Opinion: BIT assessment Origin: Domestic

RPC reference number: RPC-3808(1)-DFE-EHRC

Date of implementation: 2016



Broadcasting Guidance Equality and Human Rights Commission

RPC rating: validated

Description of proposal

This publication provides guidance for the television broadcasting sector on what action can lawfully be taken to increase diversity in the industry. It aims to tackle misunderstandings about what equality law prohibits and permits. Guidance was published to clarify issues raised following consultation with the industry.

Impacts of proposal

A total of 9,010 businesses are estimated to be in scope, including 1,160 broadcasters and 7,850 producers.

Familiarisation costs:

Due to the demand for the guidance within industry, the regulator assumes that all businesses will read the guidance. The regulator assumes that there will be a one-off familiarisation cost. The assessment estimates the total cost associated with familiarisation to be £143.000.

Policy costs:

The EHRC argues that the changes are permissive; any changes businesses decide to adopt as a result of the revisions would be made because benefits outweighed costs. Therefore, the regulator considers the policy costs to be zero for the purpose of this assessment.

Savings from reduced need to seek external legal advice:

The regulator argues that the existence of the guidance would reduce the need for legal advice.

The regulator estimates that only large businesses in this sector (54 businesses) would seek legal advice. Of these, the regulator estimates that businesses would use 7.6 hours of a lawyer's time, and 3 hours of an HR manager's time before the

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changes. The regulator assumes that this will fall to 1.5 hours and 1 hour respectively as a result of simplifications to the guidance. The total one-off benefit resulting from the changes is therefore estimated to be £68,000.

The regulator has also noted that there would be indirect benefits through greater diversity. However, these have not been quantified for the purpose of this assessment.

Quality of submission

The regulator has given a clear breakdown of all the costs and benefits associated with the guidance; and the RPC is content that the analysis provided is sufficient.

The regulator should provide more explanation and evidence to underpin its assumptions on legal changes. However, the RPC is content that the current estimates are based on credible and robust sources, and is proportionate given the minimal impact of this regulatory provision.

Given the low cost to business resulting from changes to guidance, the level of detail in the assessment (for example, when discussing the competitive nature of the broadcasting industry) could in some places be reduced. The clarity of the assessment could be improved by making it more concise in this area.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net cost to business (EANCB)	£0 million
Business net present value	£0 million
Societal net present value	£0 million

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RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated ¹	£0 million
Business Impact Target (BIT) Score ¹	£0 million
Small and micro business assessment	Not required

Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.