 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact assessment (IA)</b>	Implementation of two pyrotechnic article directives:  (i) 2013/29/EU alignment to the New Legislative Framework  (ii) 2014/58/EU relating to traceability	
<b>Lead department/agency</b>	Department for Business, Innovation and Skills	
<b>Stage</b>	Final	
<b>IA number</b>	Not provided	
<b>Origin</b>	European	
<b>Expected date of implementation</b>	April 2015 (SNR9)	
<b>Date submitted to RPC</b>	24 February 2015	
<b>RPC opinion date and reference</b>	9 April 2015	RPC14-BIS-2216(2)
<b><i>Departmental assessment</i></b>		
<b>One-in, Two-out status</b>	<b>Out of scope</b>	
<b>Estimate of the equivalent annual net cost to business (EANCB)</b>	<b>£0.59 million</b>	
<b>RPC overall assessment</b>	<b>GREEN</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. The Department has adequately addressed the points made in the RPC's opinion dated 30 September 2014 of the consultation stage IA. In particular, it has now monetised the cost to business.</p> <p>In transposing the directives, the Department acknowledges that there is a degree of gold-plating. However, the Department states that, as the proposals retain existing higher UK standards, they will not give rise to new costs to business. The proposals are, therefore, out of scope of One-in, Two-out. This is in line with past interpretations of paragraph 1.9.8.ii of the Better Regulation Framework Manual (July 2013).</p> <p>The Department has undertaken a full consultation to gather further evidence on the costs of the proposals but states that the consultation yielded little in the way of new information. While the RPC would have preferred for the Department's assumptions to have been underpinned by stronger evidence, it accepts that it would be disproportionate to require further evidence-gathering.</p>		

## **Background (extracted from IA)**

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

*Under EU law, the UK has a legal obligation to implement both the Pyrotechnics Directive (Directive 2013/29/EU) and the Traceability Implementing Directive (Commission Implementing Directive 2014/58/EU). Action is required by the Government in order to implement the directives.*

### **What are the policy objectives and the intended effects?**

*To meet the UK's legal obligations to implement the directives. The intended effects are improving the safety of pyrotechnic articles made available on the market by:*

- (i) ensuring that the obligations of all economic operators in the supply chain (in particular those of importers and distributors) are clearer;*
- (ii) making pyrotechnic articles easier to trace; and*
- (iii) providing a more structured market surveillance regime.*

## **Comments on the robustness of the OITO assessment**

The proposal is of European origin. In transposing the directives, the Department acknowledges that there is a degree of gold-plating in that, on the grounds of public order and health and safety, it intends to take advantage of available derogations and retain existing UK standards that are higher than the EU minimum. The Department states that, as these standards maintain the status quo, they will not give rise to new costs to business and, therefore, the proposals are out of scope of OITO. This is in line with past interpretations of paragraph 1.9.8.ii of the Better Regulation Framework Manual (July 2013).

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

As the proposals are of European origin, a SaMBA is not required.

## **Quality of the analysis and evidence presented in the IA**

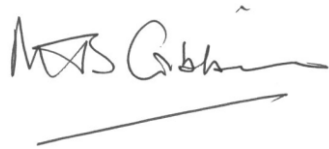
The Department proposes to implement Directive 2013/29/EU, which introduces common definitions and responsibilities for manufacturers, importers and distributors of pyrotechnic products. In particular, it requires these businesses to hold information for ten years on who supplied them with a particular product. The Department is also implementing Directive 2014/58/EU, which requires manufacturers to label all pyrotechnic articles with a registration number. It also requires both manufacturers and importers to keep records of this number for ten years.

The Department has now monetised the costs to business. It estimates that around 200 to 300 businesses, comprising manufacturers, importers and distributors, will be affected by the proposals. The Department estimates that implementing the directives will impose a one-off cost of 40 hours of staff time per business at a rate of £13.53 per hour. The Department also estimates that there will be ongoing costs involving an average of 200 hours of staff time at the same hourly rate. These costs result in an annualised net cost to business of £0.59 million.

The Department has estimated that the UK Government will incur costs of £10,000 annually as a result of needing to keep records from businesses that cease trading. Although the Department could have provided more evidence to support this estimate, the RPC accepts that these costs will be very small. The Department explains that costs may be passed on from “notified bodies” in other member states but assumes these costs will be negligible. Again, this could have been underpinned by further evidence but the RPC accepts that these costs will be negligible.

The RPC notes that the consultation generated only nine company responses and one from an organisation representing business. Only one provided any data on costs. It is disappointing that the consultation provided minimal evidence on costs. While the RPC would have preferred for the Department’s assumptions to be underpinned by stronger evidence, it accepts that it would be disproportionate to require further evidence-gathering.

**Signed**

A handwritten signature in black ink, appearing to read 'Michael Gibbons', with a long horizontal line extending to the right below the signature.

**Michael Gibbons, Chairman**