 <b>Regulatory Policy Committee</b>	<b>Regulatory Triage Confirmation</b>	
<b>Title of regulatory proposal</b>	The Hovercraft Code	
<b>Lead Department/Agency</b>	Department for Transport	
<b>Origin</b>	Domestic	
<b>Expected date of implementation</b>	SNR 9	
<b>Date submitted to RPC</b>	11 February 2015	
<b>Confirmation date and reference</b>	20 February 2015	RPC15-FT-DfT-2330
<b>Departmental triage assessment</b>	Deregulatory	
<b>RPC confirmation</b>  The RPC confirms this as eligible for the fast track as a deregulatory proposal.		<b>CONFIRMED</b>
<b>Departmental rationale for triage rating</b>  The Regulatory Triage Assessment (RTA) explains that:  <i>“All UK hovercrafts are built under the High Speed Craft Code which is an international standard for ships operating at speed irrespective of size. These existing international standards were designed for relatively large, expensive crafts operating internationally but extended to apply to all domestic high speed crafts, including hovercraft, as there were no equivalent standards in place... The proposed Hovercraft Code is a risk-based safety standard specifically designed for small commercially operated hovercraft appropriate for their operational risks... The Hovercraft Code will provide all the information for the design, construction and operation of small hovercraft in one consolidated document, a ‘one-stop shop’ for ease of reference.”</i>  <i>“The scale of impact of these new standards is difficult to monetise as there are currently no small hovercraft operating commercially in the UK and this will effectively develop a new market within the maritime industry... industry representatives have indicated that they expect rapid development in this new field with many separate developments being created. With the introduction of the Code, new manufacturers and operators are likely to enter the market.”</i>		
<b>RPC comments</b>  The proposal is to introduce an alternative standard for the construction of small commercial hovercraft. The code will be more appropriate to smaller craft than the current standards. This is expected to benefit businesses in a number of ways, including: <ul style="list-style-type: none"> <li>• creating a new market for small commercial hovercraft benefiting</li> </ul>		

- potential operators and manufacturers
- enabling UK manufacturers to increase their exports of small commercial hovercraft; and
- reducing the time taken to explain to customers the standards to which hovercraft are built.

The code will be recognised as a legal alternative standard to the existing statutory code, but the use of the standards in the new code will be voluntary – businesses will be able to choose whether to use the existing High Speed Craft Code, or the new code. Any IA should include further detail on how the recognition of the alternative standard would operate in practice.

The Department states that it is difficult to monetise the potential benefits as there are currently no small hovercraft operating commercially in the UK. The RTA subsequently refers to feedback from stakeholders on expected domestic sales and exports. For the RPC to confirm the estimated benefits as robust at final stage, the Department would need to provide:

- further evidence on the appropriate baseline for sales and exports; and
- a clear assessment of the expected increase in profits from sales.

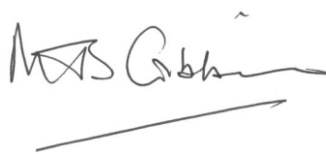
**One-in, Two-out (OITO) assessment**

**In scope**

The RTA says that the proposed code will “*provide a more proportionate and cost-effective means of producing hovercraft which comply with the required standards*”. The Department’s assessment is that this is a deregulatory proposal that is in scope of OITO and would create a direct net benefit for business (an ‘OUT’) by recasting regulation in order to reduce burdens on business.

Based on the evidence presented, the Department’s assessment of the likely direction of impacts appears reasonable, and the OITO assessment is consistent with the current Better Regulation Framework Manual (paragraph 1.9.11).

**Signed**



**Michael Gibbons, Chairman**