 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business
Validation Impact Assessment (IA)	Streamlining Smoke Control Orders for Exempt fireplaces and authorised fuels
Lead Department/Agency	Department for Environment, Food and Rural Affairs
IA Number	DEFRA1226
Origin	Domestic
Expected date of implementation (and SNR number)	Early 2015 SNR9
Date of Regulatory Triage Confirmation	N/A Red Tape Challenge
Date submitted to RPC	22/01/14
Date of RPC Validation	26/02/2014
RPC reference	RPC12-DEFRA1507
Departmental Assessment	
One-in, Two-out status	Zero Net Cost
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	Not quantified
RPC assessment	VALIDATED
Background (extracts from IA)	
What is the problem under consideration? Why is government intervention necessary?	
<p><i>The Clean Air Act safeguards air quality by prohibiting smoke emissions in smoke control areas unless using an authorised fuel or exempt appliance. Currently an exemption is applied following an assessment by Defra's technical advisors and subsequently listed in 6 monthly smoke control statutory instruments which creates delays in the approvals process and burdens for industry and government.</i></p> <p><i>Therefore, as part of Government's Red Tape Challenge, a commitment was made to simplify the current process for authorising fuels and exempting fireplaces for use in smoke control areas as designated by the Clean Air Act.</i></p>	
What are the policy objectives and the intended effects?	
<p><i>To amend the Clean Air Act via the new Deregulation Bill to grant SoS powers to authorise the use of fuels and fireplaces administratively by the publication of a list on Defra's smoke control web pages. No changes are to be made to the exemption process and the same technical standards will apply. This change will reduce any delay in realising the benefits from innovations allowing consumers access to the latest technology and manufacturers to benefit from any efficiency gains.</i></p>	

RPC comments

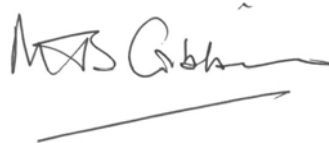
The IA explains that the current arrangements for manufacturers to obtain an exemption for their product from the Clean Air Act requirements have significant disadvantages. In particular, manufacturers have to wait for the next set of regulations or orders (issued every six months) before they can market their fuel or fire place. This can mean the businesses affected are faced with up to a six month delay for the next available instrument. The IA says this can postpone the marketing of new technology, which would benefit consumers and society in general.

The proposal is to amend the Clean Air Act to enable the Secretary of State to list authorised fuels and fireplaces on Defra’s smoke control website without requiring a new statutory instrument. This will reduce burdens on industry and government, and provide benefits to consumers. According to the IA, manufacturers would still be required to demonstrate that their products meet emissions standards, thereby maintaining safeguards for air quality. This will provide a quicker route to market and reduce the burdens resulting from unnecessary additional time between product testing and exemption.

The IA says the proposal *“is considered zero net cost to business as the key beneficiaries of the preferred option are consumers and society in general, with any benefits to industry being of an indirect nature and therefore not quantifiable”* (Page 7). The IA also says *“it has not been possible, however, to monetise this benefit”* (page 5). While the benefits to business of reduced delays are more likely to be a direct impact of the proposal, the RPC considers the argument that they are difficult to quantify to be reasonable in this case. On this basis, classifying the proposal as a ‘zero net cost’ measure is consistent with the Better Regulation Framework Manual (paragraph 1.9.12, third bullet).

Aside from the OITO assessment, the IA would benefit from a clearer explanation, in non-technical terms, of what is meant by *“the long term rate of technological progress”* (page 2), and how the assumption has been derived.

Signed



Michael Gibbons, Chairman