

Title: Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions Lead department or agency: Department for Transport Other departments or agencies: Department of Justice Northern Ireland Health and Safety Executive for Northern Ireland	Impact Assessment (IA)
	IA No: DfT00087
	Date: 27/06/2011
	Stage: Consultation
	Source of intervention: EU
	Type of measure: Other
	Contact for enquiries: Olga Bigault Tel: 020 7944 5509 Email: olga.bigault@dft.gsi.gov.uk

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

The Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions (AD&TP) document needs updating to enable the industry to take advantage of the latest exemptions from the requirements relating to the transport of dangerous goods and to allow the industry to safely continue using UK tanks (for definition, see evidence base) and mobile explosive manufacturing units (MEMUs). By updating derogations and transitional provisions we are transposing part of the DG Directive 2008/68/EC ensuring that the implementation has the minimum impacts on the UK industry. There is also an opportunity to reduce administrative burden on Government by consolidating separate Great Britain and Northern Ireland versions of the AD&TP document into a single version covering the United Kingdom.

What are the policy objectives and the intended effects?

1. To provide for a consistent approach to tank inspections by bringing in a method of inspection for UK tanks that is similar to the compliance inspection regime for tanks constructed and certified to the requirements of the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) and the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) respectively.
2. To provide for competent authority approval for pre-ADR 2009 MEMUs to permit their continued use.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Do nothing: This option is not desirable as it is not to the UK industry's advantage.

Option1: Update national derogations and transitional provisions introducing new requirements for UK tanks, vehicles carrying UK tanks and pre-ADR 2009 MEMUs to undergo similar inspections to those required by ADR. This will provide a systematic approach to verifying their continuing safety and compliance and promote level playing field within the industry.

Option 2: Update national derogations and transitional provisions introducing requirements for UK tanks and providing approval for pre-ADR 2009 MEMUs without the annual inspections. This is the preferred option as it will allow us to transpose the Directive with no costs to the UK industry. It will permit new derogations and continued use of pre-ADR 2009 MEMUs and allow industry to safely carry on using UK tanks thus developing a consistent approach to tank inspections.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

What is the basis for this review? Not applicable. **If applicable, set sunset clause date:** Month/Year

Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?

Not applicable

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Date:

Summary: Analysis and Evidence

Policy Option 1

Description:

Update AD&TP with new derogations and new requirements for UK tanks, vehicles carrying those tanks and pre-ADR 2009 MEMUs to undergo similar inspections to those required by ADR.

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: -4.279

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0.516	4.279

Description and scale of key monetised costs by 'main affected groups'

There will be no cost to the UK industry from implementing the derogations. The costs are made up of the inspection costs required for all vehicles carrying UK tanks over the assessment period and pre-ADR 2009 MEMUs (that do not already undergo inspections on a voluntary basis) undergoing ADR-like annual inspections. There are no extra costs for UK tanks under new inspection regime.

Other key non-monetised costs by 'main affected groups'

There are no non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits.

Other key non-monetised benefits by 'main affected groups'

There is a benefit to the UK industry from implementing the derogations as the implementation will keep the dangerous goods legislation requirements for the UK industry to a minimum. There is also the reduction of administrative costs in publishing the two documents together. This measure will also give greater assurance to the public that the carriage of dangerous goods is properly regulated. We have not been able to quantify these but there is a full explanation of the benefits in the evidence base.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

In 2013 half of the vehicles carrying UK tanks and pre-ADR 2009 MEMUs undergo inspections. From 2014 onwards, all vehicles carrying UK tanks and pre-ADR 2009 MEMUs incur annual inspection costs. UK tanks are not subject to extra inspections costs. The number of UK tanks reduce by 1/3 over the 10 year period based on the assumption the average life of a tank is 30 years. We assume only one tank is fitted to a vehicle. 1/3 of pre-ADR 2009 MEMUs already undergo voluntary inspections so we assume only 2/3 of pre-ADR 2009 MEMUs incur extra costs as a result of the policy.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0.515	Benefits: N/A	Net: -0.515	Yes	IN

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			United Kingdom		
From what date will the policy be implemented?			01/07/2011		
Which organisation(s) will enforce the policy?			VOSA, HSE, Police, DOJ NI, HSENI and PSNI		
What is the annual change in enforcement cost (£m)?			0		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			No		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: none		Non-traded: none
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs: n/a		Benefits: n/a
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	No	6
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	7
Small firms Small Firms Impact Test guidance	No	7
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	7
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Summary: Analysis and Evidence

Policy Option 2

Description: Preferred Option

Update national derogations and transitional provisions introducing new inspection regime for UK tanks and providing approval for pre-ADR 2009 MEMUs without the need for annual inspections.

