Opinion: non-qualifying regulatory provision confirmation

Origin: EU

RPC reference number: RPC-3973(1)-BEIS

Date of implementation: May 2017



The Electricity Works (Environmental Impact Assessments) (England and Wales) Regulations 2017 Department for Business, Energy and Industrial Strategy

RPC rating: confirmed as a non-qualifying regulatory provision

The proposal can now be confirmed as a non-qualifying regulatory provision as a result of the Department's response to the RPC's initial review. As first submitted, the RPC was unable to confirm the Department's assessment.

Description of proposal

The proposal transposes into UK law the requirements of the European amending Directive 2014/52/EU on "the assessment of the effects of certain public and private projects on the environment". The measure makes small changes to the environmental impact assessment (EIA) procedure¹ for new developments. These changes relate to the process for deciding whether consent should be granted for a particular project, and the process for deciding whether an EIA is required.

Impacts of proposal

The Department's assessment estimates that the proposal will affect approximately seven developers each year, based on the average number of annual applications over the past three years. The Department explains that, as there will be no change to the type of development to which the new regulations apply, it is reasonable to assume that the number of applications will not be significantly different in future.

Consultation responses from developers indicated that the proposal would result in limited additional costs, as the EIA procedure is well established in domestic legislation and planning practice. Responses also suggested that the current cost of providing an EIA can range between £10,000 and £500,000, depending on the scheme and its location. The Department has explained that, based on the expected number of future applications, the *additional* cost per EIA would have to exceed £100,000 for the cost of the proposal to reach the £1 million low-cost threshold. This

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¹ This involves determining whether a proposed project requires an EIA, determining the extent of the issues to be considered in the assessment, preparing an environmental statement assessing the likely environmental effects of the development, and an ultimate decision from the relevant authority.

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would represent a cost increase of at least 20 per cent, which would be inconsistent with qualitative evidence from the consultation.

Quality of submission

The Department has now provided sufficient information for the RPC to be able to confirm that the proposal is a non-qualifying regulatory provision, which does not go beyond the minimum requirements of the directive. Based on the evidence provided, it appears reasonable to assume that the cost to business would fall below £1 million in the most costly year of the measures, meaning a precise equivalent annual net direct cost to business (EANDCB) need not be provided. The assessment would, however, benefit from providing further clarity on the term "limited" in relation to additional costs, in particular whether this was a description specifically used by respondents or an interpretation from the responses.

As initially submitted, the assessment did not describe what regulatory changes were being introduced by the amending directive, nor did it explain how these amendments were being implemented minimally. The revised assessment sets out these changes to the EIA procedure more clearly, while providing assurance that the UK's transposition has been the minimum necessary to bring existing regulations into line with the directive. The Department explains that no gold plating concerns have been raised by legal advisors during the drafting of the new regulations, or by stakeholders during the consultation. Furthermore, as part of a wider working group, the Department has taken a cross-Whitehall approach to transposing the directive, in order to ensure consistency and minimum implementation of the requirements. Gold plating concerns have not been raised with the Department throughout this process.

Departmental assessment

Classification	Non-qualifying regulatory provision (EU)
Equivalent annual net direct cost to business (EANDCB)	Not applicable (low cost non-qualifying regulatory provision)

RPC assessment

Classification	Non-qualifying regulatory provision (EU)
Small and micro business assessment	Not required (low-cost non-qualifying regulation)

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Michael Gibbons CBE, Chairman

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