
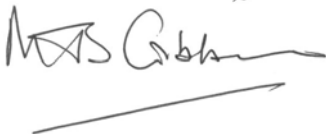


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|  Regulatory Policy Committee | OPINION | |
| Impact Assessment (IA) | Electronic Communications in the Mutual Sector | |
| Lead Department/Agency | HM Treasury | |
| Stage | Final | |
| Origin | Domestic | |
| Date submitted to RPC | 10/02/2011 | |
| RPC Opinion date and reference | 04/03/2011 | RPC11-HMT-0580(2) |
| Overall Assessment | AMBER | |
| <p>The IA is fit for purpose. However, the IA should provide more evidence from the consultation process to support the estimates of the benefits and 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>Benefits.</i> While the RPC accepts that the proposal will provide an opportunity for administrative cost savings for the mutuals sector, the estimates of these savings could have been better explained and justified by the new evidence gathered during the consultation process. The IA provides limited information about the results of the consultation to better explain the assumptions made regarding the take up rates and potential administrative savings to the mutual sector.</p> <p><i>Costs.</i> The IA claims that there is no additional cost to the mutuals sector as a result of this proposal. The IA should provide explicit evidence that this is the case as it appears that the mutual sector will have to make some adjustments to existing systems (e.g. IT systems) to be able to realise the 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 claims a net benefit to business (£10.8 million in equivalent annual terms). However, as discussed above, this estimate can only be considered reliable subject to further confirmation provided regarding the potential cost to the mutuals.</p> | | |
| Signed  | Michael Gibbons, Chairman | |