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: 0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0	0

Description and scale of key monetised costs by 'main affected groups'

There will be no costs to the UK industry from implementing the derogations and no extra cost from the new inspection regime for UK tanks as we simply changing the existing process of inspection. There will be no costs for pre-ADR 2009 MEMUs as they will not be required to undergo annual inspections.

Other key non-monetised costs by 'main affected groups'

There are no non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0	0

Description and scale of key monetised benefits by 'main affected groups'

There are no monetised benefits.

Other key non-monetised benefits by 'main affected groups'

There is a benefit to the UK industry from implementing the derogations as the implementation will keep the dangerous goods legislation requirements for the UK industry to a minimum. There is also the reduction of administrative costs in publishing the two documents together.

Key assumptions/sensitivities/risks

All tanks are inspected in line with the current process and there is no difference in cost between the new and current process.

Discount rate (%)

N/A

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	NA

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	United Kingdom				
From what date will the policy be implemented?	01/07/2011				
Which organisation(s) will enforce the policy?	VOSA, HSE, Police, DOJ NI, HSENI and PSNI				
What is the annual change in enforcement cost (£m)?	0				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: none		Non-traded: none		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: N/A		Benefits: N/A		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	No	6
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	7
Small firms Small Firms Impact Test guidance	No	7
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	7
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	7
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	Dangerous Goods Directive (2008/68/EC)
2	European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) 2009
3	Regulations concerning the International Carriage of Dangerous Goods by Rail (RID) 2009
4	The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009
5	The Carriage of Dangerous Goods and Use of Transportable Pressure Equipments Regulations (Northern Ireland) 2010
6	Carriage of Explosives Regulations (Northern Ireland) 2010
7	Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions (Great Britain) 2009
8	Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions (Northern Ireland) 2010
9	Procedures for Inspection Bodies: Testing and Inspection of UK Tanks 2011

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0	0	0	0	0	0	0	0	0	0
Transition benefits	0	0	0	0	0	0	0	0	0	0
Annual recurring benefits	0	0	0	0	0	0	0	0	0	0
Total annual benefits	0	0	0	0	0	0	0	0	0	0

* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office
Excel Worksheet

Evidence Base (for summary sheets)

Introduction

The European Commission and the UK have agreed certain exemptions from the requirements relating to the carriage of the dangerous goods, as detailed in the Annexes to the Dangerous Goods Directive (2008/68/EC). The UK was authorised to adopt its national derogations in the Commission Decision 2011/26/EU of 14 January 2011. The power to grant those exemptions lies with the Secretary of State for Transport, in his role as the competent authority in Great Britain (GB), and the Health and Safety Executive for Northern Ireland (NI) and the Department of Justice in NI, as the competent authorities in NI. Where exemptions are granted, there is a legal obligation to publish them in the respective versions of the Carriage of Dangerous Goods: Approved Derogations and Transitional Provisions (AD&TP) document. This document needs updating to remove obsolete derogations and recognise new ones.

In addition, there are proposed changes to the transitional provisions regarding competent authority approval for mobile explosive manufacturing units (MEMUs) and the inspection of UK tanks which also require amendments to AD&TP.

Background

AD&TP

Currently GB and NI have two separate AD&TP documents. Both GB and NI versions of AD&TP are legal documents. They are issued in GB under The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009 (CDG 2009) and in NI under The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations (Northern Ireland) 2010 (CDG 2010) and under the Carriage of Explosives Regulations (Northern Ireland) 2010. Both GB and NI versions of the AD&TP document list exemptions from the requirements and prohibitions relating to the transport of dangerous goods in GB and NI. It is proposed to consolidate the two documents into a single document covering the UK.

