no longer allowed. The IA should explicitly discuss this possibility and the expected impact on firms' revenues. Also, the consultation should be used to improve understanding of how consumer behaviour will actually change.</p> <p><i>Benefits.</i> The IA provides a range of £316m to £630m as a <i>quantitative proxy</i> for the annual benefits from banning surcharges, based on the total value of credit and debit card surcharges (page 3). This figure is a proxy of the current level of consumer detriment if the whole of the excessive surcharge is considered the consequence of exploitative behaviour on the part of businesses. If this is not the case, as suggested by the IA in the statement that "<i>prices are expected to remain broadly unchanged</i>", then the IA should make it clear that the benefit from greater price transparency would be considerably lower than this figure.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


While the preferred option is of European origin, there is evidence that implementation of the Directive goes beyond the minimum requirements because of the proposed early implementation. The consultation will have to be used to estimate the additional cost to business in accordance with the current One-in, One-out Methodology.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Early Years Foundation Stage (Exemptions from Learning and Development Requirements) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Consultation	
Origin	Domestic	
Date submitted to RPC	18/07/2012	
RPC Opinion date and reference	17/08/2012	RPC12-DfE-1481
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for the proposal has been explained clearly, and the costs and benefits have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains clearly the rationale for streamlining the exemptions from Learning and Development Requirements of the Early Years Foundation Stage (EYFS), and the likely costs and benefits of this proposal have been adequately assessed.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is deregulatory measure that has a direct net benefit to business (an OUT) with an Equivalent Annual Net Cost to Business (EANCB) of -£0.007m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

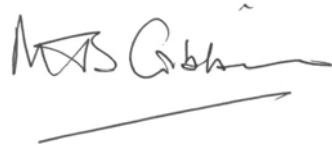
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reforming the Appeals Regime for the Electronic Communications Sector	
Lead Department/Agency	Department for Culture Media and Sport	
Stage	Final	
Origin	Domestic	
IA Number	DCMS 020	
Date submitted to RPC	17/072012	
RPC Opinion date and reference	21/08/2012	RPC12-DCMS-0965(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should provide a more detailed description of the comparative risks of a wrong decision not being overturned under the proposed regime and the impact on costs and benefits of a potential increase in appeals under the Competition Act 1998. The IA would also be improved by providing further clarification of the basis for the consumer benefit estimates and more details of how the costs and benefits in table 5 have been calculated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Risks.</i> The IA says <i>there have been no appeals launched in the past seven years that would be ‘disallowed under the proposed regime (table on page 17) and that only a minority of decisions have been fully or partially overturned (paragraph 48).</i> The IA should provide a more detailed demonstration of the comparative risk of a wrong decision not being over-turned under the proposed regime given its potential importance and the views held by consultees (as reported at paragraph 47).</p>		
<p>The IA acknowledges (paragraph 81) that the proposal could lead to an increase in appeals being made under the Competition Act 1998 (as opposed to the Communications Act 2003 affected here). The IA would be improved by providing further discussion of the potential impact on costs and benefits should this happen.</p>		
<p><i>Consumer Benefits.</i> The IA should provide clarification of the basis of the consumer benefit estimates. First, why 24 decisions per year is appropriate as the starting point for the assessment (paragraph 68) rather than the average annual number of appeals (around 6) used elsewhere in the IA. Second, greater explanation of the cost of delay figures in Table 4 and how the assumed £0.5m cost per decision delayed by a year (paragraph 70) is consistent with those figures.</p>		
<p><i>Presentation.</i> The IA should include further details of how the costs and benefits in Table 5 have been calculated, as provided in the separately available supporting spreadsheet. This should include clarification of how the 6.18 assumption in the spreadsheet for the number of Ofcom appeals relates to the figures in Table 3.</p>		

Costs. The IA presents only best estimates for costs and benefits. Low and High estimates should have been provided (as they had been in the consultation stage IA), or at least sensitivity analysis undertaken around the best estimates, particularly given that the best estimate of the cost of appeals to industry is taken to be the mid-point of a wide range.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

The IA says that the proposal is a deregulatory measure because it is removing so-called gold plating from an existing regulation and that this has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-£0.60m). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.

Signed

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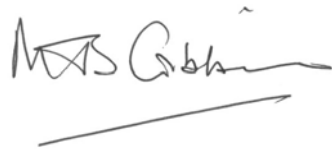
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Abolition of the Agricultural Wages Board	
Lead Department/Agency	Department for the Environment Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
IA Number	Defra 1462	
Date submitted to RPC	14/08/2012	
RPC Opinion date and reference	22/08/2012	RPC-DEFRA-1422
Overall Assessment	AMBER	
<p>The IA is fit for purpose. We understand that Ministers have agreed that the removal of the Agricultural Minimum Wage (AMW), which is administered by the Agricultural Wages Board (AWB) should be treated as outside of the scope of One-in, One-out (OIOO). Based on the evidence presented, the RPC believes that this is inconsistent with the current OIOO methodology and with how previous proposals, with similar types of impacts on business, have been treated for OIOO purposes.</p> <p>We are aware though that Ministers have previously decided that the National Minimum Wage (NMW) is considered out of scope for the same reasons. While we made explicitly clear at the time that we did not agree with that view, we accepted it is ultimately for Ministers to determine what is in and out of scope of OIOO and we acknowledge that this decision is consistent with that taken for the NMW.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impacts of removing the Agricultural Minimum Wage.</i> The costs and benefits of removing the Agricultural Minimum Wage (AMW) have been adequately assessed. The IA says that if the wage premium attributed to the AWB is eroded over the appraisal period as a result of the proposal, then wages may fall by up to £140.5m. The IA could benefit from providing more clarity around the methodology and conclusions of the external research commissioned by the department, for example how the wage premium of 13-15p per hour has been estimated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>We have been advised that Ministers consider that the removal of the Agricultural Minimum Wage (AMW), which is administered by the Agricultural Wages Board, as being out of scope of OIOO. This is because a change in the AMW is considered equivalent to a "fee or charge". The IA therefore states that this proposal is out of scope of OIOO.</p>		
<p>Our position is that we do not believe that this regulatory change resulting in reduced labour costs for businesses should be considered a "fee or a charge" for the</p>		


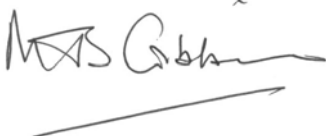
purposes of OIOO. Moreover we note that there have been previous regulatory changes that have resulted in similar types of transfers between employers and employees, which have not been considered a "fee or a charge" and have accordingly been treated as being in scope of OIOO.


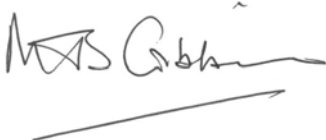
It is however relevant here to note that Ministers decided that the recent National Minimum Wage (NMW) proposals were considered out of scope also because they were considered equivalent to a "fee or charge". While we made explicitly clear at the time that we did not agree with that view, we accepted it is ultimately for Ministers to determine what is in and out of scope of OIOO. Similarly here we do not agree that the removal of the AMW should be out of scope of OIOO in accordance with the OIOO methodology, but we acknowledge that the Ministers' decision is consistent with that taken for the NMW, and ultimately Ministers can determine the scope of OIOO.


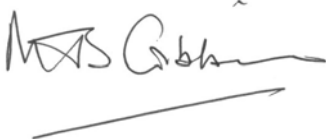
Signed


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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Cost recovery for consents issued under petroleum or offshore methane gas and carbon dioxide storage licences and Pipeline Works Authorisations	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
IA Number	0095	
Date submitted to RPC	24/07/2012	
RPC Opinion date and reference	23/08/2012	RPC12-DECC-1490
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could benefit from a discussion on why the areas covered have been chosen to be charged for fees.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA says that the Department already charges a fee for processing offshore (oil and gas) environmental permits and consents. The IA could benefit from a discussion on why the areas covered in the IA have been chosen by the Department to be charged for fees.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'), as there is a small cost to business of administering the charging regime, which would be in scope of OIOO. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further strengthened so that it can be validated at final stage.</p>		
Signed	Michael Gibbons, Chairman 	

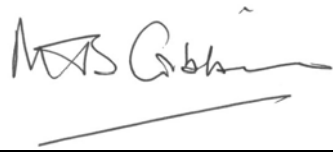
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Right to Appeal and Compulsory Mediation	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	03/08/2012	
RPC Opinion date and reference	23/08/2012	RPC12-DfE-1450(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (02/07/2012) have been addressed. In particular, the estimated benefits of mandatory mediation now appear to be based on the best available evidence.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (02/07/2012) have been addressed. In particular, the estimated benefits of mandatory mediation now appear to be based on the best available evidence. In addition, the marginal impacts of both compulsory mediation and widening the right to appeal are now presented more clearly. The IA could benefit from a consideration of whether parents and individuals may feel more encouraged to appeal once they become aware that they will receive a professional mediation service as a result.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is out of scope of 'One-in, One-out' (OIOO) because <i>"the regulation does not impact on business or civil society"</i> (page 19). This appears to be a reasonable assessment and is consistent with the current OIOO Methodology.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Copyright exception for archiving and preservation	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA Number	BIS 0306	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	23/08/2012	RPC11-BIS-1142(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (26/07/2012) have been addressed. While the IA accepts the limitations to the evidence behind the key assumptions, such as the percentage of illegal archiving currently being undertaken, it appears the Department has used all available evidence.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (26/07/2012) have been addressed. In particular the IA now more clearly explains the counterfactual that has been used to estimate the benefits. While the IA accepts the limitations to the evidence behind the key assumptions, such as the percentage of illegal archiving currently being undertaken, it appears the Department has used all available evidence to produce a best estimate of the impacts.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is de-regulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-) £24.4m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the net direct impact on business.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consideration of the options in response to the L fstedt, review to remove the requirement for HSE to approve the training and qualifications of appointed first-aid personnel from the Health and Safety (First Aid) Regulations 1981	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	17/08/2012	
RPC Opinion date and reference	23/08/2012	RPC12-HSE-1489
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The department has provided further information to us that more clearly sets out the sources for the estimated efficiency savings, which should be included in the IA as this provides the necessary support for the estimated Net Present Value (NPV) of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on public sector bodies.</i> The IA says that the removal of HSE approval will mean that the training providers will have the flexibility to create courses that are tailored to the additional needs of the public bodies, combining the additional specialised first aid requirements into the standard course, thereby removing any duplication (pages 31-32). The department has provided further information to us that more clearly sets out the sources for the estimated efficiency savings, which should be included in the IA as this provides the necessary support for the estimated Net Present Value (NPV) of the proposal.</p> <p><i>Impacts of amending the approval of training providers.</i> The IA explains that the Regulations are being amended to remove the requirement for HSE to approve first aid training providers. As there is no longer a regulatory requirement on training providers to seek approval elsewhere, the IA would benefit from a greater discussion of the likely behavioural response of the market (for example, paragraph 36). This would help establish more clearly whether the potential costs of increased health and safety risk to duty holders are likely to materialise or whether it is likely that more providers than anticipated will seek approval elsewhere.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an ‘OUT’) with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.008m. This is consistent with the current One-in, One-out Methodology</p>		

(paragraph 18) and provides a reasonable assessment of the likely impacts.

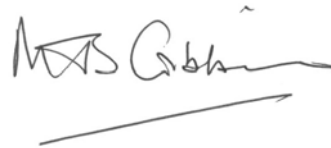
Signed

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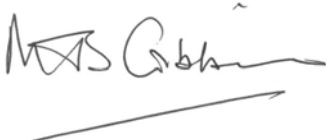
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Estate Agents market regulatory reform	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA Number	BIS 0375	
Date submitted to RPC	17/08/2012	
RPC Opinion date and reference	24/08/2012	RPC12-BIS-1486
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from clarifying how the proposal will result in the overall regulatory regime for estate agents becoming <i>more proportionate</i>. The department should also explain more clearly the extent to which the consultation has been used to inform these estimates.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits to business.</i> The IA says the proposed repeal of the Property Misdescriptions Act (PMA) 1991 will create additional benefits to business. However at the same time the IA estimates that estate agents will incur similar costs to comply with the Consumer Protection from Unfair Trading Regulations (CPRs) 2008, which are considered to be '<i>more proportionate</i>' (page 2). As the proposal is considered to be <i>cost neutral</i> (page 13), the IA would benefit from clarifying how the proposal will result in the overall regulatory regime for estate agents becoming more proportionate.</p> <p>Furthermore, the IA appears to use the estimated costs and benefits that were presented at the consultation stage. The IA would benefit from showing more clearly the extent to which the consultation has been used to inform these estimates.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure but has a 'zero net cost' to business as the benefit is exactly offset by additional costs. Under the OIOO Methodology an 'OUT' has to be a deregulatory measure that provides additional benefits to business that exceed any additional costs (paragraph 18). In these terms the proposal is not an 'OUT' as it is not net beneficial. The Better Regulation Executive (BRE) have informed us that this proposal should be treated as 'zero net cost' on the basis that it is repealing an existing regulation, where the additional costs and benefits are equal. This is a term that is not recognised in the OIOO Methodology, though it is used in the Statement of New Regulation (SoNR).</p>		

Signed

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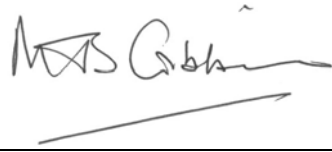
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Energy Company Obligation brokerage platform	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
IA Number	0096	
Date submitted to RPC	27/07/2012	
RPC Opinion date and reference	24/08/2012	RPC12-DECC-1494
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should consider the options to introduce a brokerage platform against a counterfactual of no brokerage platform to demonstrate to consultees the additional costs and benefits of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Options.</i> The IA sets out the issues surrounding the proposal and discusses the options of whether the use of the brokerage platform should be voluntary or mandatory. The IA identifies additional potential costs of the mandatory option, over and above the voluntary route, which will have to be further tested through consultation. However, the IA should also assess both options against a counterfactual of no brokerage platform to demonstrate to consultees the additional costs and benefits of the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that if the mandatory option is adopted there will be a direct net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. If this option is preferred, the evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


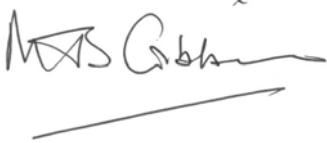
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Speed Limit Exemptions for Emergency Services: Regulations to Implement Section 19 of Road Safety Act 2006	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
IA Number	00165	
Date submitted to RPC	03/08/2012	
RPC Opinion date and reference	24/08/2012	RPC12-DfT-1457
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a clearer picture of the impact on business, particularly in relation to the costs of refresher training and re-testing. The consultation period should be used to provide a robust estimate of costs to business and the likely impact on road safety from the proposed training requirements at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Impacts on Business.</i> The IA says that it will use the Consultation to obtain estimates of the costs and benefits to business as it is unclear at present the extent to which the private sector will be affected by the proposals. It appears that businesses will be directly affected only if they decide to apply for the speed limit exemption. The IA should explain more clearly the additional regulatory impacts on business and provide robust estimates of the costs and benefits at final stage.</p>		
<p><i>Benefits.</i> The IA presents limited evidence linking the impact of training and re-training in reducing road accidents involving emergency service vehicles. The consultation should seek further evidence on this to inform the likely impact on road safety from the proposed training requirements, including those for new vehicles being granted exemption.</p>		
<p><i>Options/Presentation.</i> The IA provides discussion via a) and b) sub-options on whether a quinquennial re-testing of high speed drivers should be required. The IA should use the Consultation to clarify the assumptions surrounding drivers undertaking re-testing and refresher training and the cost to business. As re-testing and refresher training seems highly likely to be a requirement in options 2 and 3, this should be made clearer in the presentation of costs in the IA to assist consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that is likely to have a direct net cost to business (an 'IN'). However, at final stage the IA should provide a more robust assessment of the direct cost to business. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) should be further</p>		




strengthened so that it can be validated at final stage.


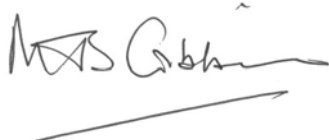
Signed


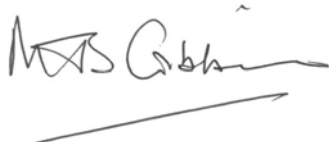
A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the 'i' in "Gibbons".


