

Title: The Pyrotechnic Articles (Safety) Regulations 2010 IA No: BIS0382 Lead department or agency: Business Innovation & Skills Other departments or agencies:	Impact Assessment (IA)		
	Date: 11/10/2012		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
	Contact for enquiries: Christine Knox 0207 215 3465		

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£m	£m	£m	Yes
			Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?
 As part of the Red Tape Challenge, the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) have been identified as a piece of legislation that needs to be amended. The regulations have been judged by UK retailers to be unnecessarily restrictive as Christmas Crackers do not pose a risk to the health and safety of consumers, including those under 16 years of age, and should therefore not fall under the scope of the 2010 Regulations.

What are the policy objectives and the intended effects?
 Government intervention is needed to amend the 2010 Regulations to enable children aged 12 or over to purchase Christmas Crackers, the lowest age permissible under current European legislation. It is not anticipated that the removal of these regulations will reduce consumers' protections but should increase clarity and widen opportunities for business.

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


Policy Option 0. Do nothing

Policy Option 1. Update the Regulations

Policy option 1 is the preferred option. Under this option, the age at which children can legally purchase Christmas Crackers will be lowered from 16 to 12 in line with current EU legislation (The Pyrotechnic Articles Directive 2007/23/EC).

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 10/2015					
Does implementation go beyond minimum EU requirements?				No	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes	< 20 Yes	Small Yes	Medium Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded:	
				Non-traded:	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister:  Date: 24 Nov 2012

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	et Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

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

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

There is insufficient data to monetise the costs.

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

Retailers could incur costs adapting their business practices to ensure that they comply with the legislative changes. Given the comparatively lower profile of Christmas Crackers compared to more harmful age restricted products (e.g. alcohol, tobacco, knives), the potential cost to business is likely to be minimal.

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

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

Unable to monetise benefits due to insufficient data .

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

Retailers may experience an increase in sales from customers in the 12-15 age bracket who would previously not have purchased Christmas crackers. Enforcement agencies may increase the efficiency and effectiveness of their monitoring and enforcement activities by shifting resources towards age restricted items which have a potentially greater detrimental impact on consumer health and safety.

Key assumptions/sensitivities/risks

Discount rate (%)

N/A

Risk that enforcement agencies may not be able to effectively monitor and enforce proposed changes without necessary changes to complementary legislation.

Risk of sales to 12 to 15 year olds not being additional and therefore not increasing the size of the market.

Risk of public perception that cost of effecting such a minimal change using public money is disproportionate.

BUSINESS ASSESSMENT (Option 1)

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

Problem under consideration

1. As part of the Red Tape Challenge, the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) have been identified as a piece of legislation that needs to be amended. The Pyrotechnic Articles Regulations were introduced to implement the requirements of Directive 2007/23/EC on the placing of pyrotechnic articles on the market.
2. The regulations aim to set safety standards for fireworks, ban sales to the public of certain types of firework and to age restrict certain sales. They include a ban on the sale of Christmas Crackers to children under the age of 16. The regulations are the legacy of the 1875 Explosives Act which tightly controlled the manufacture or the selling of gunpowder and other such explosives. Christmas Crackers come under the purview of this legislation because they contain a minuscule amount of the explosive Silver Fulminate.

Rationale for intervention

3. The regulations have been judged by UK retailers to be unnecessarily restrictive as Christmas Crackers do not pose a risk to the health and safety of consumers, including those under 16 years of age and should therefore not fall under the scope of the 2010 Regulations.
4. Government intervention is needed to amend the 2010 Regulations to enable children aged 12 or over to purchase Christmas Crackers, the lowest age permissible under current European legislation. It is not anticipated that the removal of these regulations will reduce consumers' protections but should increase clarity and widen opportunities for business.

Analysis of options

5. Two options have been considered in this analysis
 - **Policy Option 0: Do nothing**
Retail outlets would still be bound by the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) and thus would only be able to sell Christmas crackers to those 16 years and up.
 - **Policy Option1 (Preferred option): Update the Regulations**
The Pyrotechnic Articles Directive 2007/23/EC allows Christmas crackers (which is classed as a category 1 firework) to be available to consumers from 12 years and up. By amending the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) so that the UK is in line with EU directive, the sale of Christmas crackers can be opened up to the 12 to 15 year old demographic.

Costs to Retailers

6. Amendment to the 2010 Regulations could involve additional costs for retailers, e.g:

Training costs – some retailers may need to familiarise themselves and their staff with changes to the legislation. Given that these changes are very minor, it is anticipated that these costs would be minimal. Training on Christmas products tends to happen yearly on the run up to the festive season.