Tanks

We propose amending the AD&TP document to cover tanks used in the UK that were not constructed to the requirements of the international carriage of dangerous goods by rail (RID) and road (ADR) respectively. These UK tanks will include old tanks¹ as well as those that were constructed to EN 12493 Annex C.

The current provisions for old tanks state that the inspection arrangements are subject to written schemes of examination as set out in GB AD&TP (July 2009) and NI AD&TP (April 2010). Currently the duty is on the individual tank's owner / operator to produce such an inspection scheme and to ensure compliance with that scheme. We propose to remove the requirement for the owner / operator of UK tanks to have a written scheme of examination.

Currently there is a requirement for old tanks to be inspected by a body appointed by the competent authority; this will continue for UK tanks but instead of working to a written scheme of examination the appointed inspection bodies will perform the inspection in accordance with the Vehicle Certification Agency (VCA) document Procedures for Inspection Bodies: Testing and Inspection of UK Tanks.

Moving to the proposed inspection regime will provide a system similar to that which exists for tanks constructed to the requirements of RID or ADR. Individual written schemes have to be assessed by appointed inspection bodies which do not necessarily ensure standard procedures for all UK tanks. The single system we propose provides for a consistent approach to tank inspections.

Mobile Explosive Manufacturing Units (MEMUs)

ADR 2009 introduced provisions for MEMUs requiring all new MEMUs to be constructed and certified in accordance with the provisions of ADR 2009 (or later editions as appropriate). ADR permits the continued use of MEMUs constructed before the ADR 2009 provisions provided those MEMUs are approved by the competent authority. We are proposing to issue such an approval to all MEMUs constructed to national requirements in the UK prior to 1 July 2009 provided they remain safe for their

¹ An old tank is a" tank used for the carriage of dangerous goods that was constructed before 10 May 2004 in GB and in NI before 31 July 2006 and not constructed to the provisions of RID or ADR (for the full definition of an old tanks see GB AD&TP 2009 or NI AD&TP 2010 as appropriate).

intended purpose. The approval will be valid for use in the UK only. Pre-ADR 2009 MEMUs imported into the UK will require competent authority's approval before they can be used in the UK.

Options

The following options have been considered:

Do nothing

This is not a viable option as doing nothing would not be to UK industry's benefit: new derogations will not be permitted, tank inspections will not be updated and the provisions for the use of pre-ADR 2009 MEMUs will not exist.

Option 1

Update national derogations and transitional provisions by recognising new derogations and introducing new requirements for pre-ADR 2009 MEMUs, UK tanks and vehicles carrying UK tanks to undergo similar inspections to those required by ADR. It will enable UK industry to take advantage of the new derogations and provide for a consistent approach to tank inspections. It will ensure a systematic approach to verifying continuing safety and compliance for pre-ADR 2009 MEMUs providing similar levels of safety and similar annual inspection costs for operators regardless of the age of the MEMU. It will also promote a level playing field within the industry by ensuring that vehicles carrying UK tanks undergo a similar annual inspection to vehicles carrying ADR tanks thus providing similar levels of safety and incurring similar annual inspection costs for operators regardless of the tank's age their vehicles are carrying.

Option 2

Update national derogations and transitional provisions providing approval for pre-ADR 2009 MEMUs and introducing new inspection regime for UK tanks to replace the existing inspection regime carried out under a written scheme of examination conducted by an appointed inspection body. Vehicles carrying UK tanks will not be required to undergo annual technical inspections.

This option will provide approval for continued use in the UK of pre-ADR 2009 MEMUs constructed to the national requirements without the need for those MEMUs to undergo ADR-like annual inspections. There will be no costs to the industry, however, without the regular inspections; there will also be no certain way of verifying continuing safety and compliance of pre-ADR 2009 MEMUs. We are also proposing that imported pre-ADR 2009 MEMUs can be used in the UK provided that they obtain competent authority approval.