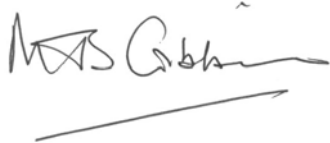
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Extending Copyright Exceptions for Educational Use	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	30/07/2012	
RPC Opinion date and reference	28/07/2012	RPC11-BIS-1155(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits have been adequately assessed. The IA however would benefit from setting out more clearly the cumulative impact of the proposed measures on different affected groups.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Presentation.</i> The IA would benefit from setting out more clearly the cumulative impact of the proposed measures on different affected groups.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure that will have a net direct benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business of (-)£0.31m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Deregulation of the consent regime for flying flags	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
IA Number	Not stated	
Date submitted to RPC	23/08/2012	
RPC Opinion date and reference	28/08/2012	RPC11-CLG-1087(3)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous Opinion (31/07/2012) have now been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous Opinion have now been addressed. In particular, the IA better explains why it is considered that there will be no significant costs to individuals and local authorities.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Net Cost to Business (EANCB) of -£0.02m. This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
Signed  	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposed Merchant Shipping and Fishing Vessels (Health and Safety at Work) (Asbestos) (Amendment) Regulations	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
IA Number	DfT00171	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	28/08/2012	RPC12-DfT-1503
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA sets out the impacts of the amendments that are being made to the 2010 Regulations. The consultation will have to be used to gather further evidence to demonstrate that there are likely to be no additional costs and benefits from the proposed Amendment Regulations.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA explains that the amendments being made to the 2010 Regulations are largely to correct the deficiencies in the implementation of the Directive. The IA says that a key assumption is that <i>no employers would be affected by the proposed Amendment Regulations</i> as no working ships contain asbestos given <i>the near 30 year ban on the use of asbestos on UK ships that has been in place for nearly 30 years</i>" (page 6). Given the importance of this assumption, the consultation will have to be used to gather further evidence to demonstrate that that there are likely to be no additional impacts from the proposed Amendment Regulations.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The proposal is of European origin. However, the preferred option would mean retaining the existing 'gold-plating' of the Directive (paragraph 8.2). The IA says that this option is out of scope of One-in, One-out (OIOO) because it does not result in increased costs to business and civil society organisations. This is in accordance with the current OIOO Methodology (paragraph 22), although the consultation will have to be used to confirm that this is the case.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Experimental use and Bolar exception	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
IA Number	BIS 0379	
Date submitted to RPC	24/08/2012	
RPC Opinion date and reference	28/08/2012	RPC12-BIS-1506
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA could be improved by setting out why the same rationale used to argue that costs would be negligible would not also limit some of the benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of the proposal and costs/benefits.</i> The IA presents a range of options and information that has been derived from informal consultation. In assessing costs to patent holders, the IA suggests that since clinical trials do not appear to be being delayed by waiting for patent expiry, then <i>the real cost caused by changing the law to allow clinical trials to be exempt from infringement would have negligible effect</i>" (page 10). However, this would also appear to limit the benefit of the proposal in this area. The IA could be improved by setting out in full why the same rationale used to show impact on costs being negligible would not also reduce benefits in this area.</p> <p>The IA presents indicative benefit figures derived from informal consultation. We would expect costs and benefits to be monetised at Final Stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Parental Leave Directive	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
Date submitted to RPC	07/08/2012	
RPC Opinion date and reference	28/08/2012	RPC12-BIS-1512
Overall Assessment	AMBER	
<p>The IA is fit for purpose. As there is no mandatory requirement for the employer to grant these requests, the IA would benefit from providing more information to show the likely response of employers. This would help provide more content to show how the expected non-quantified benefits are likely to be realised.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of extending the right to request flexible working.</i> The IA estimates that as a result of the proposal there will be between 30 and 35 additional requests for flexible working (paragraph 43). However, as there is no mandatory requirement for the employer to grant these requests, the IA would benefit from providing more information to show the likely response of employers. This would help provide more content to show how the expected non-quantified benefits are likely to be realised.</p> <p>Furthermore, the IA says that “for a description of the typical costs faced by an employer when an employee requests a change, see the consultation stage <i>Flexible Working IA</i>” available at BIS website (paragraph 43). However as IAs should be read as stand-alone documents, the IA should set out the assessment of all additional costs of the proposal. The IA would also benefit from showing the extent to which the consultation has been used to inform the estimated impacts. In the absence of monetised benefits, this would show more clearly whether it is expected that the implementation of this Directive will be net beneficial to the UK.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Alcohol Multi-buy promotions	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	27/07/2012	
RPC Opinion date and reference	31/08/2012	RPC12-HO-1495
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from a greater discussion of the impacts of the proposal, both on business and consumers. More evidence will need to be gathered during the consultation to provide a more robust assessment of the impacts of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Risks.</i> The proposal calls for a ban on multi-buy promotions in order to remove the incentives for consumers to buy and consume more alcohol than they otherwise would. However it appears that there is a risk of circumventing the regulations in a number of ways (for example by no-longer offering certain products as single units or by offering larger volume containers rather than multiple smaller containers). The IA should discuss this and any other risks that may undermine the effectiveness of the proposal and explain clearly how these risks will be mitigated.</p>		
<p>The IA refers to a similar proposal introduced in Scotland and says that “<i>preliminary analysis of the impact of this ban shows mixed results</i>”. However, it is not apparent to what extent the evidence from this analysis has been used to inform the costs and benefits that have been estimated and whether these mixed results reflect these apparent risks. The IA says that in Scotland there was only a small decline in the volume of pure alcohol sold off-trade (page 7). The IA would benefit from explaining why the measure had mixed results and how this has been reflected in this IA.</p>		
<p><i>Impact on consumption.</i> The IA says “<i>it is not unreasonable to expect that when people buy more alcohol because it is on a multi-buy promotion, they will tend to consume more. This is confirmed by research on food...</i>” (pages 5-6). However it is not clear that the comparison is relevant as alcohol is a non-perishable good and hence there is no incentive to consume it in order to prevent waste.</p>		
<p>Furthermore the IA says that “<i>reducing consumers’ alcohol consumption may not have a significant effect on their utility derived from alcohol consumption if they were originally buying more than they actually wanted to purchase</i>”. The IA should better explain why it is felt that consumers are acting irrationally by consuming alcohol that they do not want. This will have to be tested during consultation. The IA should also make more of an attempt to estimate the cost to consumers, from higher prices for multi-buy purchases and reduced consumption, as a result of this policy.</p>		

Competition impact. The IA says that “it is important to note that the effect of a ban on multi-buy promotions would be universal in the off-trade. Therefore no retailer will suffer loss of competitiveness in comparison to their rivals as a result of this policy”. This fails to take into account that there may be asymmetries between retailers which mean that some gain more from multi-buy promotions than others. The IA should discuss the competition impacts in more detail and will need to use the consultation to gather more evidence on which types of retailers use these promotions.

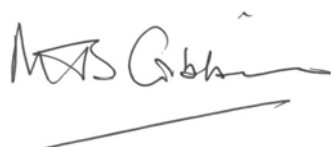
Alternative options. The IA notes that a Mandatory Code for Alcohol applies to the on-trade and is effective. The IA should explain why a similar code cannot apply to the off-trade.

Other alcohol measures. The IA says that the impacts from other policies arising from the Government’s Alcohol Strategy are assessed separately. At final stage the Department will have to ensure that any interactions between the policies are assessed and that the costs and benefits reflect the true marginal impacts of the policy so that there is no element of double counting. In particular it is not clear whether the ban on multi-buy promotions will carry as much weight in the presence of a minimum unit price for alcohol.


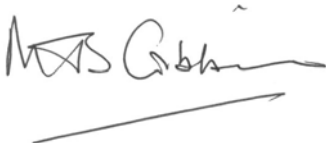
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


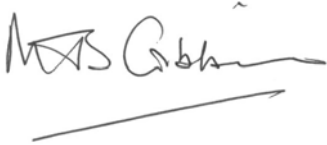
The IA says that the proposal is a regulatory measure that will impose a net cost to business (an ‘IN’). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.


Signed



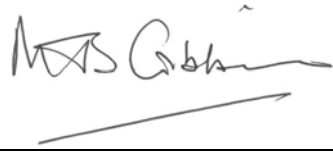
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Late Night Refreshment - Reducing the burdens of the Licensing Act 2003	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	31/08/2012	RPC12-HO-1497
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposed simplification of the licensing process for Late Night Refreshments have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and Benefits.</i> The costs and benefits of the proposed simplification of the licensing process for Late Night Refreshments have been adequately assessed. The monetised estimates of impacts will have to be strengthened during the consultation so that the impact on business can be validated at final stage.</p> <p><i>Other alcohol measures.</i> The IA says that the impacts from other policies arising from the Government's Alcohol Strategy are assessed separately. At final stage the Department will have to ensure that any interactions between the policies are assessed and that the costs and benefits reflect the true marginal impacts of the policy so that there is no element of double counting.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure with a direct net benefit to business ('an OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business will have to be strengthened so that it can be validated at final stage.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Simplifying the duties of personal licence holders under the Licensing Act 2003 to renew their licences	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	31/08/2012	RPC12-HO-1499
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of removing the requirement to renew personal licences have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Number of renewals.</i> The estimates of benefits are largely dependant on the estimated number of individuals who will renew their licences. The assumptions used to estimate this number will have to be tested and strengthened during the consultation.</p> <p><i>Other alcohol measures.</i> The IA says that the impacts from other policies arising from the Government's Alcohol Strategy are assessed separately. At final stage the Department should ensure that any interactions between the policies are assessed and that the costs and benefits reflect the true marginal impacts of the policy.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure with a direct net benefit to business ('an OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business will have to be strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removing the duty to advertise licensing applications in a newspaper or circular	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	31/08/2012	RPC12-HO-1501
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain more clearly why the lost revenue for newspapers and circulars is considered as a cost of this proposal. The IA should also clarify why the impact on newspapers and circulars is considered as indirect for One-in, One-out purposes.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on newspapers and circulars.</i> The IA says the proposal will result in a reduction in income to newspapers and circulars estimated at between £6.2m-£7.9m per annum. This is treated as a transfer from local newspapers to licence applicants. However, it is more in the nature of a resource saving as there is no longer a requirement to make a payment for advertising services received, or to absorb resources in supplying these services. There would be an impact on the newspaper and print industry only to the extent that it is not able to make alternative use of advertising space and other capacity. The IA should recognise this and would benefit from a more detailed discussion of the impact of the proposal on the local newspaper industry.</p> <p><i>Other alcohol measures.</i> The IA says that the impacts from other policies arising from the Government's Alcohol Strategy are assessed separately. At final stage the Department should ensure that any interactions between the policies are assessed and that the costs and benefits reflect the true marginal impacts of the policy.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says the proposal is a deregulatory measure with a direct net benefit to business ('an OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business will have to be strengthened so that it can be validated at final stage. The IA should clarify why the impact on newspapers and circulars is considered as indirect for One-in, One-out purposes.</p>		

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the 'i' in "Gibbons".

Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A Minimum Unit Price for Alcohol	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	06/08/2012	
RPC Opinion date and reference	31/08/2012	RPC12-HO-1511
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from a greater discussion of the impacts of the proposal, both on business and consumers. More evidence will need to be gathered during the consultation to provide a more robust assessment of the impacts of the proposal.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact on Business.</i> The IA estimates that the only impact on business will be the familiarisation cost of adjusting prices to meet the requirement for a minimum unit price (MUP). However it appears that there would be a significant ongoing impact, in the form of gains from higher prices and, depending on how the market responds to the policy, some loss of sales due to reduced consumption. The IA should discuss in more detail what the net impact is likely to be and will have to use the consultation to gather evidence to support the estimated price elasticities so that the scale of this impact can be validated at final stage.</p> <p>In addition the IA estimates that there will be no familiarisation costs to on-trade retailers, as the MUP is below the prices they currently charge. It appears that there may still be some familiarisation cost to the on-trade if they need to check the guidance to confirm that they comply with the new regulation. Responses to the consultation will have to be used to test whether or not such familiarisation costs are likely to occur.</p> <p>The IA has taken steps to estimate the impact of measures on consumption and pricing, but it is not clear why these assumptions have not been used to present initial estimates of impact on business. The IA should present what these changes in quantity and price would mean in terms of business impact.</p> <p><i>Cost to consumers.</i> The policy will result in a cost to consumers because of the reduction in their alcohol consumption and an increase in the price paid. The IA says that “<i>the monetary value of this effect cannot be estimated in the absence of detailed information about market demand and supply functions</i>” (page 19). However given the detailed estimates of demand changes provided elsewhere in the IA, it is not clear why the department have been unable to estimate this impact. The IA should provide an estimate of the reduction in consumer surplus prior to publication and use the consultation process to gather additional information so that it can be confirmed</p>		

at final stage.

Impact on competition. The IA contains only a limited discussion of the impacts on competition of a MUP (pages 34-35). The IA would benefit from a more detailed discussion on the effects on competition between both retailers and producers. The consultation will have to be used to gather more evidence on the potential impacts, from both business and the relevant competition authorities.

At final stage, the IA should also analyse whether the likely changes to alcohol consumption habits will have an impact on the ability of the UK's drinks industry to compete internationally.

Impact on cider industry. The figures in the IA suggest that the introduction of a MUP will have a large impact on consumption of cider, with an 88.3% fall in off-trade cider consumption predicted for a 55p MUP. However there is no discussion of the effects of higher prices and reduced cider consumption on the UK cider producing industry. The IA should discuss this and will need to use the consultation to gather further information.

Alternative solutions. The objective of the policy is to reduce alcohol consumption by harmful and hazardous consumers, whilst minimising the impact on responsible consumers (page 1). However it is not apparent why alternative options have not been considered, e.g. a higher rate of duty across the board or a more targeted duty on low price products such as cider, which would appear to achieve the objective as well. The IA should discuss why other viable options have not been considered further for consultation

Alcohol consumption. The figures presented on page 12 suggest that total alcohol consumption has fallen over the past decade despite an increase in affordability. The IA should discuss the reasons for this fall and why it is felt that further intervention is necessary, for example, by assessing the recent data for the group that the proposal seeks to target (if available).

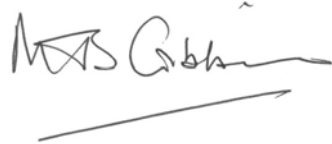
Other alcohol measures. The IA says that the impacts from other policies arising from the Government's Alcohol Strategy are assessed separately. At final stage the Department will have to ensure that any interactions between the policies are assessed and that the costs and benefits reflect the true marginal impacts of the policy so that there is no element of double counting.

Presentation. The IA proposes the introduction of the minimum unit price, ranging from 30p to 55p. However, the IA does not set out what the current average unit price is for each of the different product types that are affected. The IA would therefore benefit from explaining the impact of the proposal in terms of the change in unit price, both before and after tax, as this would help show whether the scale of the anticipated costs and benefits are reasonable. In addition the IA could benefit from explicitly discussing the 'deadweight loss' of setting the price of alcohol above the market level.


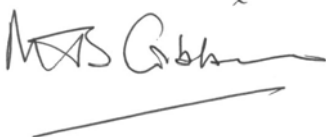
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). However, it appears that the department has not taken fully into account the ongoing impact on business resulting from higher prices for alcohol and some loss of sales due to reduced alcohol consumption. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that the size and direction of the impact on business can be validated at final stage.

Signed

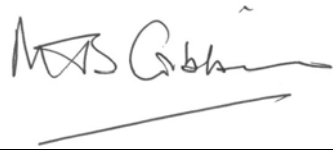
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Michael Gibbons, Chairman


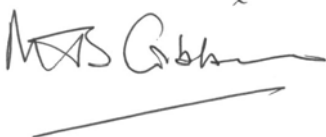
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Final Impact Assessment for The Port of Portland, Port of Grangemouth, Port of Workington, Port of Milford Haven, Port of Liverpool, Port of Tees and Hartlepool and Port of Aberdeen Designation Orders 2012	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
Date submitted to RPC	13/07/2012	
RPC Opinion date and reference	03/08/2012	RPC12-DfT-1215(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The IA clearly sets out the requirements of the Directive and provides estimates of the likely resource costs for the UK ports stated.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Costs. The IA clearly sets out the requirements of the Directive and provides estimates of the likely resource costs for the UK ports stated. The estimates provided are based on evidence provided from the UK ports industry during the consultation and these appear appropriate.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Health Special Administration Regulations for Independent Sector Healthcare Providers	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
IA Number	DH 6082	
Date submitted to RPC	20/07/2012	
RPC Opinion date and reference	03/09/2012	RPC12-DH-1488
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA provides a clear discussion of the relative merits of the options presented regarding Health Special Administration (HSA) regulations. However, the nature of the likely impacts on both insolvent healthcare providers and creditors should be presented more clearly to ensure consultees are effectively informed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits to business.</i> The IA explains that “DH expects as a matter of principle that creditors will be no worse off in HSA than in a normal administration” (page 18) and that separate consultations and impact assessments by Monitor, whose role is “to support commissioners in securing continued access to NHS services” (page 4), will help inform future analysis. However, the nature of the likely impacts on both insolvent healthcare providers and the risks (or benefits) to creditors should be presented more clearly to ensure consultees are effectively informed. This should also include a consideration of whether the proposal could have an impact on the future availability of credit to healthcare providers.</p>		
<p>Given the lack of monetisation the IA would also benefit from identifying specific questions tailored towards gathering monetised information.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will have direct impacts on business and is therefore “within the scope of OIOO” (page 18). Although the overall direction of impacts on business is unknown at this stage, the IA recognises this and explains how this evidence base will be developed by Monitor. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		

Signed

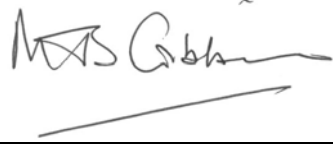
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Michael Gibbons, Chairman


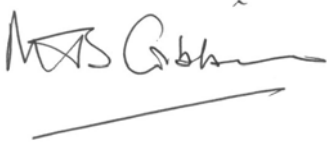
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revision of the Bathing Water Regulations Signage	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
IA Number	DEFRA 1223	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	03/09/2012	RPC12-DEFRA-1180(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The impacts of making relevant Local Authorities responsible for meeting the public information requirements have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The proposed amendments will mean that relevant Local Authorities will be responsible for meeting the public information requirements of the Bathing Waters Directive. The impacts of these amendments have been adequately assessed, although the IA could be improved by explaining why <i>some of the consultation responses also raised concerns about the scale of the work needed to meet the requirements</i> . This would help demonstrate more clearly why the estimates presented are considered reliable.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
Signed 	Michael Gibbons, Chairman	


