 Regulatory Policy Committee	Opinion	
Impact Assessment (IA)	Updating labelling requirements in the Aerosol Dispensers Regulations (EU Directive 2013/10/EU)	
Lead Department/Agency	Department for Business, Innovation and Skills	
Stage	Final	
IA number	BIS EUD001	
Origin	European	
Expected date of implementation	March 2014 (SNR7)	
Date submitted to RPC	17 April 2014	
RPC opinion date and reference	23 April 2014	RPC13-BIS-1969(2)
Departmental assessment		
One-in, Two-out (OITO) status	Out of scope (EU)	
Estimate of the equivalent net cost to business (EANCB)	£0.45 million	
RPC overall assessment	GREEN	
<p>RPC comments</p> <p>The IA is fit for purpose. The IA assesses the costs adequately but states that the benefits to consumers cannot be quantified. The costs are expected to be transitional only, and are estimated to total £5.2 million over the first three years (2014-2016). This estimate is based on an informal survey of the aerosol industry. The IA states that this is likely to be an over-estimate because industry would absorb some of these costs in the normal product branding cycle.</p> <p>The proposal is of European origin. There is no evidence that the increase in regulation would go beyond minimum requirements. As a result, the RPC confirms that the proposal is out of scope of One-in, Two-out in accordance with paragraph 1.9.8. ii of the Better Regulation Framework Manual (July 2013). The RPC confirms that the EANCB figure of £0.45 million for this proposal is reasonable.</p>		
<p>Background (extracted from IA)</p> <p>What is the problem under consideration? Why is government intervention necessary?</p> <p><i>“Aerosol dispensers must carry labels to inform consumers of the hazards they present during use and storage. Mandatory labelling requirements are set out in the Aerosol Dispensers Directive 1975 and implemented in the UK by the Aerosol Dispensers (Safety) Regulations 2009. The current labelling requirements of the directive are now out of date as they refer to standards in other directives which are due to be replaced and revoked by 1 June 2015. The Aerosols Directive has been updated to refer to the new labelling provisions and it is necessary, therefore, to amend the labelling requirements references in the UK regulations accordingly.”</i></p>		

What are the policy objectives and the intended effects?

“The objective is to align the labelling requirements in the aerosol dispensers regulations with modern international practice as set out in the new labelling requirements for aerosols brought in by EC Regulation 1272/2008 on the classification, labelling and packaging of substances and mixtures. This will ensure that aerosol dispensers carry the correct safety information to protect consumers better.”

Comments on the robustness of the OITO assessment

The proposal is of European origin. There is no evidence that the increase in regulation would go beyond minimum requirements. As a result, the RPC confirms that the proposal is out of scope of One-in, Two-out in accordance with paragraph 1.9.8. ii of the Better Regulation Framework Manual (July 2013).

To support the balanced reporting of all EU burdens in the Statement of New Regulation, the IA provides an estimated EANCB figure of £0.45 million for RPC validation. Based on the evidence presented, this provides a reasonable assessment of the likely impacts. The RPC is able to confirm the EANCB figure of £0.45 million for this proposal.

Comments on the robustness of the small & micro-business assessment (SaMBA)

The proposals are European in origin. A SaMBA is, therefore, not required.

The IA explains that the UK aerosol industry is dominated by around a dozen large producers with the remaining 60 plus companies being SMEs. The transitional costs may have a proportionally greater impact on smaller firms. However, the EU Directive does not allow an exemption for small and micro-businesses. The IA says that this is because this would compromise essential safety standards for the protection of consumers.

Quality of the analysis and evidence presented in the IA

The IA explains that the proposal is to align the labelling requirements in the Aerosol Dispensers (Safety) Regulations 2009 with modern international practice, as set out in the new labelling requirements for aerosols brought in by direct acting European regulatory requirements.

This will ensure that the aerosol regulations are updated to reflect current EU labelling requirements, ensuring that aerosol dispensers carry the correct safety information to protect consumers. This should lead to an increase in awareness of how to handle, use and store aerosols and, therefore, help to reduce aerosol-related accidents and injuries. The main benefits of these regulations are to consumers. The IA says that it is not possible to quantify these benefits.

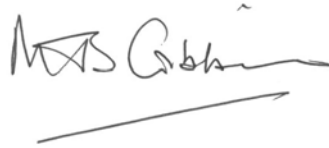
The IA states that the main costs to business will be for new designs and updated labelling, and the wastage of existing stock that does not conform to the new legislation. Aerosols marked in accordance with a previous labelling regime and

placed on the market before 1 June 2015 are, however, not required to be re-labelled until 1 June 2017.

The IA explains that the costs to the UK aerosol industry will be limited and transitional only. The long period of notification on the Directive should have helped the industry to prepare and to spread the transitional costs. It is expected that many companies will have factored the legislative changes into their product cycles. In some cases, the industry is already complying with the labelling provisions.

The estimated transitional costs are anticipated to be incurred over the first three years (2014-2016) and would total £5.2 million. This estimate is based on an informal survey of 13% of the aerosol industry. However, this is expected to be an over-estimate because industry would absorb some of these costs in the normal product branding cycle. Industry responses to the survey indicated that, as most of its relevant stock is fast-moving consumer goods, typical aerosol labelling update cycles are 18 months to 3 years. The estimate of costs seems reasonable.

Signed

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

Michael Gibbons, Chairman