An amendment to the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) is thought to have minor affect on the overall composition of training material provided to staff.

Equipment costs – some retailers may need to spend time and resources reprogramming their tills so that it prompts them to challenge a customer if they look below the minimum age. Again, these costs should be minimal since the proposed changes are minor.

Re-labelling (menu costs) – some retailers may need to make appropriate changes to shop labelling. It is assumed that this will be negligible as retailers already have systems in place to change prices on a regular basis.

7. In 2010, a report was submitted by business representatives to the Local Better Regulation Office containing industry evidence on the costs of complying with regulations involving age-restricted products. Based on a small sample of business, the average amount spent by firms keeping their workforce up-to-date and on point of sale processes was around £6-7 per employee.¹ This cost figure is significantly distorted by the inclusion of harmful age-restricted products such as alcohol, tobacco and knives which require comparatively greater resource since the number of under-age children attempting to try and purchase these categories of products is much higher. Christmas Crackers, by contrast, have a much lower profile and consequently, the average cost to firms of complying with the relevant age-restricted product regulation is likely to be significantly lower. It would be disproportionate to try and identify further evidence on these costs given the likely scale of the impacts.

Costs to enforcement agencies:

8. Trading Standards Officers may need additional training to familiarise themselves with the changes to the legislative framework. Given that these changes are minor, additional enforcement costs would be small.
9. There is a lack of quantifiable data available on costs to enforcement agencies, and the consultation did not secure additional information which would enable us to quantify the precise effects. Further attempts to estimate these costs would require additional resources and time which would not be proportionate given the potential impact on businesses and consumers.

Benefits to retailers

10. The proposed changes to the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) will lower the age that Christmas crackers can be purchased from 16 to 12 years of age. This could lead to an increase in the number of potential consumers that may purchase Christmas crackers. One respondent to the consultation speculated that this change could lead to higher sales of Christmas Crackers for their business but was unable to provide any estimate. A key difficulty in making an estimate of extra sales is that the lowering of the age to 12 may result in displacement of sales

¹ Better Regulation of Age Restricted Products: A Retail View (2010). Report submitted by business representatives to the Local Better Regulation Office. https://docs.google.com/viewer?a=v&q=cache:FPqaudXd92MJ:www.lbro.org.uk/docs/age-restricted-products-report.pdf+british+retail+consortium+commission+age+restricted+products+a+retail+view&hl=en&gl=uk&pid=bl&srcid=ADGEEShzyhWF00OnoPFqghfICJnUj0kiTFI4w-Ud8GJb3X_OrkAXZyJmSAiQ9Jt3uMrJcQPLMcfSUtAxmbpRU80lhCOY5sMST0Wn2oEm1HN7mTMK6uuEaoA2VF_ALWjTGIDTu0o2SNwE&sig=AHIEtbTybYvSugONboG_pzVrPZtpHoo5vg

across the various age groups with younger children purchasing Christmas Crackers that may have previously been bought for them by adults.

11. There is a general lack of data available relating to the consumption of Christmas crackers by age group. Moreover, respondents to the consultation provided little in the way of quantified benefits. Any further attempt to estimate these benefits would require additional resources and time which would not be proportionate given the potential impact on businesses and consumers.

Benefits to enforcement agencies

12. The proposed legislative changes could lead to more efficient use of resources by the enforcement agencies as Trading Standard officers switch resources away from the monitoring and enforcement of restrictions on Christmas crackers to other age restricted items which may have a more detrimental impact on consumer health and safety (e.g. alcohol, tobacco, knives, aerosols and lighter refills). In the consultation regarding the amending of the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) one trading standards officer welcomed this, as they felt Christmas crackers were not a priority.
13. There is a lack of quantifiable data available relating to the redeployment of enforcement resources to goods that have a more detrimental impact on consumer health and safety. Additionally the lack of quantifiable information provided by those that took part in the consultation also limited the ability of this impact assessment to monetise benefits. Any attempt to estimate these benefits would require additional resources and time which would not be proportionate given the potential impact on businesses and consumers.

One-in, One-out rule

14. Given its deregulatory nature, under the One-in One-out rule, the amendment of the Pyrotechnic Articles (Safety) Regulations 2010 (SI 2010/1554) can be classified as a zero OUT.

Overall Impact

15. It is our considered view based on the available evidence that the impact of amending the 2010 Pyrotechnic Articles (Safety) Regulation on business, consumers and enforcement agencies will be minimal.