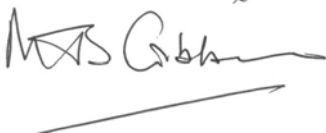
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Mandatory public health functions for LAs to provide in improving the health of their populations	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
IA Number	DH 3095	
Date submitted to RPC	23/07/12	
RPC Opinion date and reference	03/09/2012	RPC12-DH-1487
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, if it is the case that Local Authorities' commissioning decisions under the 'do nothing' are likely to be similar to those required under Option 2, then the IA should state that any possible benefits of the proposal may be limited.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> The IA explains that mandating the provision of certain health services by Local Authorities may have an opportunity cost as funds are diverted away from non-mandated services. The IA also explains that although “LA’s commissioning decisions are unknown under option 1, they would likely be similar to mandatory functions in option 2 and therefore the opportunity cost is thought to be small” (page 3). However, the IA also says that “the local and national population benefit from ensuring the provision of services that help deliver an effective and coherent national public health system” (page 15). If it is the case that LA’s commissioning decisions under the 'do nothing' are likely to be similar to those required under Option 2, the IA should state that any possible benefits of the proposal are or may be limited.</p>		
<p><i>Rationale for intervention.</i> It appears from the IA that the problem under consideration is based on the conclusion that “given the local accountability structures, such as the Public Health Outcomes Framework, the LAs may not be incentivised to prioritise services that offer additional benefits at the national level” (page 4). The IA would benefit from explaining why amending the Public Health Outcomes Framework so that it provides the appropriate incentives to Local Authorities does not appear to have been considered as an alternative to the proposal.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is out of scope of 'One-in, One-out' (OIOO) as “there are no direct impacts on business” (page 21). This appears to be a reasonable assessment and is consistent with the OIOO Methodology.</p>		




Signed


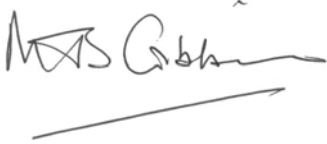
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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Removal of stakeholder designation requirements	
Lead Department/Agency	Department for Works and Pensions	
Stage	Final	
Origin	Domestic	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	03/09/2012	RPC12-DWP-1463(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Most of the issues raised in our previous Opinion (03/08/2012) have been adequately addressed. However, the IA should provide further information to support the assumption that a take-up rate of 100% for certain category of employees is reasonable and/or provide sensitivity analysis around this assumption.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>Most of the issues raised in our previous Opinion (03/08/2012) have now been addressed. In particular, the time period over which Equivalent Annual Net Cost to Business (EANCB) is assessed has been amended to reflect that the proposed measure is part of the policy of pension auto-enrolment.</p>		
<p><i>Impact on employees.</i> The revised IA goes some way in better explaining why it is considered that there will only be negligible costs to employees. In particular, the department states that there is no requirement to contribute to a workplace stakeholder pension scheme under the current arrangements and that it is reasonable to assume that all employees in the current scheme will now contribute voluntarily to a personal pension scheme. However given that there will be, for example, search costs to employees the IA would be improved by providing more information to support the assumption that a take-up rate of 100% for these employees is reasonable. Alternatively the IA would be improved by providing sensitivity analysis around this assumption.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.4m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

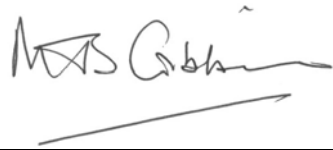
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Criminal Liability of Partnerships	
Lead Department/Agency	Scotland Office	
Stage	Final	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	03/09/2012	RPC12-SCOT-1266(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would be improved by clarifying why it is expected that there will be no resource costs for the prosecution itself.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs of the proposal.</i> The IA explains how dissolved business partnerships can currently escape prosecution for serious offences, and how the regulatory change proposes to address the legal loophole that currently exists. The IA says that the main cost would be <i>for the reporting agency in discovering the constitution of the partnership</i> . However it is not apparent why there are no resource costs for the prosecution itself or whether there are likely to be any resource costs to those partnerships who are investigated, but then found not to be in breach of the law. The IA would therefore be improved by providing more context to this consultation response.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal originates from the conclusion of a court case that has resulted in a change in the interpretation of a regulation, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; xii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposals to replace the Health and Safety at Work etc. Act 1974 (Application outside Great Britain) Order 2001 (the order) with a 2013 Order.	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
IA Number	None Provided	
Date submitted to RPC	08/08/2012	
RPC Opinion date and reference	03/09/2012	RPC12-HSE-1258(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of extending health and safety legislation to cover offshore renewable energy zones have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The costs and benefits of extending health and safety legislation to cover offshore renewable energy zones have been adequately assessed. The IA demonstrates that their assumptions were supported by consultees, in particular the assumption that there will be no additional compliance costs on firms operating in renewable energy zones and that there will only be a familiarisation cost of £18k.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN') with an Equivalent Annual Net Cost to Business (EANCB) of £0.002m. This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
Signed  	Michael Gibbons, Chairman	


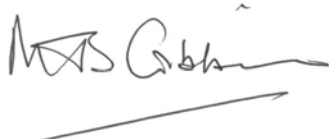
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Traffic Orders - Deregulating Publicity Requirements	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
IA Number	DfT000115	
Date submitted to RPC	23/08/2012	
RPC Opinion date and reference	05/09/2012	RPC11-DfT-1071(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should include the information provided separately by the Department which explains why those who need to know about Traffic Orders will continue to do so.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of proposal.</i> The IA presents estimates of the cost savings to Traffic Authorities (TAs) from no longer having to advertise Traffic Orders (TOs) in newspapers. These savings, which are net of residual newspaper advertising and costs of alternative means of publicity, have been adequately assessed using information from the consultation.</p> <p><i>Risks.</i> The Department has provided information separately which explains why it is reasonable to assume that those who need to know about TOs will continue to do so. The IA should include this information.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£5.51m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of the process by which debtors apply for bankruptcy	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	10/08/2012	
RPC Opinion date and reference	05/09/2012	RPC12-BIS-1515
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The department has provided us with further information, including the basis of the expected number of debtor petition bankruptcy cases, which should be included in the IA prior to publication. Furthermore, the IA would be improved by undertaking sensitivity analysis to show the impacts of the possibility that there is an increase in the number of applications relative to the counterfactual and therefore the associated cost.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The department has provided us with further information, which explains the basis of the expected number of debtor petition bankruptcy cases and therefore the estimated cost savings of the proposal. This also included further explanation of why the costs of dealing with debtor petition bankruptcy are expected to be much lower than currently. This additional information should be included in the IA prior to publication.</p>		
<p><i>Sensitivity analysis.</i> As the IA says that the proposal will <i>increase accessibility</i> of bankruptcy (paragraph 13), the IA would be improved by undertaking sensitivity analysis to show the impacts of the possibility that there is an increase in the number of applications relative to the counterfactual and therefore the associated cost. Furthermore, the IA should draw further on the experience in Scotland, better explaining why there is <i>no evidence that the overall level of bankruptcies in Scotland increased as a direct result of the removal of the court from the bankruptcy process</i> (paragraph 50).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'), which is consistent with the current One-in, One-out Methodology (paragraph 17). We note that an Equivalent Annual Net Cost to Business (EANCB) has not been scored but we accept that the cost is likely to be negligible and therefore this appears a reasonable assessment of the likely impacts.</p>		

Signed

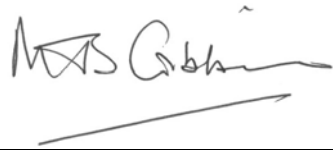
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Homelessness (Suitability of Accommodation) (England) Order 2012	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	03/09/2012	
RPC Opinion date and reference	10/09/2012	RPC12-CLG-1242(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The costs and benefits of the proposal to set out specific suitability requirements for private rented sector accommodation for homeless households have been adequately assessed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p>The costs and benefits of the proposal to set out specific suitability requirements for private rented sector accommodation for homeless households have been adequately assessed. The IA explains that those landlords currently letting their properties to the homeless through ‘qualifying offers’ will not face any additional costs as the <i>“proposed regulation will not apply in these cases”</i> (page 15). In addition, it is made clear that any involvement in the newly created market of private landlords will be entirely voluntary and would only occur when the benefits are expected to outweigh the costs.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (an ‘IN with a zero net cost’). As the IA explains that the proposal will create a new market for landlords to let their properties to homeless households, but that landlords will only enter this market if they considered the opportunities to be beneficial, this is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Veterinary Medicines Regulations 2013	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
IA Number	Defra 1442	
Date submitted to RPC	31/07/2012	
RPC Opinion date and reference	10/09/2012	RPC12-DEFRA-1504
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would benefit from explaining why the amendments that do not relate to a move to full cost recovery are expected to have no cost impact and should give greater consideration to the resource implications of those amendments that do not refer to amending fee levels.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of the proposal.</i> The IA would benefit from explaining why the amendments that do not relate to a move to full cost recovery are expected to have no cost impact (page 7). For example, the Regulations have been amended to allow the VMD to take enforcement action against not only those who are importing illegally, but anyone involved or benefitting from the [their?] activities (paragraph 25). However, it is not clear why the IA does not consider there to be additional resource costs for the Veterinary Medicines Directorate (VMD) and whether the industry is likely to be affected in order to comply with the proposed amendment. The IA should therefore give greater consideration to the resource implications of those amendments that do not refer to amending fee levels. The consultation will have to be used to strengthen the evidence base.</p>		
<p>In addition, the IA says in the Small Firms Impact Test that <i>the VMD feels that the proposed changes will not have a significant nor disproportional impact on small firms</i>. The IA would be improved by explaining why this is the case, and by providing evidence to show what proportion of the affected firms are considered to be small firms, as this would allow this assessment to be validated.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		

Signed

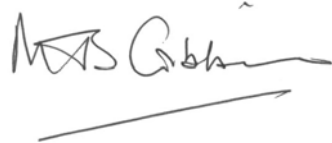
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Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Streamlining Smoke Control Orders for Exempt Fireplaces and Authorised Fuels	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	02/08/2012	
RPC Opinion date and reference	10/09/2012	RPC12-DEFRA-1507
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the estimated cost saving to business (£140,000) appears to be greater than that incurred in recent years and the reason for this it is not immediately apparent. The IA should clearly address this issue, and will have to draw on the consultation to strengthen the evidence base that underpins this estimate.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Benefits of proposal.</i> The IA explains how the proposal will allow manufacturers to employ any accredited laboratory to self-certify compliance with the standards, thereby removing the need for firms to rely on the services of a third party to assess their products as smokeless. However, in assessing the benefits of the proposed new arrangement, it appears the estimated annual cost saving to business (£140,000) is greater than the costs that have been incurred in recent years (page 5). It is not immediately apparent why this is the case. The IA should therefore clearly set out the reasons, with the consultation being used to strengthen the evidence base that underpins this estimate.</p>		
<p>Furthermore, the IA should provide a clearer presentation of the estimated costs and benefits so that it is easier to follow the estimates in Table 1. This will allow consultees to reconcile more readily these estimates with the text, thereby making it more apparent how the calculations are based on the assumptions that have been set out. For example, the IA should set out the projected number of applications under each scenario and the assumed unit costs. This will help consultees to comment on whether the estimated costs and benefits are robust.</p>		
<p><i>Risks.</i> The IA says that there is a risk that inappropriate appliances or fuels are classed as exempt or authorised, because there would no longer be third party scrutiny to ensure compliance (page 5). The IA argues that this risk will be minimised through the use of accredited laboratories. The effectiveness of this approach will have to be tested during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impact. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Financial Policy Committee: Macro-Prudential Tools	
Lead Department/Agency	HM Treasury	
Stage	Consultation	
Origin	Domestic	
IA number	Not provided	
Date submitted to RPC	08/08/2012	
RPC Opinion date and reference	10/09/2012	RPC12-HMT-1514
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA would benefit from more discussion of the relative merits of a discretionary ‘countercyclical buffer’ when compared to, for example, a fixed buffer. In addition, it would make for a more meaningful consultation if the IA provided more context to the expected <i>negative impact on GDP over the short term</i> by discussing how this proposal is expected to affect the current credit conditions in the UK economy.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Countercyclical Capital Buffer.</i> The IA says that the proposal is to provide the Financial Policy Committee (FPC) with powers to set the level of Countercyclical Capital Buffer (CCB) and to impose sectoral capital requirements. The IA would benefit from more discussion of the relative merits of a countercyclical buffer compared to, for example, an increase in the fixed buffer. This would show more clearly the merits of the preferred option. This would be particularly helpful as the IA only appraises the impacts of the preferred option.</p>		
<p>In addition, the IA illustrates the benefits of applying additional capital requirements under different modelled scenarios (pages 8-9). The IA would benefit from making clear whether these scenarios are intended to illustrate the impact of introducing the proposed sectoral capital requirements as well as the countercyclical capital buffer. If this is the case, it would also be helpful to indicate the scale of the benefits that the result from each of the two reforms so that their relative importance can be better appraised.</p>		
<p><i>Wider economic impact.</i> It is assumed that the costs of meeting the proposed capital requirements will be fully passed on to consumers and firms through increases in lending spreads, and so there will be no costs to regulated firms. However, the IA would benefit from elaborating on whether there are likely to be any economic impacts of the increased price of credit (paragraph 25). In particular, it would be helpful if the IA provided context to the expected <i>negative impact on GDP over the short term</i> from this increased cost of lending by discussing how this proposal is expected to affect the current credit conditions in the UK economy.</p>		
<p>Furthermore, the IA says that <i>in practice, banks may choose to recoup these costs</i></p>		

by other means and that the use of these other means would reduce the need to raise the price of borrowing and lower the impact on output as the price of credit would not increase as much (paragraph 37). However, it is not apparent whether the impacts on the UK economy of the increased costs to banks have been taken into account. Therefore the IA would benefit from analysing the wider impacts on the economy of banks' behaviour in response to the additional capital requirements.

Impact of capital requirements. The IA says that *firms that already hold capital above the minimum requirements may be less affected by any additional requirements imposed by the FPC via the CCB if they choose to run down voluntary buffers*. It does not appear that this is reflected in the cost-benefit analysis provided. The IA would be improved by considering the impact of such behaviour, particularly discussing whether there are any cost implications of banks running down existing buffer levels. The consultation will have to be used to strengthen the evidence base that is used to support these key assumptions.

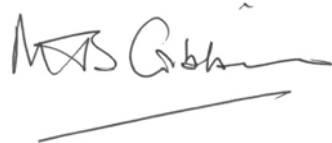
In addition, the IA says that to illustrate the impact of macro-prudential requirements imposed by the FPC, the cost-benefit analysis uses the 2010 GDP estimate for the entire appraisal period (paragraph 35). Although this is recognised as an *unrealistic assumption*, it is argued that as both the costs and benefits are expressed as proportions of output, then the relative net benefit would not be affected. However, the IA would be improved by making use of official growth forecasts that are available.

Maximum leverage ratio. The IA says that the merits of providing the FPC with a power to set a maximum leverage ratio are being considered. If this is the case, it is not apparent why this is not being consulted on as part of the IA.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As this proposal relates to financial systemic risk, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; xiv).

Signed

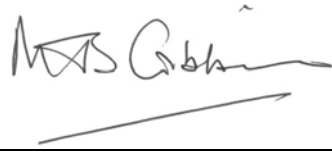


Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A new approach to financial regulation: Statutory instruments	
Lead Department/Agency	HM Treasury	
Stage	Consultation	
Origin	Domestic	
IA number	Not provided	
Date submitted to RPC	17/08/2012	
RPC Opinion date and reference	10/09/2012	RPC12-HMT-1527
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the arguments are set out in other referenced documents, the IA would be improved by including more discussion of the regulatory failures that the measure is aimed to address. This would show more clearly the merits of the proposed model of regulatory organisation and why alternatives have not been further considered.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Proposed model of regulatory organisation.</i> The IA says that the preferred option is to introduce specialist financial regulators (the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)) and describes how these bodies will be given new responsibilities with the objective of reducing the frequency and severity of financial crises. However, the IA says little about the limitations of the existing model and why the proposed model is considered the most appropriate response. Although the arguments are set out in other referenced documents, the IA would be improved by including more discussion of the regulatory failures that the measure is aimed to address. This would show more clearly the merits of the proposed model of regulatory organisation and why alternatives have not been further considered.</p>		
<p><i>Impacts of the proposal.</i> The IA says that <i>if it is assumed that the proposed regulatory reforms alone reduced the probability of a financial crisis by only 0.1 percentage points, this would generate an annual benefit of between 0.02 per cent and 0.16 per cent of output</i> . However, the IA should provide more context as to whether the proposed reform is likely to deliver a reduction of this magnitude in the probability of a crisis taking place. Furthermore, the IA would benefit from explaining more clearly the proposed changes in supervisory practice and the impacts on the regulators and regulated firms. This would provide useful context to the cost estimates that have been provided at this stage, particularly for the additional regulatory burdens on <i>dual-regulated firms</i> who are likely to be supervised by the PRA and subject to conduct of business regulation by the FCA (paragraph 35).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal relates to financial systemic risk, it is out of scope of ‘One-in, One-</p>		

out' in accordance with the current One-in, One-out Methodology (paragraph 16; xiv). However, this should be explicitly stated in the IA.

