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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Title:**  IA No:  RPC Reference No:  **Lead department or agency:**  Other departments or agencies: | | | |  | | --- | | Impact Assessment (IA) | | Date: 01/01/2020 | | Stage: Development/Options | | Source of intervention: | | Type of measure: | | Contact for enquiries: | |  | |  | |  | |  | |  | |  | | | |
| Summary: Intervention and Options | | | **RPC Opinion:** | | |
|  | | | | | |
| Cost of Preferred (or more likely) Option (in 2019 prices) | | | | |
| Total Net Present Social Value | Business Net Present Value | Net cost to business per year | | Business Impact Target Status |
| £m | £m | £m | |  |
| What is the problem under consideration? Why is government action or intervention necessary?   * What is the issue being addressed? * What are the current or future harms that is being tackled? * Why is government best placed to resolve the issue?   Maximum of 7 lines | | | | |

|  |
| --- |
| What are the policy objectives of the action or intervention and the intended effects?   * What are the intended outcomes of intervention? * [optional] Can these be described in a [specific, measurable, achievable, realistic and time-limited (SMART), or similar,](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf#page=21) way? * What are the desired effects – what will change as a result of intervention? * What will the indicators of success be?   Maximum of 7 lines |

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| What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)   * Include a description of the “do nothing” option and non-regulatory options.   Maximum of 10 lines |

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| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Is this measure likely to impact on international trade and investment? | |  | | | | | Are any of these organisations in scope? | **Micro** | **Small** | **Medium** | | **Large** | | What is the CO2 equivalent change in greenhouse gas emissions?  (Million tonnes CO2 equivalent) | | Traded: | | Non-traded: | |   Will the policy be reviewed? It  be reviewed. If applicable, set review date: / |

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

|  |  |  |  |
| --- | --- | --- | --- |
| Signed by the responsible : |  | Date: |  |

# Summary: Analysis & Evidence Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Price Base Year 2019 | PV Base Year 2020 | Time Period Years | Net Benefit (Present Value (PV)) (£m) | | |
| Low: Optional | High: Optional | Best Estimate: |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| COSTS (£m) | Total Transition   (Constant Price) Years | | Average Annual  (excl. Transition) (Constant Price) | Total Cost  (Present Value) | |
| Low | Optional |  | Optional | Optional | |
| High | Optional | Optional | Optional | |
| Best Estimate |  |  |  | |
| Description and scale of key monetised costs by ‘main affected groups’  Maximum of 5 lines | | | | | |
| Other key non-monetised costs by ‘main affected groups’  Maximum of 5 lines | | | | | |
| BENEFITS (£m) | Total Transition   (Constant Price) Years | | Average Annual  (excl. Transition) (Constant Price) | Total Benefit  (Present Value) | |
| Low | Optional |  | Optional | Optional | |
| High | Optional | Optional | Optional | |
| Best Estimate |  |  |  | |
| Description and scale of key monetised benefits by ‘main affected groups’  Maximum of 5 lines | | | | | |
| Other key non-monetised benefits by ‘main affected groups’  Maximum of 5 lines | | | | | |
| **Key assumptions/sensitivities/risks** Discount rate (%) | | | | |  |
| Maximum of 5 lines | | | | | |

BUSINESS ASSESSMENT (Option 1)

|  |  |  |  |
| --- | --- | --- | --- |
| Direct impact on business (Equivalent Annual) £m: | | | Score for Business Impact Target (qualifying provisions only) £m: |
| Costs: | Benefits: | Net: |  |
|  |  |  |  |

# Evidence Base

|  |
| --- |
| [Please delete this box upon completion]*[Guidance Note]* *[Departments / regulators have the discretion to set out their evidence base – provided the appropriate analysis is included. The below suggested sections will help ensure relevant factors are considered. In addition a number of general principles should be considered: use plain English to ensure the document is accessible to a range of stakeholders; the analysis should be proportionate and consider the relevant impacts; evidence should be developed collaboratively drawing on a range of stakeholder views; evidence should be updated to reflect recent developments, such as consultation responses; where it will help ensure the IA is readable and accessible consider the use of annexes for very detailed or technical information.]*  *For further guidance please see the* [*HMT Green Book*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf)*, the* [*Better Regulation Framework*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735587/better-regulation-framework-guidance-2018.pdf)*,* [*Guide to Making Legislation*](https://www.gov.uk/government/publications/guide-to-making-legislation) *and* [*RPC case histories*](https://www.gov.uk/government/collections/rpc-case-histories)*]* *[Formatting Note]* *[Please delete text for this section. Replace the notes on this page with the text for the evidence base.]*  *[Text in italics is intended to provide guidance for those completing the IA and should be deleted when completing the template.]*  *[To maintain consistent formatting, apply Styles from the toolbar (the main body of text should be Arial, size 12). The Paste Without Format toolbar button can be used to paste text from other documents in the current style.]*  *[Continually numbered paragraphs and page numbers make the document easier to navigate and cross-reference throughout. Consistently formatted headings with logical numbering structure (where used). A contents page upon completion of the IA, especially for IAs above 15-20 pages.]* [Please delete this box upon completion] |

## Problem under consideration and rationale for intervention

* + *What is the issue being addressed (i.e. is there a market failure or a government objective)?*
  + *What are the current or future harms that is being tackled?*
  + *What sectors / markets / stakeholders will be affected, and how, if the government does intervene?*
  + *Why is government best placed to resolve the issue? Could the issue be resolved without intervention (e.g. through the market, innovation or other stakeholder led change)?*

## Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

* + *Explain why the level of evidence presented and data gathered is appropriate to the problem under consideration. In some cases, it may be more appropriate to consider this point throughout the IA (for example, primary legislation and where the impacts of secondary legislation are not known).*
  + *Where evidence is unavailable or where there is low confidence / high uncertainty in the evidence, please explain the approach taken in relation to any gaps or limitations in the evidence used (for example, where there is less evidence in one area what information has been used to supplement the evidence base).*

## Description of options considered

* + *Include a description of the “do nothing” option and non-regulatory options, following the* [*HMT Green Book*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf) *approach to options and long-list appraisal. The long list should include considering international comparisons and practices.*
  + *How would the options deliver the desired outcomes?*
  + *How will the options interact with existing legislative and regulatory requirements?*
  + *Where options have been considered as part of policy development or a consultation these should be discussed in the final stage IA, as the evidence relating to rejected options is an important aspect of the evidence base.*

## Policy objective

* + *What are the intended outcomes? What will change as a result of intervention?*
  + *Can the objectives / outcomes be described in a SMART (or similar) way?*
  + *What will the indicators of success be?*

## Summary and preferred option with description of implementation plan

* + *How will the preferred option be given effect, i.e. primary or secondary legislation / will there be transitional arrangements?*
  + *Explain how the intervention would lead to the intended achievement of the policy objective.*
  + *When will the arrangements come into effect?*
  + *Who will be responsible for ongoing operation and enforcement of the new arrangements?*
  + *Does the approach to implementation enable sufficient flexibility and scope for experimentation / piloting / trialling?*

## Monetised and non-monetised costs and benefits of each option (including administrative burden)

* + *Summarise the expected costs and benefits of the proposed approach.*
  + *Give monetised values where possible.*
  + *Summarise how values align with findings received from consultations.*
  + *Use the* [*EANDCB calculator*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/786862/EANDCB_Impact_Assessment_Calculator_2019_March_User_Guide.docx) *to apply the correct BIT methodology.*
  + *Include appropriate sensitivity analysis and/or other analytical approaches to risk and uncertainty.*

## Direct costs and benefits to business calculations

* + *In addition to providing the impacts and analysis in line with the BIT methodology, analysis should cover all other direct impacts (for example presenting estimated costs of enforcement activity even though this would only fall on non-compliant businesses and would not be included in the calculation of the EANDCB).*
  + *For better regulation framework purposes, “business” is short for business and voluntary & community bodies (VCBs). Assessments of business impacts (e.g. for BIT and SaMBA purposes) will, therefore, need to take account of any impacts on VCBs.”*

## Risks and assumptions

* + *These should be justified and have an objective basis in research, or clear rationale why assumptions are the best proportionally available evidence (especially if using proxies or estimates).*
  + *Where assumptions and evidence sources have been used these should be transparently referenced (e.g. consider whether these assumptions and their source could be presented in a single place to support transparency);*
  + *It should identify where the gaps are in the evidence base, and any uncertainty surrounding the assumptions made in the assessment;*
  + *Provide consideration on how will risks be mitigated; including a sensitivity analysis and unintended consequences assessment on the core options.*

## Impact on small and micro businesses

* + *Will the measure impact small or micro businesses (SMBs)? Could SMBs be exempted while achieving policy objectives? Would there be any disproportionate burdens on small and micro business?*
  + *If SMBs cannot be exempt, what mitigation measures to reduce the impact on SMBs could be applied and what is the rationale for the ones chosen?*
  + *What are the overall costs that fall on small/micro business?*
  + *For further guidance please see the* [*RPC’s guidance on Small and Micro Business assessments.*](https://www.gov.uk/government/publications/small-and-micro-business-assessment-samba-guidance)

## Wider impacts (consider the impacts of your proposals)

* + *Document any relevant impact here and by attaching any relevant specific impact analysis (e.g. equalities, etc.) in the annexes to this template.*
  + *Analysis could include wider impacts to individuals (i.e. employees, consumers); public sector; impacts to the* [*environment*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191500/Accounting_for_enviornomental_impacts.pdf) *and indirect impacts on business / VCB’s.*
  + *How will the intervention affect wider incentives and behaviours, such as enabling or restricting innovation?*
  + *How will the intervention affect markets where products or services are supplied by private or public organisations? Where impacts are likely to**affect competition, Departments should consider completing the Competition and Market Authority’s (CMA)* [*“competition assessment checklist”*](https://www.gov.uk/government/publications/competition-impact-assessment-guidelines-for-policymakers) *to supplement their analysis.*

## A summary of the potential trade implications of measure

* *For measures with impacts on international trade and investment, you need to demonstrate those impacts in consultation with the Department for International Trade (DIT) to review your RIA and consider whether those impacts will require notification to the World Trade Organisation (WTO). For example, for goods and services regulations Departments should include an assessment of whether the measure introduces different requirements for domestic and foreign businesses, or different requirements for businesses from different countries and demonstrate how the measure is consistent with the UK’s international obligations. For further guidance, please refer to the DIT guidance (available through your BRU) or contact the DIT Better Regulation Unit (dit.bru@trade.gov.uk).*

## Monitoring and Evaluation

* + *How will the impact of the new arrangements be monitored? What are the main external factors that will have an impact on the success of the intervention?*
  + *How will you assess whether the original objectives have been met, or whether the intervention should be amended?*
  + *What are the current monitoring and evaluation provisions in place for the current system, and how can they maintain the appropriate flexibility?*
  + *Will you need to collect extra data that is not already being collected to assess whether the policy has been successful?*
  + *What circumstances / changes in the market or sector would require the policy to be reviewed sooner or change the preferred option?*