This option will also provide for a consistent approach to tank inspections. Majority of new tanks are constructed to the provisions of RID / ADR and tested and inspected by bodies appointed by the competent authority, which is the Secretary of State for Transport in GB and Health and Safety Executive for Northern Ireland (HSENI) in NI. Until 2006 all tanks other than RID / ADR tanks were constructed to the requirements of the Health and Safety Executive in GB and HSENI in NI. They were tested, and inspected to a written scheme of examination by a non-appointed competent person. In 2006 this was changed to replace inspections by a competent person to inspections by an appointed inspection body. This has led to an unsatisfactory situation that is part one system and part another.

We could return to the pre-2006 position: maintain the written scheme of examination, and return to inspections by the competent person. However, this is not satisfactory, as it will compromise on safety where a competent person conducting the inspection is not formally appointed and their competency to carry out inspections is not assessed.

We could maintain the written scheme of examination conducted by an appointed inspection body. However, individual written schemes have to be assessed by appointed inspection bodies, which do not necessarily ensure standard procedures for all UK tanks.

The proposed option for an UK tank inspection to be conducted by an appointed inspection body in accordance with the Procedures for Inspections Bodies: Testing and Inspection of UK Tanks will allow the industry to safely carry on using UK tanks and provide for a consistent approach to tank inspections. There will be no extra cost to the industry as we are not introducing a new requirement for inspections but simply changing the existing process of inspection.

Costs and Benefits of each options

Option 1

Costs to the industry

There will be no extra costs to the UK industry from implementing the derogations and no extra cost from the new requirement for UK tanks to undergo inspections as we are simply changing the existing process of inspection. The costs come from the requirement for the vehicles carrying UK tanks to undergo an annual technical inspection.

The dangerous goods industry will incur costs in the region of £4.28m between 2011 and 2020 PV (present value) as the vehicles carrying UK tanks will require to undergo an annual technical inspection, as will the pre-ADR 2009 MEMUs.

This is based upon information from VOSA on ADR inspection costs of £99 per vehicle per year and on 2004 based GB data that there are 25,000 tanks of which 1/3rd are UK tanks. We have assumed that 1/3 of UK tanks are retired within the 10-year assessment period as they are expected to have a 30-year life. Therefore the number of tanks requiring an inspection reduces by 278 each year. The average yearly cost to GB is £0.625m.

There are no costs in the first two years for vehicles carrying UK tanks because it is not proposed to implement the inspections until 2013. This allows two years for fee regulations to be imposed by VOSA and NI. It has been assumed that in 2013 only half of the vehicles carrying UK tanks will be inspected because the requirement to undergo the proposed inspections is expected to come into force half way through the year.

There are also 51 pre-ADR 2009 MEMUs registered in GB and ADR inspection costs for MEMUs are £99 per vehicle per year in GB. Based on VOSA data 1/3 of pre-ADR 2009 MEMUs already undergo ADR annual inspections on voluntary basis so the cost will be incurred by the remaining 2/3. The cost of inspecting the remaining 34 MEMUs averages £0.003m per year, with only half of the 34 MEMUs undergoing inspections in the first year due to the regulations coming in halfway through the year.

NI costs are based on the assumption that the yearly cost is 1/40th of the yearly cost to GB, giving an average yearly cost of £0.013m.

Benefits

Quantifying the benefits of this measure would be disproportionate given the scale of the measure. The main benefit of this measure will be avoiding the costs to the industry by implementing the derogations as the implementation will keep the dangerous goods legislation requirements for the UK industry to a minimum. There will also be the benefit of having a systematic approach, through annual inspections, of verifying the continuing safety and compliance of pre-ADR 2009 MEMUs and vehicles carrying UK tanks thus giving greater assurance to the public that the carriage of dangerous goods is properly regulated. This will also promote fairness and level playing field within the industry to ensure similar levels of safety and similar annual inspection costs for owners and operators of all MEMUs and vehicles carrying tanks.

There will also be the benefit to the public sector and the industry of consolidating GB and NI versions into a single document by presenting a more coherent UK-wide approach as well as reducing the administrative burden of producing and publishing the document.