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation of oversight of social care markets	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
IA Number	7056	
Date submitted to RPC	15/08/2012	
RPC Opinion date and reference	11/09/2012	RPC12-DH-1521
Overall Assessment	AMBER	
<p>The IA is fit for purpose. While the IA says that further evidence will be collected during the consultation, the IA would be improved by providing more context to show whether these new regulatory requirements are likely to be burdensome. This would not only facilitate the effectiveness of the consultation but it would help show more clearly why this is considered the most appropriate response to the problem under consideration.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs of new requirements.</i> The preferred option imposes a new requirement on providers to provide regular financial information, to have contingency plans outlining the manner in which they would assure quality of care until alternative provision is available and to ensure compliance with recovery plans (pages 27-28). While the IA says that further evidence will be collected during the consultation, the IA would be improved by providing more context to show whether these new regulatory requirements are likely to be burdensome. This would not only facilitate the effectiveness of the consultation but it would help show more clearly why this is considered the most appropriate response to the problem under consideration.</p>		
<p><i>Options.</i> The IA presents 5 options, although it appears that only the preferred option is being consulted on. While the IA provides an explanation as to why the alternative options are not being considered further, it is not always apparent whether a fully consistent framework has been used to appraise the relative impacts.</p>		
<p>For example, the IA says that the voluntary approach is not being considered because of the risk that it is perceived as being <i>mandatory</i> where providers feel obliged to sign up. However both these arguments would appear to apply equally to the preferred option. For instance, under the preferred option, the IA says that there is the view that there are types of providers who may need to be monitored <i>regardless of their financial stability</i> (paragraph 85).</p>		
<p>The consultation (and the accompanying IA) should therefore be improved to help allow stakeholders to comment more readily on the pros and cons of each of the identified options, against the background of a consistent framework of assessment. This is especially important as it has not yet been possible to monetise</p>		

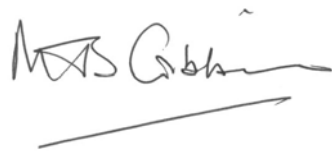
the costs and benefits of any of the options. This would also help show whether the regulatory burdens under the preferred option are considered to be the most proportionate response, which will have to be tested during the consultation.

Targeted regulation. The preferred option is largely justified in the IA on the basis that it is considered the most targeted approach, in that it applies to a group of providers above a certain threshold. The IA would benefit from a greater discussion of the implications of introducing a threshold, below which the regulation would not apply. For instance, the IA should discuss whether there is likely to be any adverse impact on the degree of competition in the industry or whether the regulation serves as a barrier to a provider growing in size.


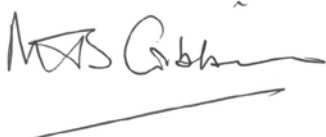
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?



The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.



Signed


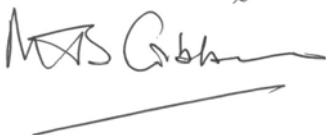



Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Non-Road Mobile Machinery Emissions Directive - Extended Flexibility Scheme	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
IA Number	DfT 00166	
Date submitted to RPC	10/09/2012	
RPC Opinion date and reference	13/09/2012	RPC12-DfT-1447
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide a clearer explanation of how the cross-check by the department supports the industry estimate of cost savings, which accounts for the large majority of the overall monetised benefit.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Benefits.</i> The large majority of the total monetised benefit relates to research and development cost savings and is based on an estimate provided by the UK Construction Equipment Association (CEA). The IA attempts to cross-check this estimate. This involves an assessment of likely hourly wage costs and number of R&D workers currently engaged. However, this assessment is difficult to follow. Whilst the departmental cross-check is sufficient to indicate that the industry estimate is plausible, given the importance of this figure to the overall monetised benefit the IA should provide a clearer explanation of the cross-check's assumed additional wage/charge-out rate and number of workers involved, and a clearer demonstration of how this then supports the industry estimate.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Hague Convention 2007 on the International Recovery of Child Support and Other Forms of Family Maintenance	
Lead Department/Agency	Ministry of Justice	
Stage	Final	
Origin	European	
IA Number	MoJ166	
Date submitted to RPC	16/08/2012	
RPC Opinion date and reference	13/09/2012	RPC12-MoJ-1522
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide more information on the cost of the current system to show more clearly the impacts on the Central Authority (CA) and the HM Courts Tribunals Service (HMCTS).</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impacts of proposal.</i> The IA would benefit from providing more information on the cost of the current system so that the impacts of the proposal can be better appraised. The IA should make greater use of responses to the consultation to show more clearly the cost impact to the CA as well as the efficiency gains to HMCTS and the CA (paragraphs 2.39 and 2.42). This would helpfully show how the proposal will reduce the cost or increase the effectiveness of dealing with existing cases.</p> <p>Given that the entitlement to legal aid appears to be widening under the proposal (paragraph 1.14.iii), albeit with relatively few additional claims expected, some further discussion of the potential costs involved should have been presented.</p> <p>The IA should also address any impacts on civil society organisations, such as charities that provide support to children and families.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		
Signed 	Michael Gibbons, Chairman	

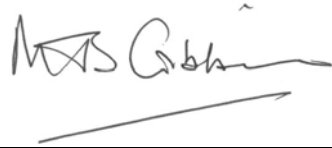
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Merchant Shipping (Maritime Labour Convention) (Seafarers Employment Agreements) Regulations	
Lead Department/Agency	Department for Transport (Maritime and Coastguard Agency)	
Stage	Consultation	
Origin	International	
IA Number	Not provided	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	17/09/2012	RPC12-DfT-1519
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for and impact of the proposals to implement the Maritime Labour Convention (MLC) requirements for Seafarer Employment Agreements (SEAs) have been explained clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits</i> .The rationale for and impact of the proposals to implement the MLC requirements for SEAs have been explained clearly. Whilst the costs and benefits have not been monetised, the IA provides a suitable qualitative discussion to enable an effective consultation. The evidence base will have to be strengthened through consultation so that the analysis can be strengthened at final stage</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As Option 1 is of international origin, with no evidence of going beyond minimum requirements, it is out of scope of ‘One-in, One-out’ (OIOO) in accordance with the current OIOO Methodology (paragraph 16; iii).</p> <p>However, as Option 2 goes beyond these minimum requirements, any additional costs (for example, the additional information for contracts of UK workers) would be considered in scope of OIOO.</p> <p>As “a decision on the preferred option will be made following the consultation” (page 1), the OIOO assessment will have to be confirmed at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Merchant Shipping (Maritime Labour Convention) (Seafarers' Wages) Regulations (the proposed Regulations)	
Lead Department/Agency	Department for Transport (Maritime and Coastguard Agency)	
Stage	Consultation	
Origin	International	
IA Number	Not provided	
Date submitted to RPC	13/08/2012	
RPC Opinion date and reference	17/09/2012	RPC12-DfT-1520
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The rationale for and impact of the proposals to implement the Maritime Labour Convention (MLC) requirements for payments to seafarers have been explained clearly.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> The rationale for and impact of the proposals to implement the MLC requirements for payments to seafarers have been explained clearly. Whilst the costs and benefits have not all been monetised, the IA provides a suitable qualitative discussion to enable an effective consultation. The evidence base will have to be strengthened through consultation so that the analysis can be strengthened at final stage</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal originates from an International Agreement, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; iii).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Controlled Drug Accountable Officers and "The Controlled Drugs (Supervision of management and Use) Regulations 2006"	
Lead Department/Agency	Department for Health	
Stage	Consultation	
Origin	Domestic	
IA Number	DH 6077	
Date submitted to RPC	13/09/2012	
RPC Opinion date and reference	19/09/2012	RPC12-DH-1508
Overall Assessment	AMBER	
<p>The IA is fit for purpose. To help facilitate an effective consultation, the IA would be improved by explaining further why the much more resource intensive Option 4.2 does not deliver greater benefit than the preferred option 4.1 and how the Controlled Drugs Accountable Officer (CDAO) resource in these options compares to that currently in the Primary Care Trusts (PCTs). The consultation should be used to strengthen the assessment of impacts on businesses and civil society organisations, so that the One In, One Out (OIOO) position can be confirmed at Final Stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Costs and benefits.</i> The IA would be improved by explaining why the much more resource intensive Option 4.2 (where current PCT CDAO roles are located in Clinical Commissioning Groups) does not deliver greater benefit than the preferred option 4.1 (where these roles are located in the NHS Commissioning Board's Local Area Teams). This would help consultees compare the options in a more meaningful manner and potentially provide a stronger justification for the preferred option. The IA would also be improved by making it clearer how the CDAO resource in these options compares to that currently in the PCTs. This would help facilitate a more effective consultation.</p> <p>The IA would benefit from inclusion of information provided separately which more fully demonstrates that the estimated benefits represent the marginal impact from re-creating the CDAO role and not those arising from the wider drug control system.</p> <p><i>Sensitivity Analysis.</i> The sensitivity testing (page 22) only makes comparisons against the do nothing. However, the IA would benefit from expanding the sensitivity testing to include a comparison between options 4.1 and 4.2, showing the impact if the required resource in option 4.2 is lower than expected and/or the benefit is higher. This would help facilitate a more effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.

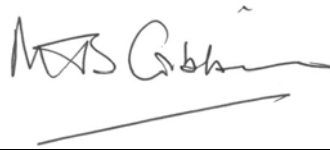
Signed

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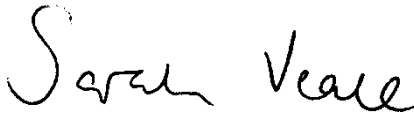
Michael Gibbons, Chairman


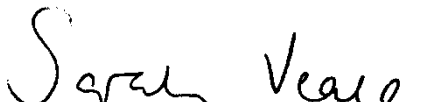
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	UK implementation of the ER Regulation on Short Selling and certain aspects of Credit Default Swaps	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
IA Number	HMT 1203	
Date submitted to RPC	09/08/2012	
RPC Opinion date and reference	19/09/2012	RPC12-HMT-1513
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA would be greatly improved by giving more background on the expected impact of the underlying EU Regulation, or explaining where such information is available.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Appraisal of impacts.</i> The IA considers the costs and benefits of the changes to UK domestic law necessary to implement the EU Regulation on Short Selling and certain aspects of Credit Default Swaps, but does not appraise the Regulation itself. The IA Toolkit says that for directly applicable EU legislation, where there is no discretion on how to implement, it is for departments to decide whether or not it would be appropriate to produce an IA in each case (paragraph 174).</p>		
<p>Thus while it is not inconsistent with guidance for the IA to set out the impacts in the manner it does, the IA would be greatly improved by providing an explanation and assessment of the total expected impacts of the Regulation itself, or by explaining where such information is available. (For example, the IA would benefit from summarising the analysis undertaken by the European Commission (page 7)).</p>		
<p><i>Costs and benefits.</i> The IA would benefit from demonstrating more clearly how the consultation has been used to inform its costs and benefits. For example, the IA says that the proposed changes are <i>anticipated to be incremental over an existing regime</i>, and so any costs are expected to be minimal. If this is the case, the IA would be improved by referencing responses from the consultation in support of this. Similarly, the consultation responses could have been used to provide some indication of the likely scale of expected benefits, particularly in the absence of monetisation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		


Signed

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Michael Gibbons, Chairman

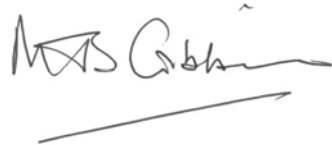
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Energy Bill 2012 Impact Assessment: Liquidity Measures	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
IA number	DECC0078	
Date submitted to RPC	31/08/2012	
RPC Opinion date and reference	20/09/2012	RPC12-DECC- 1538
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a zero IN). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and Benefits.</i> The IA provides sufficient evidence to support the decision to take powers to support delivery of Electricity Markets Reform (EMR), with constraints on using the powers (option 3). Although the costs and benefits have not been monetised, they have been clearly identified in the IA. We accept that the nature of the benefits, which come from an increase in certainty, are difficult to quantify. The IA therefore provides sufficient qualitative analysis, for primary legislation purposes. Any IAs accompanying further secondary legislative proposals would be expected to provide stronger evidence and monetisation.</p> <p><i>Timescales.</i> The IA could explain further why there is a need for the government to take these powers now, for example why the timetable for the introduction of the Contract for Difference (CfD) is immutable.</p>		
Signed		Sarah Veale Committee Member

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Energy Bill 2012 Impact Assessment: reducing barriers to securing long-term contracts for independent electricity generation investment	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
IA number	DECC0097	
Date submitted to RPC	31/08/2012	
RPC Opinion date and reference	20/09/2012	RPC12-DECC- 1539
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a zero IN). This is consistent with the current One-in, One-out Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and Benefits.</i> The IA provides sufficient evidence to support the decision to take powers to support delivery of Electricity Markets Reform (EMR). Although the costs and benefits have not been monetised, they have been clearly identified in the IA. We accept that the nature of the benefits, which come from an increase in certainty, are difficult to quantify. The IA therefore provides sufficient qualitative analysis, for primary legislation purposes. Any IAs accompanying further secondary legislative proposals would be expected to provide stronger evidence and monetisation.</p> <p><i>Options.</i> We note that by comparison the Impact Assessment on <i>Energy Bill 2012: Liquidity Measures (DECC007)</i> includes a preferred option of the government taking powers but with constraints. In doing so this option aims to limit negative impacts on wider regulatory uncertainty by making it clear that Government will work closely with Ofgem and ensure consistency with wider reforms. The IA could explain why no similar option has been considered here as well.</p> <p><i>Market Failure.</i> The IA says that the evidence supporting the existence of market failure is limited (paragraph 37). The IA should seek to demonstrate further the applicability of the theory of reciprocal externalities (page 9) to this particular area.</p>		
Signed		Sarah Veale, Committee Member


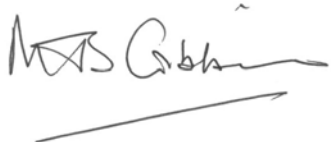
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	MHRA General Fees 2013/14	
Lead Department/Agency	Department of Health / Medicines and Healthcare Products Agency (MHRA)	
Stage	Consultation	
Origin	Domestic	
IA Number	4026	
Date submitted to RPC	03/09/2012	
RPC Opinion date and reference	20/09/2012	RPC12-DH-1540
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should clarify how the impacts of the proposal have been recorded in the current and previous IA on the EU Directive.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Appraisal of impacts.</i> The IA says that the proposed fee increase is to cover the costs of the <i>increased regulatory obligations following the implementation in July 2012 of the EU Pharmacovigilance legislation</i> . We note that a separate IA has been previously undertaken for its implementation. We would expect the resource implications of the implementation to have already been accounted for in the separate IA. If this is the case, this would mean that the proposed fee change should be treated as a transfer between industry and MHRA. This would then be consistent with the appraisal of the benefits, as the IA says these are accounted for in the separate IA (page 8). The IA should therefore clarify how the impacts have been recorded.</p> <p><i>Apportionment of impact on UK.</i> The IA explains that the proposal will affect multinational, foreign and UK firms and discusses the assumptions used for apportioning the impact to the UK (Annex A). In our previous Opinion (RPC12-DH-1042(2) - Transposition of Pharmacovigilance Directive 2010/84/EU) we raised a concern about the robustness of this approach to provide a reliable assessment of impacts on UK firms. It is not apparent to what extent our concern has been addressed and we would like to reiterate that we would expect to see work undertaken to produce an agreed methodology with other government departments so that the appraisal of these impacts is treated consistently with guidance.</p> <p><i>Sensitivity analysis.</i> The IA says that it is assumed that supply and demand will remain <i>static</i> in response to the proposed fee increase (page 8). However, the IA would benefit from providing some information as to why this assumption is considered appropriate and/or provide some sensitivity analysis to show the impact if there is a change in response to the proposed fee increase to help facilitate an effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		


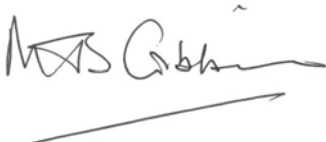
The proposal relates to a change in fees and charges, but with evidence that the proposal results in a change in the level of regulatory activity. However, as the change in regulatory activity would appear to be of European origin, this would be out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii). If this is the case, then the IA should be amended accordingly.


Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line extending to the right below the name.

