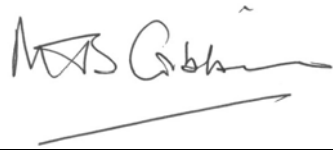
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Sharing of information between Ofcom and the Information Commissioner's Office and the Insolvency Service (Communications Review)	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
IA Number	DCMS075	
Date submitted to RPC	9/4/2013	
RPC Opinion date and reference	1/5/2013	RPC13-DCMS-1754
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, to help facilitate a more effective consultation, the IA should explain more clearly the basis of the assumptions used in relation to 'company phoenixing' (company directors avoiding "<i>legal sanction by dissolving the company concerned and starting up another to pursue the same business strategy</i>" (page 4)).</p>		
<p>Identification of costs and benefits, and the impacts 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-wage labour costs.</i> The IA includes assumptions for the estimated hourly cost of clerical and management time. However, it is unclear if these estimates include the value of non-wage labour costs. The IA should clearly describe what is included within these estimates.</p> <p><i>Costs of 'company phoenixing'.</i> The IA explains that companies have been set up to supply communication services but do not always supply the service promised. Directors of such companies have been known to "<i>avoid legal sanction by dissolving the company concerned and starting up another to pursue the same business strategy, a process known as 'company phoenixing'</i>" (page 4). The IA includes a number of assumptions regarding the prevalence and costs to consumers of such practices in order to demonstrate the benefits of the proposal. Although it is recognised that there is a high degree of uncertainty, the IA should explain the basis of these assumptions more clearly to help facilitate a more effective consultation.</p>		
<p>Have the necessary burden reductions required by One-in, Two-out been identified and are they robust?</p> <p>The IA says that there are "<i>no direct costs to business</i>" (page 7) as a result of the proposal, which appears to be a reasonable assessment. In accordance with the Better Regulation Framework Manual (paragraph 2.9.8. i.) the proposal has no impact on compliant business and is therefore outside the scope of 'One-in, Two-out'.</p>		

Signed

Handwritten signature of Michael Gibbons in black ink, featuring a stylized 'M' and 'G'.

Michael Gibbons, Chairman