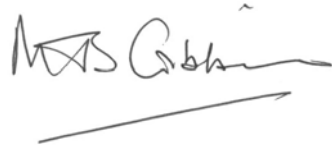
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Streamlining Smoke Control Orders for Exempt Fireplaces and Authorised Fuels	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
Stage	Consultation	
Origin	Domestic	
IA Number	Not provided	
Date submitted to RPC	02/08/2012	
RPC Opinion date and reference	10/09/2012	RPC12-DEFRA-1507
Overall Assessment	AMBER	
<p>The IA is fit for purpose. However, the estimated cost saving to business (£140,000) appears to be greater than that incurred in recent years and the reason for this it is not immediately apparent. The IA should clearly address this issue, and will have to draw on the consultation to strengthen the evidence base that underpins this estimate.</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 of proposal.</i> The IA explains how the proposal will allow manufacturers to employ any accredited laboratory to self-certify compliance with the standards, thereby removing the need for firms to rely on the services of a third party to assess their products as smokeless. However, in assessing the benefits of the proposed new arrangement, it appears the estimated annual cost saving to business (£140,000) is greater than the costs that have been incurred in recent years (page 5). It is not immediately apparent why this is the case. The IA should therefore clearly set out the reasons, with the consultation being used to strengthen the evidence base that underpins this estimate.</p>		
<p>Furthermore, the IA should provide a clearer presentation of the estimated costs and benefits so that it is easier to follow the estimates in Table 1. This will allow consultees to reconcile more readily these estimates with the text, thereby making it more apparent how the calculations are based on the assumptions that have been set out. For example, the IA should set out the projected number of applications under each scenario and the assumed unit costs. This will help consultees to comment on whether the estimated costs and benefits are robust.</p>		
<p><i>Risks.</i> The IA says that there is a risk that inappropriate appliances or fuels are classed as exempt or authorised, because there would no longer be third party scrutiny to ensure compliance (page 5). The IA argues that this risk will be minimised through the use of accredited laboratories. The effectiveness of this approach will have to be tested during consultation.</p>		
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>		

The IA says that the proposal is a deregulatory measure that has a direct net benefit to business (an 'OUT'). This is consistent with the current One-in, One-out Methodology (paragraph 18) and provides a reasonable assessment of the likely direction of impact. The evidence supporting the estimated Equivalent Annual Net Cost to Business (EANCB) will have to be further strengthened so that it can be validated at final stage.

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal stroke underneath.

Michael Gibbons, Chairman