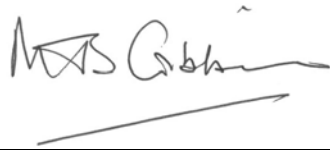
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Contractual Scheme Regulations	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	European	
IA number	HMT 1204	
Date submitted to RPC	16/08/2012	
RPC Opinion date and reference	25/09/2012	RPC11-HMT-1150(2)
One-In, One-Out (OIOO) Assessment	GREEN	
<p>The IA says the proposal is out of scope of OIOO as <i>'the measure takes advantage of a derogation'</i>, which is appraised to be beneficial to business. This is in accordance with the current One-in, One-out Methodology (paragraphs 22-24).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The IA explains how the proposal intends to improve the UK's competitiveness as a domicile of choice of funds, by improving the tax transparency of the fund management industry. The department has provided us with additional information which sets out more clearly how the additional impacts of the proposal have been estimated. This should be included in the IA prior to publication. The IA would benefit from clarifying how the benefits to the fund industry interrelate with those that accrue to the wider UK industry (page 10). This would help show that there is no element of double counting and therefore that the benefits have been assessed adequately.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Park Homes Site Licensing - Caravan Sites and Control of Development Act 1960	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
IA number	120905	
Date submitted to RPC	10/09/2012	
RPC Opinion date and reference	28/09/2012	RPC12-CLG-1265(2)
OIOO Assessment	GREEN	
<p>The IA provides a reasonable assessment of the impacts on business. It estimates an EANCB of £3.62 million which reflects costs to business from an increase in regulatory activity in this area. This is consistent with the current OIOO Methodology.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p>		
<p>The IA correctly estimates the costs of the proposal in terms of the additional resources that are required to achieve the policy objective. However, it incorrectly estimates the total benefits of the proposal.</p>		
<p>The benefits of the proposal are increases in the welfare of the owners of park homes. This is proxied by the value of remedial work to park home sites currently not undertaken. The extent to which this proxy accurately reflects the welfare gain is debateable but the IA says that no consultation responses provided alternative estimates.</p>		
<p>But further to this the IA incorrectly adds the fees to be paid by the owners of park homes to the Local Authorities as an economic benefit of the proposal, when in fact they are a transfer. This overstates the net economic benefit of the proposal. The correct calculation should be the resource costs (valued at £33.9 million, in present value terms) of achieving the welfare gains (valued at £34 million (in present value terms)). The IA therefore needs to revise the economic benefit of the proposal.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Marine Navigation (No.2) Bill	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
IA number	DfT00176	
Date submitted to RPC	17/08/2012	
RPC Opinion date and reference	28/09/2012	RPC12-DfT-1526
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that most of the clauses in the Bill have no direct impact on business and are therefore out of scope of One In, One Out (OIOO), which is in accordance with the current OIOO Methodology (paragraph 16, i).</p> <p>However, the IA says that two clauses will have a net impact on business, with Clause 3 being an 'OUT' and Clause 4 an 'IN'. The IA says that the 'IN' is expected to be less than the 'OUT' (page 18) and that therefore the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). From the evidence provided, this appears reasonable and would be consistent with the current One-in, One-out Methodology. However, as there is no monetised Equivalent Net Cost to Business (EANCB) set out in the IA, this cannot be used as a compensating OUT.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Benefits of proposal.</i> The IA presents some information on costs to public authorities of applying for closure of a harbour under the existing system and how these would fall under the proposed Clause 6 of the Bill (pages 15-16). The IA does not monetise the cost savings as it is <i>not able to validate the calculation of the estimated range of costs provided...due to the limitations of the available evidence base</i> (page 15). However, whilst recognising the uncertainties involved, the cost figures provided during consultation, combined with the IA's statement <i>we estimate that there may be perhaps one to two applications for HCOs a year for a few years</i> (page 15), would appear to have presented an opportunity to provide a monetised estimate of the saving to public authorities.</p> <p><i>Post-Implementation Review (PIR).</i> The IA should have set out how PIR would strengthen the evidence base to support future monetisation.</p> <p><i>Commercial.</i> Clause 9 of the Bill provides for General Lighthouse Authorities (GLAs) to expand their commercial activities. The IA could have explained why it was not possible for GLAs to sell its <i>considerable surplus accommodation</i> (perhaps because of this being irreducible spare capacity), how these activities remain consistent with EU competition law and whether there would be any impact on business.</p>		

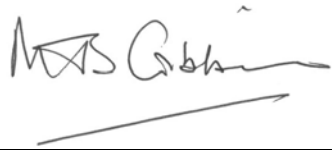
Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Motor Vehicles (Driving Licences) (Amendment) (No.?) Regulations 2012 (the UK Regulations) [EPILEPSY]	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
IA number	DfT00008	
Date submitted to RPC	28/08/2012	
RPC Opinion date and reference	28/09/2012	RPC12-DfT-1533
OIOO Assessment	GREEN	
<p>Proposals 1, 2 3 are of European Origin with no evidence of going beyond minimum requirements and are therefore out of scope of 'One-in, One-Out' (OIOO) in accordance with the current OIOO Methodology (paragraph 16; ii). In the case of proposal 5, an explanation is provided for not implementing the lower EU standards. This proposal is out of scope of OIOO in accordance with the current OIOO Methodology (paragraphs 16; i and 22).</p> <p>The IA states that proposal 4 is in scope <i>because it amends (reduces) the existing gold plating</i>” but that the <i>marginal beneficial impacts on business...cannot be quantified...so this is categorised as a 'Zero Net Cost' measure. (Page 9)</i>. An explanation is provided for not lowering the UK standard fully to the new EU standard. The OIOO assessment is consistent with the current OIOO Methodology (paragraphs 16; i and 22) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and Benefits.</i> The IA monetises administrative costs to the Driver and Vehicle Licensing Agency (DVLA) but does not monetise benefits or other costs. The IA states that proposal 1 will <i>result in a small increase in the number of people who will be able to drive</i> and that proposals 2, 3 and 4 <i>will mean that drivers who have suffered an epileptic attack in certain circumstances will be able to resume driving sooner than is currently the case.</i> The IA says that <i>we have no data to estimate the number of people involved...therefore it has not been possible to monetise all of the additional costs and benefits</i>” (Page 8). However, although the proposals are expected to impact on only a small number of people, the IA should explain why, even after consultation, information to support further monetisation is not available.</p> <p><i>UK Standards Higher than EU (proposals 4 and 5).</i> In particular, the IA should provide more information where the UK is not fully implementing the lower EU standard (based upon advice from the UK’s Medicinal Advisory Panel), such as likely numbers of people affected.</p>		

Signed

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Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Motor Vehicles (Driving Licences) (Amendment) (No.?) Regulations 2012 (the UK Regulations) [VISION]	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
IA number	DfT00009	
Date submitted to RPC	28/08/2012	
RPC Opinion date and reference	28/09/2012	RPC12-DfT-1534
OIOO Assessment	GREEN	
<p>The IA states that the <i>changes...are required in order to meet EU minimum requirements and are therefore out of scope of One-In, One-Out (OIOO)</i>". It also states that <i>for three standards, the proposal is to retain the existing UK standards, which exceed the previous and new EU minimum requirements"</i> but that these do <i>not introduce any new requirements</i> and are therefore <i>also out of scope of OIOO</i>. (Page 13.)</p> <p>With regard to the other standards, as these proposals are of European origin, with no evidence of going beyond minimum requirements, they are out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii). For the three proposals referred to, an explanation is provided for not implementing the lower EU standards. These proposals are out of scope of OIOO in accordance with the current OIOO Methodology (paragraphs 16; i and 22).</p>		
Overall quality of the analysis and evidence presented in the IA		
<p><i>Costs and Benefits.</i> The IA monetises administrative costs to the Driver and Vehicle Licensing Agency (DVLA) but does not monetise benefits or other costs. This is because although <i>the proposed changes to the current standards are expected to result in a small change in the number of people who will be allowed to drive....there is no data to enable us to establish how many this will be as you either pass or fail an eyesight test and the eyesight level attained is not recorded"</i> (page 12). However, there are areas where the IA should have provided further information and clarification of the direction and size of the impacts of the proposals:</p> <p>i) Proposals 2 and 3, which relate to Group 1 licences (cars, motorcycles and light vans), involve retaining the existing UK standards which exceed the new EU minimum requirements. The IA should have explained further the relative impact on road safety of the UK and EU standards and the likely scale of the additional costs to the DVLA and enforcement authorities of moving to the lower EU standards. This would have strengthened the assessment that these impacts exceed the potential marginal benefit to individuals from the UK adopting the EU</p>		

standard.

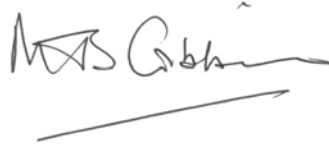
ii) It is stated that many of the other proposals, such as 4 and 5, involve the EU minimum standard being more defined. The UK is adopting these proposals. The IA should be clearer on whether (as appears) this means there is little or no change to the existing UK practice.

Impacts on Business. Proposals 6 and 7 relate to Group 2 licences (buses and lorries). The IA states (page 12) that *the overall impact on businesses that employ bus or lorry drivers is uncertain* but that *the relaxation in the "worse eye" standard (proposal 6) is more dramatic than the slight increase in the "better eye" standard (proposal 7).* The IA could have explained whether it would then be reasonable to conclude, as implied, that the net impact of these proposals will not be negative for business.



Outcome of Consultation. In view of the number of consultees who disagreed with the recommendations, even after receiving further information from the DVLA, the IA could say more about these consultees and their particular concerns.


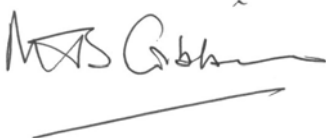
Proposal 10. The IA could explain further what will happen once further research in relation to "impaired contrast sensitivity" has been undertaken, in particular whether a new regulation and accompanying IA is likely to follow.



Signed


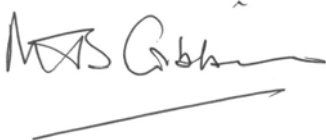
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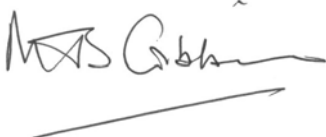
Michael Gibbons, Chairman


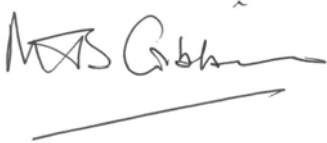
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Statutory regulation of herbal practitioners	
Lead Department/Agency	Department of Health	
Stage	Consultation	
Origin	Domestic	
IA Number	4014-RC	
Date submitted to RPC	06/09/2012	
RPC Opinion date and reference	01/10/2012	RPC12-DH-1432(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion have been addressed. It is now clear that the policy is a new domestic regulation which is net beneficial to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA explains that while licensing herbal practitioners relates to an EU Directive it is a domestic regulation that will be net beneficial to business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (a 'zero IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed		Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Consultation on including a health objective in the Licensing Act 2003 related specifically to cumulative impact	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not given	
Date submitted to RPC	20/09/2012	
RPC Opinion date and reference	01/10/2012	RPC12-HO-1491(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (29/08/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (29/08/2012) have been addressed. In particular the IA now provides a better assessment of the costs and benefits of the proposal and sets out how the department proposes to proceed with those impacts that they are not able to monetise at this stage (e.g. lost benefit to consumers of alcohol).</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Licensing Act 2003: Consultation on removing the prohibition of the sale of alcohol at motorway service areas	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not given	
Date submitted to RPC	20/09/2012	
RPC Opinion date and reference	01/10/2012	RPC12-HO-1496(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (31/08/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (31/08/2012) have been addressed. In particular, the IA now discusses the potential costs of increased alcohol consumption. While these costs are still not monetised the IA now explains why they are expected to be low and invites consultees to comment on this assumption.</p> <p>In addition the manner in which the impacts on business have been estimated in the revised IA is consistent with the approach taken in previous IAs prepared by the Home Office.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Temporary Event Notices (TENs): Reducing the burdens of the Licensing Act 2003	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not given	
Date submitted to RPC	20/09/2012	
RPC Opinion date and reference	01/10/2012	RPC12-HO-1498(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (31/08/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (31/08/2012) have been addressed. In particular the IA now discusses the potential costs of increased alcohol consumption. While these costs are still not monetised the IA now explains why they are expected to be low and invites consultees to comment on this assumption.</p> <p>In addition the IA now better explains how the new TENs system will work and what measures have been taken to encourage licensing authorities to make use of this discretionary power.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Licensing Act 2003: proposals to reduce burdens of licensing on those who sell limited amounts of alcohol as part of a wider service (ancillary sellers)	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not given	
Date submitted to RPC	20/09/2012	
RPC Opinion date and reference	01/10/2012	RPC12-HO-1502(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (31/08/2012) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (31/08/2012) have been addressed. In particular the IA now discusses the potential costs of increased alcohol consumption. While these costs are still not monetised the revised IA explains why they are expected to be low and invites consultees to comment on this assumption.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Copyright Exception for Private Copying	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA number	BIS 1055	
Date submitted to RPC	26/09/2012	
RPC Opinion date and reference	04/10/2012	RPC11-BIS-1055(3)
One-In, One-Out (OIOO) Assessment	GREEN	
<p>The IA says the proposal is a deregulatory measure with a net beneficial impact on business (an OUT). While the main monetised benefits to business are indirect for OIOO purposes, there are likely to be some small direct benefits, which have not been monetised. Therefore, the measure is reported as an OUT with no EANCB scored. This is consistent with the current One-in, One-out Methodology.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Benefit to business.</i> The IA says the proposal will benefit technology firms by removing barriers and costs and improving entry to technology markets. The Department estimates that this deregulatory measure could generate net benefits for UK firms in the range of £47m to 471m in Net Present Value terms over a 10 year period. We accept that the proposal has the potential to create new business opportunities for technology firms. However, the scale of the potential benefits is uncertain, as it will depend on how businesses take advantage of these opportunities. While the figures provided by the Department are based on the best available evidence, it should be made clear that this is only an attempt to capture the magnitude of the potential benefits and that the reality could differ considerably from the estimate provided.</p>		
Signed	Michael Gibbons, Chairman	
		


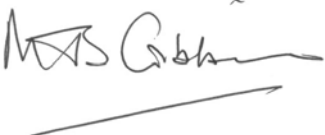
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Industrial Emissions Directive	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Europe/Domestic	
IA number	Defra 1375	
Date submitted to RPC	01/10/2012	
RPC Opinion date and reference	09/10/2012	RPC11-DEFRA-1160(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The proposal is a recast of an EU Directive and will result in increased costs to business estimated to be some £105 million per annum. As these increased costs are the result of a European measure, with no evidence of gold-plating or failure to derogate, they are out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 22-24).</p> <p>However, the IA says that the recast provides the opportunity to review certain existing UK regulatory requirements in this area. This aspect of the proposed measure is deregulatory and has a direct net benefit to business (an ‘OUT’) with an estimated Equivalent Annual Net Cost to Business (EANCB) of (-)£0.5m. The categorisation and monetised estimate are consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>One-in, One-out (OIOO).</i> For OIOO purposes, the IA claims an OUT with an EANCB of (-)£0.5m which is in accordance with the current OIOO Methodology. However, in the absence of a formal OIOO assessment, this could be misinterpreted as the recast of the Directive being beneficial to business and as such could be used to source OUTs. Therefore, the IA would benefit from including a OIOO assessment as this would clarify that the recast of the Directive itself will be net costly for business (an increased cost of approximately £105m per year) but is out of scope of OIOO. This would also make it clearer that the department is taking the opportunity of transposing the recast to review domestic legislation in this area, and that it is the simplification of a small part of these regulatory requirements that forms the basis of the ‘OUT’. Given that the source of the ‘OUT’ is not of European origin and hence not part of the recast, the department may wish to consider if it is appropriate to appraise the simplifications in this IA or whether they should be in a separate IA.</p> <p>In addition, the department has provided us with further information that explains the extent to which the consultation has been used to inform the estimated impacts, and how these have been estimated. This supplementary information</p>		


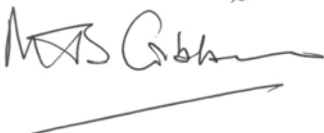
should be included in the IA prior to publication.


Signed

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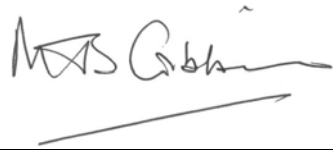
David Parker,
Committee Member

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Education (Independent School Standards) (England) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Education	
Stage	Final	
Origin	Domestic	
IA number	DfT00011	
Date submitted to RPC	19/09/2012	
RPC Opinion date and reference	10/10/2012	RPC12-DfE-1268(2)
OIOO Assessment	GREEN	
<p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.273m. This is consistent with current One-in, One-Out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and benefits.</i> The costs and benefits of amending the Independent School Standards Regulations and of allowing electronic transmission of data by schools appear to have been adequately assessed.</p>		
Signed 	Michael Gibbons, Chairman	


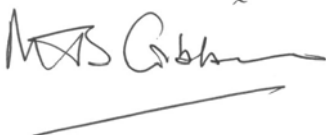
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Impact Assessment of the Recast Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE)	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
IA number	BIS 0382	
Date submitted to RPC	24/08/2012	
RPC Opinion date and reference	16/10/2012	RPC12-BIS-1536
One-in, One-out (OIOO) Assessment	GREEN	
<p>Comments on the robustness of the OIOO assessment</p> <p>As this proposal is a recast of an EU Directive that increases the costs to business, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 24).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The costs and benefits of the recast (paragraph 48) have been adequately assessed. The department has provided us with further information that provides a clearer overview of the estimated additional impacts that are a result of the changes brought about by the recast. The IA would benefit from including this information prior to publication.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Work Sharing with International Partners	
Lead Department/Agency	Department for Business, Innovation and Skills/Intellectual Property Office	
Stage	Consultation	
Origin	Domestic	
IA Number	BIS 0381	
Date submitted to RPC	5/10/2012	
RPC Opinion date and reference	17/10/2012	RPC12-BIS-1543
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, to provide for a more meaningful consultation, the IA should provide more information on action that will be taken to ensure greater participation of applicants to ensure realisation of the policy objective. In terms of options, the IA should also included a discussion as to action available to be taken at European, or wider, level given the global nature of the problem and the current estimated lost benefits to businesses.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Evidence and realisation of policy objective.</i> The IA says, <i>the overall policy objective is to increase the level of work sharing and reuse of information between other patent offices by sharing information earlier in the patenting process</i> (page 8). However, the IA also says, <i>the relatively low numbers who have indicated their agreement to IPO sharing their information would seem to show that many customers take a cautious approach when directly asked for their consent to share their information</i> (page 9). To give a measure of the extent to which the policy objective will be realised and to provide for a more meaningful consultation, the IA should provide more information and explain the action that will be taken to ensure greater participation of applicants.</p>		
<p><i>Options and global economy.</i> The IA says, <i>“..that delays in processing patents cost £7.6 billion for every extra year patents are delayed in the US, Japan and Europe, of which £6 billion is through lost innovation”</i>. To allow for a meaningful consultation, the IA should include a discussion as to why measures are not being considered at European, or wider, level in view of the global impact of the delays in processing patents, and the associated lost benefits to business of the current regime.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says, <i>UK businesses who also apply for international patent protection will benefit indirectly from work sharing between offices....</i> (page 3)-.As there are no direct costs to business form the proposal and the benefits are expected to be indirect then the IA says that the measure is out scope of One-in, One-out (OIOO). This is consistent with the current OIOO Methodology.</p>		

