

Railway Infrastructure (Access and Management) and (Licensing of Undertakings) Regulations 2015

3122(1)-DfT

Department for Transport

RPC rating: fit for purpose

The IA is now fit for purpose as a result of the Department's response to the RPC's initial review.

Description of proposal

These regulations implement mandatory EU requirements and those optional provisions that provide further flexibility to UK businesses. The Directive largely consolidates existing EU legislation that has already been implemented in the UK but also makes a number of minor changes.

The largest of these are:

- changes in access to railway service provisions;
- additional rules for railway service operators where one operator is dominant; and
- the requirement to produce two sets of accounts for railway undertakings that provide both passenger and freight rail services.

Impacts of proposal

The Department states that there are a number of areas where railway service providers will be required to make changes in order to improve the ease of access to their services, such as providing greater information to customers and providing information in a non-discriminatory manner. During consultation, service providers stated that they were already compliant with many of the regulatory changes because of existing requirements under British competition or anti-discrimination law. The Department was not able to monetise the minor changes that service providers would have to make.

The Department states that the requirement to produce two sets of accounts is unlikely to affect many businesses in the UK. The Department states that UK businesses generally operate either rail freight or rail passenger services and only

eight companies hold UK licences to operate both types of service. It is, however, not clear that any of these companies are in scope of the regulations. All of the companies that responded at consultation questioned whether they would be considered as running both types of service under the Directive's definition. The Department has not monetised the costs of producing two sets of accounts.

The Department states that no railway service operator is dominant in the UK, according to the definition provided in the Directive. There will, therefore, be no costs to business from the dominant operator requirements. Consultation evidence supports the Department's assessment that this is likely to remain the case into the foreseeable future.

The Department also lists fully the other requirements of the proposal and shows that they either have no impact on business, as they are already required by UK law, or are minor changes. The Department was not able to monetise the impacts of any of these requirements. Consultation responses indicate that the minor changes would impose only negligible costs to business.

The RPC accepts that, while the costs of the proposal have not been monetised, the scale of these costs is likely to be small. The equivalent annual net cost to business (EANCB) will, therefore, be regarded as £0 million for reporting purposes.

Quality of submission

The Department has addressed the issues raised in the RPC's initial review notice. The Department has now included all of the relevant information gathered during consultation in the IA. It has also indicated which elements of the proposal concern new regulatory requirements and which consolidate existing information.

The Department was unable to monetise any of the impacts of the proposal. This is due to the very minor, technical nature of many of the changes and the lack, despite extensive consultation, of any cost estimates. The Department includes a qualitative discussion showing that the scale of the proposal's impacts is small.

The Department has demonstrated that it has taken advantage of all the optional provisions that provide flexibility to UK businesses. This was not challenged at consultation.

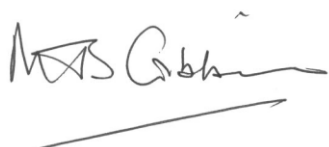
The impact assessment is very long (45 pages) and, in places, is difficult to access for a non-expert reader. While the RPC understands that the proposal concerns a very large number of changes, it would be helpful if it could be written in a clearer, less technical manner.

Initial departmental assessment

Classification	Non-qualifying regulatory provision (EU)
Equivalent annual net cost to business (EANCB)	Not quantified (£0 million)
Business net present value	Not quantified (£0 million)
Societal net present value	Not quantified (£0 million)

RPC assessment¹

Classification	Non-qualifying regulatory provision (EU)
EANCB – RPC validated	Not quantified (£0 million)
Small and micro business assessment	Not required (European origin)
RPC rating (of initial submission)	Not fit for purpose



Michael Gibbons CBE, Chairman

¹ The RPC verification of the estimated equivalent annual net cost to business (EANCB) and assessment of whether the measure is a qualifying regulatory provision are based on current working assumptions.