 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business	
Validation Impact Assessment (IA)	Designation of statutory harbour authorities with the power to give harbour directions.	
Lead Department/Agency	Department for Transport	
IA Number	DfT00323	
Origin	Domestic	
Expected date of implementation	31 October 2015 (SNR 9)	
Date of Regulatory Triage Confirmation	14 October 2014	
Date submitted to RPC	4 March 2015	
Date of RPC Validation	9 April 2015	
RPC reference	RPC14-FT-DFT-2222(2)	
Departmental Assessment		
One-in, Two-out status	Zero Net Cost	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	N/A	
RPC assessment	VALIDATED	
Summary RPC comments		
<p>The validation IA is fit for purpose. The RPC can validate the proposal as zero net cost for One-in, Two-out purposes. The impact assessment would benefit from an analysis of the impact on shipping companies of potentially being subject to harbour directions, as indicated below.</p>		
Background (extracts from IA)		
What is the problem under consideration? Why is government intervention necessary?		
<p><i>“A successful maritime industry is vital to the UK economy: to sustain and encourage it the Department seeks to agree with industry an appropriate level of regulation to promote safe and efficient operations and environmental protection. Statutory harbour authorities’ (SHAs) risk assessments associated with compliance with the Government’s non-statutory Port Marine Safety Code have identified that the power to give harbour directions would be a useful tool to mitigate risks identified. The Government recently implemented section 40A of the Harbours Act 1964 as a simpler, quicker and cheaper means of acquiring these powers than the previous route (obtaining a Harbour Revision Order). The current problem under consideration is whether the Secretary of State should approve applications by 31 SHAs to be designated under section 40A.”</i></p>		

What are the policy objectives and the intended effects?

“The policy objective for approving these applications is to confer powers on the SHAs to give harbour directions for the movement, manning and equipment of ships. This provides an additional tool alongside existing powers (including powers to introduce byelaws) to tackle problems in their harbour. Applications under section 40A are significantly less costly and time-consuming than the Harbour Revision Order approach (which is likely to be prohibitive for many SHAs).”

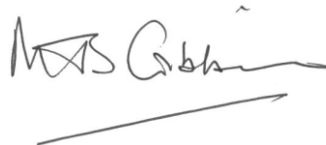
RPC comments

The power to give harbour directions for the safe and efficient movement of ships is a useful tool for Statutory Harbour Authorities (SHAs) to regulate shipping and improve safety within their harbour area. The existing route to acquire the power to give harbour directions, a Harbour Revision Order (HRO) under section 14 of the Harbours Act 1964, is complex and, for some SHAs, prohibitively expensive. The Department proposes to designate applicant SHAs with the power to give harbour directions under section 40A of the same Act. This would provide for a simpler, quicker and less costly means for an SHA to be able to give harbour directions.

32 SHAs in England and Wales may wish to adopt the new power; 31 of these are private businesses. The Department explains that there is significant uncertainty around the monetisation of costs and benefits. It is particularly uncertain how many SHAs will take advantage of the new power. However, the Department provides illustrative costs and benefits. Each SHA is expected to avoid costs of around £27,000, mainly consisting of legal costs and the application fee that would be incurred in applying for an HRO. This would be partly offset by some application costs.

In view of the uncertainty, the Department has adopted a conservative approach to the assessment of the impact of the proposal on SHAs and has, therefore, submitted this proposal as a zero net cost measure rather than a small OUT. The impact assessment would benefit from an analysis of whether the proposal might result in some SHAs, who would not otherwise have applied for an HRO, applying for the power. In particular, this assessment should include the potential impact on shipping companies of harbour directions to which they might not otherwise be subject.

Signed



Michael Gibbons, Chairman