Signed

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Michael Gibbons, Chairman

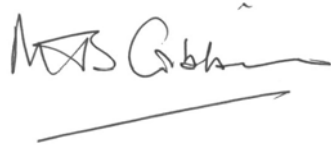
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Directive 2011/77/EU of 27 September 2011 amending Directive 2006/116/EC on the term of protection of copyright and certain related rights	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	European	
IA Number	Not provided	
Date submitted to RPC	04/10/2012	
RPC Opinion date and reference	18/10/2012	RPC12-BIS-1562
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA identifies the full range of potential impacts of the proposed extension of the protection for sound recordings from 50 years to 70 years. However, the IA should be amended to provide more accurate assessment of the real economic impact of the likely transfer between various affected groups.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA estimates the additional costs and benefits of the proposal based on the anticipated changes in sales of copyright products. However, it appears the use of revenue (sales) figures does not represent the true economic impacts of the proposal (for example, there are likely to be some costs involved for content distributors when selling the copyright products). The IA should instead use the impact on profits to estimate the costs and benefits to affected groups. This will need to be addressed at final stage to estimate correctly the additional cost to business.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the proposal is of European origin without any evidence of going beyond the minimum requirements, it is out of scope of One-in, One-out.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Civil Enforcement Remedies	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	04/09/2012	
RPC Opinion date and reference	23/10/2012	RPC12-BIS-1542
Overall Assessment	AMBER	
<p>The IA is fit for purpose. Although the IA is lacking in monetised estimates of the costs and benefits of the proposed measure, qualitative arguments have been put forward given the stage of the policy development. However, it appears not all of the potential costs to businesses have been identified and the IA should give greater consideration to, for example, the cost to compliant/non-rogue businesses as a consequence of the proposed measure.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Rationale.</i> The IA says the proposed remedies, “..would be based around mechanistic schemes to deliver particular outcomes rather than the outcomes themselves..” (paragraph 41) and that the remedies will “..direct traders to take positive action.” (Paragraph 9). To facilitate the consultation, the IA should explain more clearly what potential outcomes and actions would follow from adoption of the proposal.</p>		
<p><i>Estimated Costs of Preferred Option.</i> The IA says that it expects there to be familiarisation costs to business from the proposal. However, it is not clear if these will be the only costs. For example, it is not apparent whether there will be any impact of the proposed measure on the level of legal resources that businesses (in particular compliant/non-rogue businesses) will need in future as a consequence of the proposal, which would be in scope of ‘One-in, One-out’. The consultation should be used to gather further evidence in this area as this will be important in establishing how the proposal will lead to increased business compliance with the law. Also, the IA should explore what potential impacts there could be on the future activity or behaviour of these businesses if civil enforcement was introduced. Furthermore, the final stage IA should also reflect any costs incurred between enforcers and businesses as referred to in paragraph 27; and demonstrate the relative cost of civil versus criminal proceedings.</p>		
<p><i>Non-regulatory alternatives.</i> Following consultation the IA should explain more clearly the additional net benefits that will be obtained from following a regulatory route in this area compared to pursuing alternatives to regulation, for example, voluntary approaches or administrative changes. Given the lack of monetisation, the case for preferring the regulatory option needs to be presented more fully.</p>		


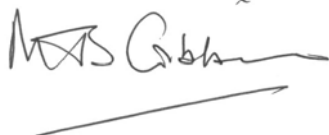
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


The IA says that the proposal is a regulatory measure that will impose a net cost to business (an 'IN'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely direction of impacts. However, the IA does not currently score an Equivalent Annual Net Cost to Business (EANCB). The evidence will have to be further strengthened so that an EANCB can be validated at final stage.

Signed

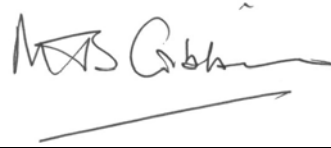
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Michael Gibbons, Chairman


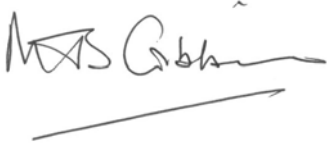
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of the Mobile Homes Act 1983	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
IA number	120907	
Date submitted to RPC	10/09/2012	
RPC Opinion date and reference	23/10/2012	RPC12-CLG-1271(2)
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>The IA estimates an EANCB of £0.02 million which reflects additional costs to business from an increase in regulatory activity in this area. Based on the evidence presented this appears to be a reasonable assessment of the net direct impact on business.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs to business.</i> The IA proposes to help ensure that mobile homeowners are able to sell their homes in the open market, without the undue interference of unreasonable mobile home sale blocking by some site owners. Following input from the Consultation, the preferred option has been amended by removing the site owners from the process of the selling of mobile homes by owners. In doing so, the estimated costs to businesses have been reduced greatly from the estimate given at Consultation stage and now cover a series of additional administrative costs relating to the appliance of site rules (paragraph 33).</p> <p>In terms of One-in, One-out (OIOO) the IA scores the proposal as an 'IN' with a net direct cost to business of £0.02 million in EANCB terms.</p> <p><i>Benefit to Local Authorities.</i> The IA incorrectly records the fees received by Local Authorities. These should be shown as covering the costs of additional LA resources used in regulating this area. This should be corrected before the IA is finalised.</p>		
Signed 	Michael Gibbons, Chairman	


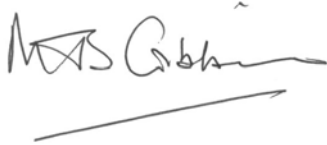
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Marine Strategy Framework Directive targets and indicators for Good Environmental Status	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
IA number	Defra 1405	
Date submitted to RPC	19/09/2012	
RPC Opinion date and reference	26/10/2012	RPC12-DEFRA-1116(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>As the proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope 'One-in, One-out' (OIOO). The IA says the measure is of net benefit to business with an Equivalent Net Annual Costs to Business (EANCB) in the range (-)£510K - £4.7m. This appears to be a reasonable assessment of the impact on business. However, we note that the final measures for achieving Good Environmental Status will be subject to a full cost-benefit analysis and impact assessment process between now and 2015.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and benefits.</i> The IA says, 'wherever possible costs and benefits have been monetised, however, this has not been possible in all cases given the current evidence base and a significant amount of qualitative assessment is included' (paragraph 6). However, the non-monetised estimates of benefits and costs to businesses appear to be small relative to the impact of the monetised estimates on businesses. The EANCB scored of (-)£510K - £4.7m appears reasonable given the size of the measure and the inherent uncertainties, but how the figures have been arrived at is difficult to follow and could have been more clearly presented; and the rationale for the differing appraisal period in parts (10 years versus 13 years) and how they reconcile could have been better explained.</p> <p>We also note that, in view of the very wide range of estimates of costs (to business and government) and benefits, that ..the final measures for achieving Good Environmental Status will be subject to a full cost-benefit analysis and impact assessment process between now and 2015 .</p> <p><i>Risk and realisation of policy objective.</i> The IA says a key change, since the consultation, is <i>the increased certainty about the direction of the CFP [Common Fisheries Policy] Reform process</i> (pager 5 and 10). The IA could have elaborated on the certainty of the cited Reform process and the impact on the realisation of the policy objective if the Reform did not progress as envisaged.</p>		


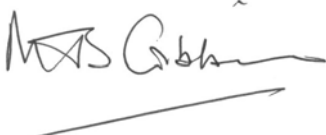
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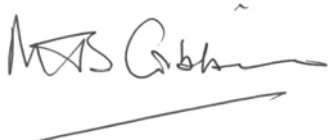
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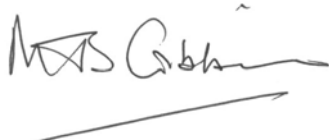
Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Modification of gas and electricity licenses for the purpose of implementing a cost recovery mechanism for energy supply company administration	
Lead Department/Agency	Department for Energy and Climate Change	
Stage	Consultation	
Origin	Domestic	
IA Number	DECC 101	
Date submitted to RPC	28/09/2012	
RPC Opinion date and reference	01/11/2012	RPC12-DECC-1480
Overall Assessment	GREEN	
<p>The IA is fit for purpose and sets out the issues surrounding the proposal with an explanation of the potential costs and benefits of the cost recovery mechanism.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Costs and benefits.</i> The IA sets out the issues surrounding the proposal with an explanation of the potential costs and benefits of the cost recovery mechanism.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendments to Cattle Identification Regulations	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
IA number	Defra 0168	
Date submitted to RPC	25/10/2012	
RPC Opinion date and reference	01/11/2012	RPC12-DEFRA-1553
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that the proposal is a deregulatory measure and is an ‘OUT’ under the current One-in, One-out (OIOO) Methodology. It scores an EANCB of (-)£0.611m. Based on the evidence provided in the IA this is a reasonable estimate of the cost savings to business.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Costs and benefits.</i> The IA explains that the proposal is to enable cattle keepers to report the deaths of cattle by means other than paper, and so enable them to report at lower cost.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Recast of the Restriction of Hazardous Substances Directive	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
IA Number	BIS 0381	
Date submitted to RPC	30/10/2012	
RPC Opinion date and reference	2/11/2012	RPC12-BIS-0912(2)
Overall Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>As this proposal is a recast of an EU Directive that increases the costs to business, and there is no evidence of gold-plating or of not taking up available derogations which would reduce costs to business and civil society organisations, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 24).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Options and Article 2.2.</i> This final stage IA now presents the transposition of the Restriction of Hazardous Substances (RoHS) Directive without Article 2.2 as though it is a separate and viable option (Option 1). However, the IA says that <i>the UK will copy out the Directive with the Article in place, in order to meet our obligation to transpose the Directive by 2 January 2013</i> (paragraph 149), and not transposing Article 2.2 does not appear to be an option.</p> <p>In accordance with the IA Toolkit (pages 14-15), only the option to transpose the Directive with Article 2.2 - against doing nothing - should be presented in the IA. Any issues relating specifically to Article 2.2 should be presented elsewhere in the IA.</p> <p><i>Costs to business.</i> The IA estimates the additional costs from the re-cast in terms of a percentage of turnover; it assumes that transition costs will be 1 per cent of turnover. However, in estimating these costs, the IA refers to several publications: the European Commission estimates the impact to be between 1-4 per cent; other estimates are 1.9 per cent and 1.1 per cent. It is not apparent why it is considered inappropriate to use the mid-point of these estimates of almost 2 per cent - as a best estimate with a range around this. The IA would be improved by providing greater justification of the alternative estimates it uses (1 per cent best estimate, with a range of 0.5 - 2 per cent), particularly by showing what the consultation responses identified. A similar argument applies to estimates of the recurring costs.</p>		
Signed 	Michael Gibbons, Chairman	

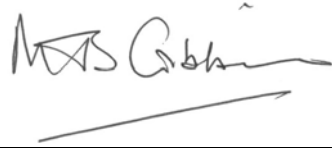
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Proposal to bring Payments in Lieu of Training (PILOT) under the tonnage tax in line with actual training costs	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
IA number	DfT00169	
Date submitted to RPC	17/10/2012	
RPC Opinion date and reference	02/11/2012	RPC12-DfT-1477(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>The department describes this proposal as relating to a change in fees. With no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of 'One-in, One-out' in strict accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p>		
<p><i>Benefits and Evaluation.</i> The IA should provide greater assessment of the likely impact of the monies spent by the Maritime Training Trust (MTT), as this will determine the benefit of the proposal. This should draw on any evaluation evidence on the effectiveness of PILOT to date.</p> <p><i>Costs.</i> The IA says <i>The Treasury GDP deflator for the calendar year 2012 is 2.5% above the 2011 base. This percentage increase would be insufficient to reflect the change in funding for higher education, effective from September 2012, which will increase the cost of maritime training"</i> (paragraph 25). However, Option 1, described as uprating PILOT in line with the GDP deflator, increases the basic PILOT rate by over 12 in table 2. Although this option is not the one proposed, the IA should explain this increase to provide confidence that the cost of this option has not been overestimated.</p>		
<p>Signed</p> 	<p>Michael Gibbons, Chairman</p>	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Ofgem Consumer Redress	
Lead Department/Agency	Department of Energy and Climate Change	
Stage	Final	
Origin	Domestic	
IA Number	DECC0074	
Date submitted to RPC	31/10/2012	
RPC Opinion date and reference	05/11/2012	RPC12-DECC-1209(2)
Overall Assessment	GREEN	
Overall comments on the robustness of the OIOO assessment		
<p>As this proposal relates to a change in fines and penalties, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ix). Also, the department have confirmed that there are no additional costs to compliant businesses or their operations from the proposal.</p>		
Overall quality of the analysis and evidence presented in the IA		
<p><i>Expected impacts on compliant businesses.</i> The department has provided us with further information, which clarifies why it is expected that there will be no additional costs to compliant/legitimate businesses operating within their licensing/statutory requirements from the proposal. This should be included in the IA prior to publication as it explains that the department do not expect there to be additional precautionary expenditure to avoid the risk of redress, or expenditure as a consequence of a wrongful claim for redress. The IA would benefit from showing that this position is supported by responses to the consultation.</p>		
Signed		Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Implementation of the EU Dairy Package	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
IA Number	Defra1088	
Date submitted to RPC	22/10/2012	
RPC Opinion date and reference	13/11/2012	RPC12-DEFRA-1622
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should set out how the costs to the competent authorities will be funded. The IA also contains a number of assumptions which should be tested through the consultation process to develop a more robust understanding of the likely level of take up of the proposals and subsequent costs/benefits.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Competent Authorities.</i> The IA should clearly set out how the costs to the competent authorities will be funded. In particular whether industry will ultimately be expected bear these costs.</p> <p><i>Take up and time savings.</i> The evidence in the IA suggests that the level of benefit for producers may drive a higher take up than modelled in the best estimated scenario, and that the direction of the overall impact (cost or benefit) will be linked to levels of take up and time savings. The consultation process should be used to test the assumptions for the levels of use, including developing information on the potential impacts on different size producers and how this would impact across the industry.</p> <p><i>Impact on Price.</i> The IA assumes that producer price changes would only have a limited effect on the prices charged by retailers, and does not estimate the impact this will have on retailers and consumers. The consultation should be used to test this assumption.</p> <p><i>Costs and benefits of different scenarios.</i> The IA sets out costs and benefits of two scenarios, based on different levels of take up, but only uses the figures from one scenario in the summary analysis. It is not clear why the modelling from the higher take up scenario has not been included in the summary.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As the mandatory aspects of the proposal are of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in</p>		

accordance with the current One-in, One-out methodology (paragraph 16; ii). Implementation of the discretionary elements would go beyond the minimum requirements resulting in increased costs to business and civil society organisations. The discretionary elements would therefore be scored as an 'IN' in accordance with the current One-in, One-out methodology (paragraph 22).

Signed

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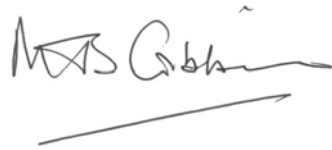
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Order-making power for <i>midata</i>	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA number	BIS0386	
Date submitted to RPC	23/10/2012	
RPC Opinion date and reference	13/11/2012	RPC12-BIS-1611
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment As this proposal is to introduce enabling powers, the IA says that it has no direct impact on business at this stage and is out of scope of One-in, One-out (OIOO); and that the costs of regulation made in the exercise of such statutory powers will be scored for OIOO purposes when implemented in secondary legislation. This is in accordance with the current OIOO Methodology (paragraph 20).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>We are concerned that the IA does not provide Parliament with an adequate assessment of the impacts of the policy, the objective of which is to ensure that business should make transaction data it collects available to customers so that they may make better informed purchasing and consumption decisions.</p> <p>The IA should be amended to address these concerns:</p> <p><i>Benefits.</i> The IA acknowledges that there is a <i>lack of direct evidence on whether midata (as a new concept) would prompt consumers to switch</i> (paragraph 61), which is surprising given that this is a final stage IA. The potential pro-competitive advantages of <i>midata</i> would appear to be realisable only if the deterrents (listed at paragraph 47) can be addressed. For example, greater consumer access to information would appear not to tackle the problems of early exit charges for customers or of them being locked into long-term relationships with businesses. The IA should provide more explanation of how the proposals would help overcome these, in particular those deterring consumers from switching products. It should also provide discussion of the importance of each of these deterrents and explain whether the consultation provided evidence that the proposals would offer an effective approach to achieving the policy objectives.</p> <p><i>Costs.</i> The IA acknowledges that the costs to business would vary according to size and sector of business to which the proposals are applied. Paragraph 95 implies that, for most businesses, one-off costs might be towards the high end of an estimated range. However, it is not clear whether the average illustrative costs for large businesses reflect this, or whether the costs to business of consumers switching (figures 10 and 11) are reflected in the total costs, as presented in the IA. These issues should be addressed in this IA, and will also need to be considered in IAs supporting any relevant secondary legislation.</p>		


Furthermore, the IA says that there will be costs of providing *education about the benefits it can bring* and *reassurance about data security* to *get the full benefits from releasing transactional data* (paragraph 55). These costs will have to be quantified in future IAs.

Uncertainties and further IAs for secondary legislation. The IA says that *there is a significant degree of uncertainty around these figures, and in most cases they represent businesses' own early estimates of likely costs. More work and further impact assessments would be needed to quantify these costs at the point when Government took the power in relation to a particular sector through secondary legislation* . It is imperative that IAs supporting future use of such powers present more robust cost estimates and stronger support for estimated benefits, particularly so that the IN(s) can be scored for OIOO purposes.