Option 2

Cost to industry

There will be no costs to the UK industry from implementing the derogations and no extra cost from the new requirement for UK tanks to undergo inspections as we are simply changing the existing process of inspection. There will be no costs for pre-ADR 2009 MEMUs as they will not be required to undergo annual inspections. There will also be no costs for vehicles carrying UK tanks as they will not be required to undergo ADR-like annual inspections. However, without the regular inspections, there will be no certain way of verifying continuing safety and compliance of pre-ADR 2009 MEMUs and vehicles carrying UK tanks. This option will also perpetuate the advantage of owners and operators of pre-ADR 2009 MEMUs and vehicles carrying UK tanks in not having to undertake annual inspections and thus bearing fewer costs than their counterparts with ADR-compliant MEMUs and tanks.

Benefits

Same as Option 1 but there will not be the benefit of the systematic approach to verifying safety and compliance of pre-ADR 2009 MEMUs and vehicles carrying UK tanks. There will also be no benefit of promoting a level playing field within the industry by ensuring that all MEMUs and vehicles carrying all tanks undergo annual inspections.

Risks and assumptions

There is currently no system for verifying continuing safety of the pre-ADR 2009 MEMUs and, therefore, issuing approvals for continued use of those MEMUs without any evidence of their compliance with the regulations, carries a safety risk.

We are making an assumption that the number of UK tanks will reduce by 1/3 over a 10-year period based on the assumption that the average life of a tank is 30 years.

We are making an assumption that all tanks are currently inspected in line with the current process and that is why the UK tanks part will not affect the costs going forward. The costs in Option 1 come from the requirement for the vehicles carrying UK tanks and pre-ADR 2009 MEMUs to undergo an annual technical inspection.

The risk involved with not updating the derogations and provisions is that the UK would not benefit from the exemptions and would have to incur costs of fully complying with international requirements of carriage of dangerous goods, thus putting the UK industry at a competitive disadvantage. It would also mean that there would be no national provisions for the use of pre-ADR 2009 MEMUs, no consistent approach to the UK tanks inspections and the operators of the vehicles carrying UK tanks won't undertake annual technical inspections which may affect their safety.

One-In, One-Out (OIOO)

This measure is out of scope for OIOO as it is applying derogations that originate from a European Directive. This proposal also introduces new arrangements for inspection of UK tanks. This is considered a specific enforcement action and therefore is also out of scope for OIOO. Option 1 is within scope of OIOO.

Specific impact tests

Statutory equality duties

The proposals have been screened for any likely impacts (positive or adverse) on the equality groups and no adverse or differential impacts were identified.

Equality impact (Northern Ireland)

The proposals have been screened for any possible impact on equality of opportunity affecting the groups listed in section 75 of the Northern Ireland Act 1998 and no adverse or differential aspects were identified.

Social impacts: Human Rights

The matter of Convention Rights has been considered and no matters of concern have been identified.

Competition

Following consideration of the guidance, the preferred Option 2 would not have a significant negative impact on competition:

- Option 2 would not directly limit the number or range of suppliers.
- Option 2 would not indirectly limit the number or range of suppliers.
- Option 2 would not limit the ability of suppliers to compete.
- Option 2 would not reduce suppliers' incentives to compete vigorously.

The draft AD&TP document:

- Enables the UK industry to take advantage of the latest exemptions from the requirements relating to the transport of dangerous goods;

- Allows the UK industry to safely continue using UK tanks and pre-ADR 2009 MEMUs;
- Promotes competition in the provision of transport services to the benefit of users.

Small firms

Option 2 could impose modest extra charges for some small businesses. But overall Option 2 is expected to assist them in competing for business as it provides for national exemptions from certain requirements relating to the transport of dangerous goods to the benefit of the UK industry.

Exemptions for small / micro companies have been considered to be unnecessary and unworkable. Meetings with industry representatives are held regularly by the Department of Transport (GB). The consultation document includes questions to enable consultees to provide feedback on any concerns they may have on negative impacts, including additional costs.

No separate assessments on Competition or Small Firms have been done for NI, but it is expected the effects to be the same due to the similar nature of the economies in NI and GB.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here] PIR has not been planned as the proposed measures in the preferred option 2 do not impose or change costs for private or third sectors.</p>

Add annexes here.