

## **The Party Wall etc. Act 1996 (Electronic Communications) Order 2015**

**Department for Communities and Local Government**

**RPC rating: validated**

The IA is now fit for purpose as a result of the Department's response to the RPC's initial review. As first submitted, the IA was not fit for purpose.

### **Description of proposal**

The Party Wall etc. Act 1996 requires a building owner who is carrying out work on party walls, boundary walls and excavations near neighbouring buildings to notify the adjoining owner(s) and obtain their agreement to the work. If agreement is not reached, the dispute is resolved through the appointment of a surveyor to draw up a settlement that the two parties must accept.

Currently the Act only allows for notices and documents required under the Act to be delivered in person or by post. This proposal would allow notices and documents to be delivered electronically, if all parties agree to this.

### **Impacts of proposal**

The Department estimates that surveyors send approximately 225,000 notices and further documents by post on behalf of building owners and adjoining owners each year. The Department estimates that, in the first year after implementation, 50% of these would be sent electronically, with this figure rising by 5 percentage points a year. For each document formerly sent by post, sending electronically would save approximately £6 in postage, stationery and labour costs. This will save businesses approximately £5.8 million in NPV terms over 10 years.

The Department states that there are 1,800 surveyors who will have to familiarise themselves with the proposal. This will take 15 minutes for each surveyor. Based on the wage rate for surveyors and associated non-wage costs, this will impose a one-off cost on business of £0.03 million.

### **Quality of submission**

The RPC raised two issues in its initial review of the case, both of which have now been resolved. The Department no longer assumes the increase in the real price of

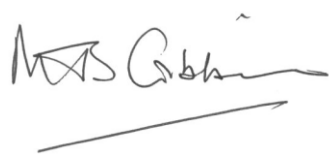
first class stamps over the next decade will equal the increase over the last decade, during which Royal Mail was privatised. The Department now assumes that there will be no increase in the real price of 1st class stamps. This appears reasonable as 2<sup>nd</sup> class stamps are capped so that their price cannot increase in real terms. This has changed the NPV from £6.7 million to £5.8 million. The Department has also clarified that the approximately 225,000 notices (to which it refers) are sent in relation to any one of party walls, boundary walls and excavations.

### Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	‑£0.8 million
Business net present value	£6.7 million

### RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated <sup>1</sup>	‑£0.7 million
Small and micro business assessment	Not required (deregulatory)
RPC rating (of initial submission)	Not fit for purpose



**Michael Gibbons CBE**, Chairman

<sup>1</sup> For reporting purposes, the RPC validates EANCB figures to the nearest £100,000.