Signed

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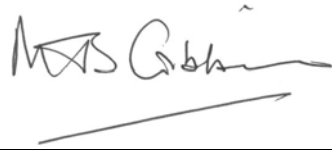
Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Damages Act 1996 S1 The discount rate (Review of legal parameters)	
Lead Department/Agency	Ministry of Justice	
Stage	Consultation	
Origin	Domestic	
IA Number	MOJ171	
Date submitted to RPC	09/10/2012	
RPC Opinion date and reference	14/11/2012	RPC12-MOJ-1602
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should explain in more detail how this IA relates to the IA we opined on in March 2012. The costs and benefits, and the One-in, One-out (OIOO) position should be strengthened following consultation and prior to validation at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Options and current consultation.</i> We issued an Opinion on 16 March 2012 on an IA entitled 'The Discount Rate: How it should be set', which we understand was out to consultation until 23 October 2012. The new IA includes proposals relating to changes to the parameters used to set the discount rate which appear to be very similar to the options presented in the IA which was subject to consultation. To maximise the benefit from the proposed further consultation, this IA should explain more clearly, and earlier in the document, the differences between the options in the earlier IA and in the current one.</p>		
<p><i>Costs and benefits.</i> The IA presents no quantified costs or benefits from the options. While it is acknowledged it is difficult to be precise at this stage on what these may be, it is unclear why previous levels of damages cannot be used to provide a benchmark for the potential impact of different options being considered. In addition, if there are any familiarisation costs from the proposal these should be recorded at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says that Option 1, which relates to changing the parameters used to set the discount rate, is out of scope of One-in, One-out (OIOO) and that Option 2, which would encourage greater use of periodical payment orders, would have a zero net impact on business. Option 1 is said to be out of scope because it is not a regulation as defined in the OIOO Methodology (paragraph 13). However, it is far from clear that this is the case.</p>		
<p>Also, the costs or benefits to business resulting from transfers are said to be out of scope of OIOO. This is not necessarily the case. By contrast, fines and penalties are</p>		


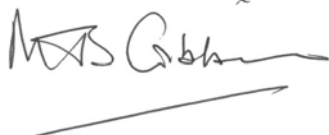
out of scope of OIOO (paragraph 16, ix) and this seems to apply.


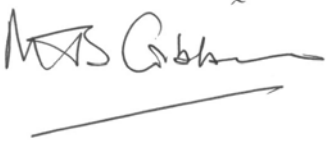
In summary, the OIOO assessment (as with the other related consultation) will need to be amended and strengthened for validation at final stage.


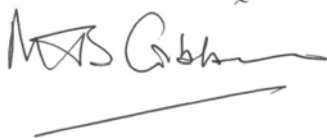
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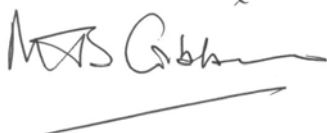
A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the 'i' in "Gibbons".


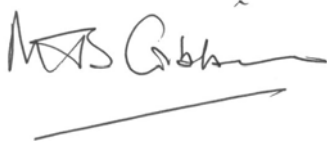
Michael Gibbons, Chairman



 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Recast of the Energy Performance of Buildings Regulations	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	European	
IA number	DCLG 1051	
Date submitted to RPC	09/11/2012	
RPC Opinion date and reference	15/11/2012	RPC11-CLG-1051(3)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>While the majority of the measures in this IA are the minimum implementation of a recast of an EU directive and therefore out of scope of One-in, One-out (Paragraph ii) there is an element of removal of gold plating which is net beneficial to business and is therefore considered to be an Out under the current methodology (paragraph 18). The estimated EANCB for this Out, of -£14.1m, appears robust.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>Our previous Opinion of 16/10/2012 stated that some of the assumptions made were not strong enough and based upon departmental estimates since no consultation was undertaken. Since then the Department sought to strengthen the estimates, in particular by engaging with the Building Regulations Advisory Committee (BRAC) which offers a wide cross section of the construction sector's views. The costs and benefits in the IA now appear more robust and reasonable.</p> <p><i>Article 9 – Nearly zero-energy buildings</i> .The IA says that <i>any specification of high energy performance will be set out in Building Regulations and subject to separate Impact Assessments</i> . The RPC would expect to see these IAs.</p>		
Signed 	Michael Gibbons, Chairman	


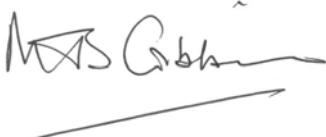
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Updating of the Special Administration Regime for Water Companies	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	Domestic	
IA number	Defra 1152	
Date submitted to RPC	01/10/2012	
RPC Opinion date and reference	15/11/2012	RPC12-DEFRA-1363(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA is fit for purpose. The proposal is classified as out of scope of One-in, One-out (OIOO) because it has no direct impact on business or civil society organisations. This is consistent with the current OIOO Methodology.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Monetisation of costs, benefits and impact of proposal.</i> Following our previous opinion, this IA provides greater detail on why it does not provide any monetisation of the potential costs and benefits from the proposal. The IA also provides more text on the expected wider benefits of the proposal.</p> <p>However, the IA would be improved by distinguishing more clearly the impacts of the proposal on the operation of the water industry, and the impacts in terms of transfers between new and existing owners and taxpayers. The IA would also benefit from explaining more clearly how the impact of the proposal is to be evaluated to determine its effectiveness.</p>		
Signed 	Michael Gibbons, Chairman	


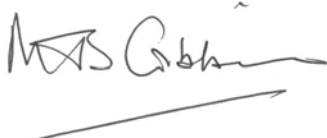
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Revocation of the Notification of Conventional Tower Cranes Regulations 2010	
Lead Department/Agency	Health and Safety Executive	
Stage	Final	
Origin	Domestic	
IA number	Not provided	
Date submitted to RPC	12/09/2012	
RPC Opinion date and reference	15/11/2012	RPC-12-HSE-1285(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT') with an Equivalent Annual Net Cost to Business (EANCB) of (-)£0.053m. This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Evidence supporting revocation.</i> We note that, while the IA says that ...<i>the substantial evidence we have been able to collect suggests the removal of the Register would not be expected to have a detrimental effect.</i>" They also accept that <i>the Register has been in operation for a period which is not long enough to allow health and safety final outcomes (i.e. injuries and fatalities) before and after its introduction to be reliably compared</i> (paragraph 103). Given the uncertainty and the concerns from respondents to the public consultation that the register might be generating positive health and safety impacts, the IA should discuss the potential scale of health and safety impacts if removing the regulations were to increase risks.</p> <p><i>Monetisation of Costs and Benefits.</i> The department has provided a single point estimate for the value of the costs and benefits but has not provided high or low estimates. While the figure appears to be a reasonable best estimate there is a degree of uncertainty around the actual costs and benefits. The IA would have benefited from presenting a range for the expected impacts to reflect this uncertainty.</p>		
Signed 	Michael Gibbons, Chairman	


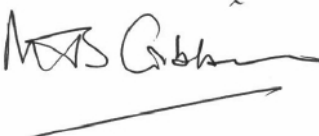
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Transmissible Spongiform Encephalopathies (England) (Amendment) Regulations 2012	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Final	
Origin	European	
IA number	DEFRA1426	
Date submitted to RPC	02/11/2012	
RPC Opinion date and reference	23/11/2012	RPC12-Defra-1261(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>As this proposal is of EU origin with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' (OIOO) in accordance with the current OIOO methodology (paragraph 16; ii). The IA says that the proposal will impose a net cost to business with an Equivalent Annual Net Cost to Business (EANCB) of £0.003m. This is consistent with the current OIOO Methodology and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>All the issues identified in our previous Opinion of 13/03/2012 have been addressed. The IA considers the full range of potential impacts, with the estimation of these impacts supported with appropriate evidence. The IA would benefit from including the additional information provided by the Department on the source of some of the figures used in the IA.</p>		
Signed		Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The draft Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2013	
Lead Department/Agency	Department for Work Pensions	
Stage	Final	
Origin	Domestic	
IA number	DWP 0033	
Date submitted to RPC	05/11/2012	
RPC Opinion date and reference	23/11/2012	RPC12-DWP-1425(2)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA scores the measure as an 'IN' with zero Equivalent Annual Net Cost to Business (EANCB) as the policy is new regulation that will be net beneficial to business. This is consistent with the current One-in, One-out (OIOO) Methodology and represents a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The IA does not specifically provide a discussion on OIOO. However, the qualitative arguments used in support of costs and benefits suggest the OIOO categorisation is consistent with the current OIOO Methodology and represents a reasonable assessment of the likely impacts. The IA would have benefited from an extended discussion on the One-in, One-out (OIOO) categorisation of the proposal.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Wheatley Review of LIBOR Implementation	
Lead Department/Agency	HM Treasury	
Stage	Final	
Origin	Domestic	
IA number	Not provided	
Date submitted to RPC	08/10/2012	
RPC Opinion date and reference	27/11/2012	RPC12-HMT-1603
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>The IA states that this proposal deals with financial systemic risk. Whilst this assessment is not a clear cut case, on balance the Committee accepts the case presented by HM Treasury. This proposal is therefore out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; xiv).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>Costs and Benefits: The IA provides an estimate of costs. However, whilst the IA provides an overview of the scale of the importance of LIBOR explaining that it is used in contracts with a value of at least 300 trillion globally (paragraph 25), the IA only has two paragraphs (25 and 26) on benefits, and no quantification of the benefits. The IA should provide a more detailed assessment of possible benefits, as it appears from the rationale for intervention that these could be substantial.</p> <p>Do Nothing/Counterfactual: The IA discusses the potential impact of future EU-related legislation that may come into force over the next few years (paragraph 20). The IA would benefit from further discussion on how far these measures would address the problem under consideration. The IA would also benefit from further discussion on how these domestically driven proposals will be coherent with such possible future EU legislation.</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Amendment to the Environmental Permitting (England and Wales) Regulations 2010 - new schedule for Materials Recovery Facilities (MRFs)	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
IA Number	Defra 1481	
Date submitted to RPC	21/11/2012	
RPC Opinion date and reference	28/11/2012	RPC12-DEFRA-1625
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The additional information provided by the Department, and incorporated into the IA, sets out the rationale for the proposed changes, the associated potential costs, and how informal consultation with stakeholders supported the proposals. The IA could benefit from a clearer articulation of the relevant quality standards expected for recyclates.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Quality Standards.</i> The IA could more clearly describe the quality standards which industry will be expected to achieve as a result of the proposals. A clearer definition of the intended quality standards and how these relate to the <i>voluntary grading/banding system</i> in the Quality Action Plan could assist the consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The IA says (page 18) that the proposal is outside the scope of ‘One-in, One-out’ (OIOO) because it “<i>is the minimum necessary to comply with the separate collection requirement of the revised Waste Framework Directive</i>”. As the proposal is intended to implement an EU Directive without going beyond the minimum requirements it is out of scope of OIOO in accordance with the current OIOO Methodology (paragraph 16; ii)</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Merchant Shipping (Passenger Ships on Domestic Voyages) (amendment) Regulations 2012	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	European	
IA number	DfT143	
Date submitted to RPC	16/10/2012	
RPC Opinion date and reference	30/11/2012	RPC12-DfT-1321(3)
OIOO Assessment	GREEN	
<p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The issues raised in our previous opinion (6 September 2012) have been addressed. In particular, the Department has undertaken a further consultation so that the supporting evidence base could be strengthened, and the IA includes a fuller explanation as to why some costs could not be monetised.</p> <p>In addition, the IA also now provides evidence to support the conclusion that if option 2 was pursued, transposing the 2010 directive into UK law and extending its application to those domestic seagoing vessels, then some or much of the fleet would become economically unviable.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Small Waste Oil Burners	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
IA Number	Defra1471	
Date submitted to RPC	29/10/2012	
RPC Opinion date and reference	03/12/2012	RPC12-DEFRA-1632
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the summary figures used in the IA appear to be inconsistent with the content of the IA and should be checked for accuracy prior to publication. The consultation process should be used to test and develop the assumptions used.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>Presentation and analysis. It is unclear how the figures used in the summary sheet (page 3) have been derived from the content of IA. For example, in the main body of the IA the central estimate for the Net Present Value is £-140m but the presented 'best estimate' is £-114m. The IA could better summarise how these figures draw on the range of tables presented in the IA and more clearly set out the relationship between the tables. The best estimates of costs, benefits and net present value must be checked for accuracy before they are published for consultation.</p> <p>Small Firms. The IA would also benefit from including a Small Firms Impact Test (SFIT) as paragraph 6.11 suggests that the costs, at least to a certain degree, are likely to be proportionately higher for smaller businesses that can not bulk buy non-waste oil.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond the minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out methodology (paragraph 16; ii). This assessment should be clearly recorded in the IA.</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Reform of Anti-Social Behaviour powers: Community Protection Notice, Community Protection Orders and the Community Trigger	
Lead Department/Agency	Home Office	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	18/10/2012	
RPC Opinion date and reference	03/12/2012	RPC12-HO-1218(3)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the IA should provide greater consideration of the level of impact on businesses in dealing with graffiti. The IA should also discuss in more detail how, if it is the case that very few businesses will need to take additional action, this aspect of the proposal will significantly reduce anti-social behaviour. The full cost to business and civil society organisations of these aspects of the proposal will need to be monetised at final stage.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Consultation.</i> Following our previous Final Stage Opinion (27/04/2012) we note that the Home Office has decided to re-consult on this issue. In doing so this consultation stage IA has been reconfigured, and includes information from the previous Consultation held in 2011 and from subsequent informal discussions with stakeholders. However, a number of issues we raised in our previous Opinion still should be addressed, prior to publication, details of which are set out below:</p> <p><i>Impact on business.</i> The IA contains some additional detail on how the Home Office has sought to gain feedback from stakeholders on all of the issues raised in our previous Opinion (27/04/2012). However, the IA says that the main impact on businesses is in relation to graffiti, but that this would be of low impact as businesses see the benefit of quickly cleaning any graffiti as outweighing the costs (paragraphs 99-101). The IA also refers to safeguards being included in the Community Protection Notices to ensure responsible businesses are not impacted by the proposals (paragraph 48). However, if it is the case that very few businesses will need to take action as a result of this proposal, it would suggest that either the problem under consideration is a small one, or that the reduction of anti-social behaviour will be limited. The IA should provide greater consideration of this aspect of the proposal in relation to the direct impact on business. The full cost to business and civil society organisations of this aspect of the proposal will need to be monetised at final stage.</p> <p><i>Transitional costs.</i> The IA says that <i>there are no transition costs for business as a result of the new powers. Businesses will only need to understand the new powers when local agencies believe they are acting in a way that is anti-social and begin the</i></p>		

process of interventions "(paragraph 84v). Further to this the paragraph also says that *reading this guidance would be voluntary and so we would only expect businesses to do so if they had decided that the benefits from doing so would outweigh the costs* . The RPC considers it possible that reading the guidance may precede the decision, not the other way round. Therefore while the RPC accepts that there are difficulties in monetising many of the costs and benefits of the proposal at this stage, we do consider that the transition and training costs in relation to businesses who would wish to understand and be compliant with the law, other than social housing providers, are an additional cost of the proposal and should be quantified.

Community Trigger. The IA discusses how the multiple thresholds of the trigger could affect private registered providers of social housing. The IA also describes how local authorities will publicise their criteria for the threshold (paragraph 171). However, the IA does not appear to provide analysis of how businesses, such as retailers, would operate in numerous different regimes and if this would lead to any additional costs to business. The IA should provide additional discussion of the effects of this scenario.


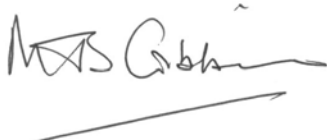
Have the necessary burden reductions required by One-in, One-out been identified and are they robust?


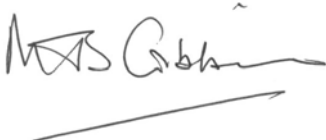
The IA says that the proposal provides a small regulatory measure with an unquantifiable net cost (paragraph 181). It is important that the consultation period is used to strengthen the understanding of the current situation and the likely impact of the proposal so that the full Equivalent Annual Net Cost to Business (EANCB) can be provided to us at final stage for validation.


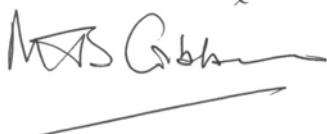
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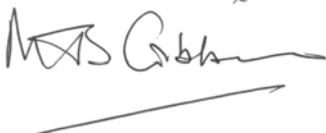
Michael Gibbons, Chairman


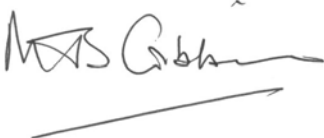
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Ex Military Aircraft Occupant Placard	
Lead Department/Agency	Department for Transport	
Stage	Final	
Origin	Domestic	
IA number	DFT00152	
Date submitted to RPC	20/11/2012	
RPC Opinion date and reference	04/12/2012	RPC12-DfT-1371(2)
OIOO Assessment	GREEN	
<p>The IA says that the proposal is a regulatory measure with negligible costs for business (an 'IN'). The costs are deemed to be negligible on the basis that <i>“most aircraft that are issued with a Permit to Fly are owned by private individuals”</i> (page 6), and for the aircraft owned by businesses, the costs need only relate to placing a legible handwritten or laminated computer printout cockpit placard that can be seen by passengers. Based on the evidence presented, the IA provides a reasonable assessment of the likely impacts and the calculation of the costs on business is consistent with the current One-in, One-out Methodology (paragraph 17)</p>		
<p>Overall quality of the analysis and evidence presented in the IA The issue raised in our previous Opinion (31/05/2012) with regard to compliance monitoring has been addressed.</p> <p>However, the IA still needs to explain more clearly the problem under consideration that the proposal is intended to address. The IA says that the objective of the proposal is to make <i>“passengers better aware of the safety issues associated with flying in an ex-military aircraft”</i> (page 1). However, the IA also now explains that the <i>“fatal accident rate for ex-military aircraft has been similar to the rates for other permit to fly aircraft for four years”</i> and <i>the frequency of occurrence of fatal accidents rate for ex-military aircraft is low”</i> (Page 5). It is therefore unclear what the aforementioned safety issues are.</p>		
Signed	Michael Gibbons, Chairman	
		


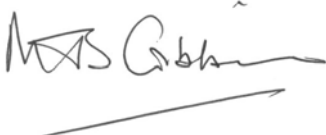
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Transfrontier Shipment of Waste (Amendment) Regulations 2012	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
IA Number	Defra 1140	
Date submitted to RPC	13/11/2012	
RPC Opinion date and reference	10/12/2012	RPC12-DEFRA-1648
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The consultation process should be used to test the potential impact on legitimate businesses of the proposal to extend powers to stop and detain without an advance request.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Impact of extending powers.</i> The IA only provides a limited assessment of the risk of costs to legitimate businesses of the proposal to extend the Border Force powers to stop and detain containers. Enabling action without an advance specific request from a Competent Authority appears to have the potential to increase the number of legitimate shipments which are held. The consultation should be used to test the extent that this is likely to impose additional costs on legitimate businesses and an assessment of the impact should be included in the IA at final stage.</p> <p><i>Assumptions and presentation of figures.</i> The IA would benefit from more clearly setting out the assumptions underpinning the estimates of the impact of fee changes and how the figures in the tables have been reached.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>The argument that there will be no additional compliance costs for legitimate businesses will need to be tested at consultation stage, with any additional costs reflected in the One-in, One-out assessment. As the costs for business currently identified in the IA relate to a change in fees and charges, provided they do not result in a change in the level of regulatory activity, they are out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
Signed 	Michael Gibbons, Chairman	


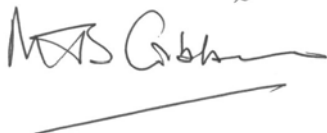
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Correction of Trade Marks and Design Rules	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA number	BIS0378	
Date submitted to RPC	19/11/2012	
RPC Opinion date and reference	10/12/2012	RPC12-BIS-1484(2)
OIOO Assessment	GREEN	
<p>The IA says that the proposal is a regulatory measure that will be net beneficial for business (Zero Net Cost). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts .</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The issues raised in our previous Opinion (03/08/2012) have been addressed. In particular, the Department has revised the OIOO assessment and provided a clearer description of the potential benefits of the proposal, with an explanation of why it would be disproportionate to monetise them.</p>		
Signed 	Michael Gibbons, Chairman	


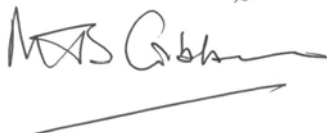
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Payment Surcharges	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA number	BIS0380	
Date submitted to RPC	05/12/2012	
RPC Opinion date and reference	11/12/2012	RPC12-BIS-1461(3)
One-in, One-out (OIOO) Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that the measure is an 'IN' with an Equivalent Annual Net Cost to Business (EANCB) of £0.23m for one year. The IA also states the proposals go beyond the minimum necessary to comply with the requirements by extending the scope of the Consumer Rights Directive, which will result in an additional transition costs for business with an EANCB of £0.01m. The identification of increased costs on business as an 'IN' is consistent with the current One-in, One-out (OIOO) Methodology and represents a reasonable assessment of the likely impacts of the early implementation and gold plating of EU requirements.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p><i>Impacts of proposal.</i> The IA has been improved to take account of the comments in our Opinion of 17 August 2012, and further additional information provided by the Department has helped clarify the expected impact on prices and revenues. The RPC notes the Department has concluded that banning excessive payment surcharges will not affect demand and there will therefore be no effect on firms' revenue. While there appears to be an argument to justify this view, it appears a risk remains that revenue could be affected. The IA could include a better discussion on the management of this risk. In particular, the risk to firms' revenue where sectors and transactions are being brought into scope of the requirements of the Directive by going beyond minimum EU requirements. The risk of firms' revenues being affected should be considered as part of the post-implementation review.</p>		
Signed  	Michael Gibbons, Chairman	


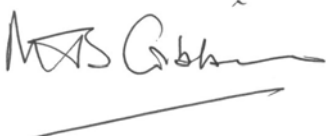
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Unlimited Companies and Partnerships (Accounts) Regulations 2012	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	European	
IA Number	BIS 0394	
Date submitted to RPC	17/10/2012	
RPC Opinion date and reference	13/12/2012	RPC12-BIS-1620
Overall Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment</p> <p>As this proposal relates to a European Union Directive and there is no evidence that the increase in regulation goes beyond the minimum requirements, or of a failure to take available derogations which would reduce the costs to business and civil society organisations, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16 ii). Based on the evidence and analysis provided, the equivalent net cost to business calculation appears to be a reasonable estimate of the net direct cost to business.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>The IA is fit for purpose. The costs and benefits have been adequately assessed. The IA provides monetary estimates of the direct costs to business, with the underlying assumptions and their sources clearly presented. Non-monetised indirect costs have been discussed within the IA, along with an explanation of how the large number of factors affecting firms' decisions makes difficult, with any degree of accuracy, assessing the risk of some limited partnership funds leaving the UK.</p> <p>The IA explains that it would not be possible to give a monetary value to the benefits arising from the improvements in the public availability and comparability of accounts, or to the intangible benefit of removing existing gold-plating. However, the IA could benefit from a more detailed discussion of these benefits, in particular some explanation of the rationale for the EU directive.</p>		
Signed 	Michael Gibbons, Chairman	


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	A simplified measure for extending the life of existing planning permissions.	
Lead Department/Agency	Department for Communities and Local Government	
Stage	Final	
Origin	Domestic	
IA number	DCLG 21012	
Date submitted to RPC	02/11/2012	
RPC Opinion date and reference	13/12/2012	RPC12-CLG-1373(2)
OIOO Assessment	GREEN	
<p>Overall comments on the robustness of the OIOO assessment.</p> <p>The IA says that <i>“this measure is beneficial to business. However, as it is a new regulation, savings to business cannot be counted as an OUT on the Department’s One In, One Out balance. Rather it is a Zero Net Cost In”</i> (page 4). Based on the evidence presented, and advice from the Better Regulation Executive, this appears to be a reasonable assessment of the net direct impact on business.</p>		
<p>Overall quality of the analysis and evidence presented in the IA</p> <p>We note that the measure, while beneficial to business, represents an increase in the volume of regulation relative to the counterfactual where the existing regulation expires. While the proposal will provide business with savings, by not having to submit a new full application, it is additional regulation and as such an ‘IN’ with zero net costs.</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Lorry, bus and coach examination fees - location differentiation	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic	
IA Number	DfT00163	
Date submitted to RPC	28/11/2012	
RPC Opinion date and reference	19/12/2012	RPC12-DfT-1445(2)
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The issues raised in our previous opinion (18/07/12) have been addressed. The final stage IA should address the comments below.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The IA states (paragraph 70) that <i>creating a fairer fees structure is considered to be the main policy objective of the changes</i>. The preferred option involves fees for testing of vehicles at VOSA sites increasing by about 24%, so that all costs at VOSA sites are covered, including estate costs. The IA refers to those who <i>do not yet have a realistic choice between VOSA and non-VOSA facilities</i>” (paragraph C6). The IA should address whether this is likely to persist in the longer-term, e.g. because of being in a remote geographic location, and whether these users are therefore likely to incur further increases in fees as they bear the full cost of a diminishing but disparate VOSA estate.</p> <p>The IA should also provide further details on how the VOSA estate costs have been estimated and undertake sensitivity analysis on the assumption (paragraph 71) for how these costs might change over the appraisal period.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal relates to a change in fees and charges, with no evidence of the proposal resulting in a change in the level of regulatory activity, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16; x).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Controlled Drugs Accountable Officers and The Controlled Drugs (Supervision of Management and Use) Regulations 2006	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
IA number	DH6077	
Date submitted to RPC	30/11/2012	
RPC Opinion date and reference	19/12/2012	RPC12-DH-1508(2)
OIOO Assessment	GREEN	
<p>The IA says that the proposal is a regulatory measure that will be net beneficial for business and civil society organisations (a 'Zero Net Cost'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA The IA's assessment of this being zero net cost for OIOO purposes is reasonable since businesses and civil society organisations (unless they choose to no longer have any involvement with Controlled Drugs) would have to undertake the CDAO functions themselves, at a cost, from April 2013 in the absence of the proposal. However, the IA could have provided further discussion of the impacts on business and civil society organisations, both transition and on-going, drawing upon any additional information from the consultation.</p> <p>The IA could have explained further (at paragraph 78) why the increased number of Controlled Drugs Accountable Officers with the roles located in Clinical Commissioning Groups (option 4.2) would not deliver any additional benefit relative to the preferred option of locating the roles in the NHS Commissioning Board (option 4.1).</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Controlled Drugs Accountable Officers and The Controlled Drugs (Supervision of Management and Use) Regulations 2006	
Lead Department/Agency	Department of Health	
Stage	Final	
Origin	Domestic	
IA number	DH6077	
Date submitted to RPC	30/11/2012	
RPC Opinion date and reference	19/12/2012	RPC12-DH-1508(2)
OIOO Assessment	GREEN	
<p>The IA says that the proposal is a regulatory measure that will be net beneficial for business and civil society organisations (a 'Zero Net Cost'). This is consistent with the current One-in, One-out Methodology (paragraph 17) and provides a reasonable assessment of the likely impacts.</p>		
<p>Overall quality of the analysis and evidence presented in the IA The IA's assessment of this being zero net cost for OIOO purposes is reasonable since businesses and civil society organisations (unless they choose to no longer have any involvement with Controlled Drugs) would have to undertake the CDAO functions themselves, at a cost, from April 2013 in the absence of the proposal. However, the IA could have provided further discussion of the impacts on business and civil society organisations, both transition and on-going, drawing upon any additional information from the consultation.</p> <p>The IA could have explained further (at paragraph 78) why the increased number of Controlled Drugs Accountable Officers with the roles located in Clinical Commissioning Groups (option 4.2) would not deliver any additional benefit relative to the preferred option of locating the roles in the NHS Commissioning Board (option 4.1).</p>		
Signed		Michael Gibbons, Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Funding the interconnection of the National Register of licensed operators of goods vehicles, buses and coaches	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	European	
IA Number	DfT00164	
Date submitted to RPC	28/11/2012	
RPC Opinion date and reference	19/12/2012	RPC12-DfT-1444(2)
Overall Assessment	GREEN	
<p>The IA is fit for purpose. The issues raised in our previous opinion (18/07/12) have been addressed.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p>The issues raised in our previous opinion (18/07/12) have been addressed. The unsubstantiated cost and benefit estimates have been removed from the IA.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p> <p>As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, One-out' in accordance with the current One-in, One-out Methodology (paragraph 16; ii).</p>		
Signed 	Michael Gibbons, Chairman	

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	The Introduction of Fishing Licences to Unpowered Under 10 metre vessels	
Lead Department/Agency	Department of Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	European	
IA Number	1468	
Date submitted to RPC	29/11/2012	
RPC Opinion date and reference	20/12/2012	RPC12-DEFRA-1672
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, there are a number of issues outlined below which should be improved in the IA prior to consultation to ensure that consultees are effectively informed. In particular, the IA should explain why the possibility of infraction proceedings has now come to the fore as well as providing a more detailed consideration of the impacts on businesses likely to be affected.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Problem under consideration.</i> The IA is intended to address “.. an anomaly in the UK Licensing Order (The Sea Fish Licensing Order 1992 No. 2633 as amended) which exempts unpowered under 10 metre vessels from having to have a valid UK fishing licence in England.” The IA also states that “in order for the UK not to be in breach of EU requirements, it is imperative that this anomaly is addressed..” (Paragraph 1.1). However, to allow consultees to understand fully the problem under consideration, the IA should explain why the possibility of infraction proceedings has now come to the fore and not earlier.</p>		
<p><i>Costs and benefits to business.</i> The IA says “the total number of unpowered under 10m vessels engaged in commercial fishing is unknown, although current estimates from the MMO, based on limited data, observations and anecdotal evidence, indicate that these vessels are unlikely to exceed 100 in number” (paragraph 8.2). The consultation should be used to strengthen the evidence base supporting this assumption in order to ensure a robust analysis of the costs (including those not reflected in the licence fee) and benefits to business. In addition, the IA assumes all 100 vessels will be exempt from the construction survey and safety training courses. The basis of this assumption should be made clearer and tested during consultation. The IA should also consider whether any vessel owners may be operating at the margin, and as such may not be able to absorb these additional costs and would be forced to exit the market.</p>		
<p><i>Rationale.</i> The IA says that “without improved fisheries control, conservation and other measures designed to safeguard fish stocks and to ensure their long-term,</p>		

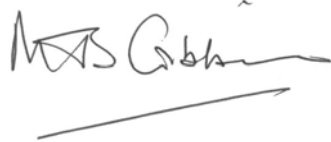
sustainability will not be fully effective” (paragraph 4.2). As this proposal is thought to relate to only 100 small fishing vessels, the IA should state clearly the extent to which this proposal is expected to contribute towards the sustainability of fish stocks.

Impact on small firms. The IA says that as all under 10 metre vessels will be defined as small businesses, *“it is considered that the proposals will not disproportionately disadvantage small businesses”* (paragraph 10.1). As the proposal introduces costs only on small firms, this statement should be clarified. The Department will be expected to provide a more detailed consideration of the impact on small businesses at final stage.


Have the necessary burden reductions required by One-in, One-out been identified and are they robust?

As the proposal is of European origin with no evidence of going beyond the minimum requirements, it is out of scope of ‘One-in, One-out’ in accordance with the current One-in, One-out Methodology (paragraph 16, ii). However, an EANCBS will need to be submitted at final stage for validation, in line with section 100 of the Internal Guidance for Better Regulation Units including Q A, August 2012.

Signed

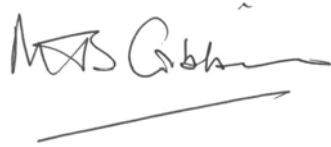
A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

Michael Gibbons, Chairman


 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Motor Vehicle Tyres Regulations 2012	
Lead Department/Agency	Department for Transport	
Stage	Consultation	
Origin	Domestic and European	
IA Number	DFT00185	
Date submitted to RPC	23/11/2012	
RPC Opinion date and reference	20/12/2012	RPC12-Dft-1661
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the technical details and the analysis contained within the IA should be presented more clearly and concisely to ensure that consultees are effectively informed, especially as the consultation will have to be used to strengthen the evidence base to support estimates of the potential benefits to business.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>		
<p><i>Presentation.</i> Due to the high level of technical details contained within the IA, the information within the document could be difficult for consultees to understand and, then, to formulate a constructive response to the consultation. In order to ensure consultees are effectively informed, the IA should present the analysis more clearly and concisely.</p> <p><i>Costs and benefits.</i> The IA sets out in great detail the various options, and the likely costs associated with them. However, when referring to the benefits of consolidating and simplifying existing domestic tyre legislation, the IA says that <i>at this stage the magnitude of the cost saving to business has not been monetised</i>" (paragraph 7.6). As suggested within the IA, the consultation will have to be used to strengthen the evidence base so that a robust estimate of the likely savings can be made at final stage.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		
<p>The IA says <i>"the implementation of the enforcement and monitoring regime required by European legislation is outside scope. However the response to the Red Tape Challenge addressed in option 2 [introduce the minimum legislation necessary to support the enforcement of tyre labelling and minimum performance requirements, using a risk-based approach] involves recasting of existing regulations to reduce burdens and</i></p>		

consequentially is classified as an OUT under OIOO..... The simplification will result in net benefits; however these are reported as zero as the extent of these benefits is not currently estimated". This assessment is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impacts. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line extending to the right below the name.

Michael Gibbons,
Chairman

 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Private Actions in Competition Law	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
Origin	Domestic	
IA number	Not Provided	
Date submitted to RPC	9/11/2012	
RPC Opinion date and reference	21/12/2012	RPC12-BIS-1256(2)
OIOO Assessment	GREEN	
Overall comments on the robustness of the OIOO assessment.		
<p>As the proposal relates to the enforcement of current competition law, the majority of impacts are on non-compliant businesses and are therefore out of scope of OIOO. However, the IA says: <i>“There may be scenarios where vexatious claims against compliant parties may lead to this policy being in scope of OIOO. However, as companies facing vexatious claims would be able to claim back costs in court if the case is unsuccessful, there would be a zero net cost to business”</i> (paragraph 49, page 12). Based on the evidence presented, this appears to be a reasonable assessment and consistent with the prevailing OIOO Methodology.</p>		
Overall quality of the analysis and evidence presented in the IA		
<p>The first page of the IA appears to be that used for the consultation IA; it should be updated. In particular, the cost of the preferred option boxes should be amended to reflect figures which have been altered since the consultation stage IA was prepared. The IA could usefully give consideration to whether there is a risk that compliant parties may choose to settle claims due to a perceived increased chance of otherwise being found to be non-compliant.</p>		
Signed	Michael Gibbons, Chairman	
	