

<b>Title:</b> Child Performers - children performing abroad <b>IA No:</b> DFE 0025  <b>Lead department or agency:</b> Department for Education <b>Other departments or agencies:</b> Department for Culture, Media and Sport	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 16/05/2012		
	<b>Stage:</b> Consultation		
	<b>Source of intervention:</b> Domestic		
	<b>Type of measure:</b> Primary legislation		
<b>Contact for enquiries:</b> : Éilish Newman 07557 846 488			
<b>Summary: Intervention and Options</b>			<b>RPC Opinion:</b> AMBER

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£0.54m	£0.04m	£0.00m	Yes   OUT

**What is the problem under consideration? Why is government intervention necessary?**

Producers that make applications for taking children abroad tell us that the process is complicated and bureaucratic; this is echoed by the small number of magistrates' courts that handle the applications. Current practice in the industry and courts means that almost all applications from across the country are handled by a small number of courts, and primarily only one court. Since regulations are set out in law, government intervention is necessary to reduce burdens to producers but also streamline the process so that LAs are responsible for all performance licensing decisions for a child in their area. This will ensure consistency in approach across licence decisions and help ensure appropriate safeguarding measures are upheld.

**What are the policy objectives and the intended effects?**

To rationalise the process for applications to take children abroad for performances, reducing excessive scrutiny and procedures which serve little purpose in safeguarding children.

To ensure that decisions about licensing are taken locally by the appropriate authorities. This will allow easier consideration of factors which are relevant to the child and will bring all performance licenses for a child into one place.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

- 1) Do nothing – this option would involve the continuation of current practice which is excessively bureaucratic and burdensome.
- 2) Remove the requirement for licensing children to be taken abroad for the purposes of performance – this legislation is primarily about safeguarding children and this option may jeopardise that objective.
- 3) Rationalise the application process to ensure that only necessary and proportionate procedures are in place and that decisions are made at a local and appropriate level.

Option 3 is the preferred option as it offers a necessary level of protection for children whilst allowing the opportunity to review and streamline the process.

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> 06/2017					
Does implementation go beyond minimum EU requirements?			Yes		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes	<b>Large</b> Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b> N/A	<b>Non-traded:</b> N/A	

*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 SELECT SIGNATORY: \_\_\_\_\_ Date: \_\_\_\_\_

# Summary: Analysis & Evidence

Policy Option 1

Description: Do nothing (reference case)

## FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £0

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			
High			
Best Estimate	£0	£0	£0

### Description and scale of key monetised costs by 'main affected groups'

The costs of the other options are expressed relative to this do nothing case.

### Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			
High			
Best Estimate	£0	£0	£0

### Description and scale of key monetised benefits by 'main affected groups'

The benefits of the other options are expressed relative to this do nothing case.

### Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:	In scope of OIOO?	Measure qualifies as
Costs: £0	No	NA
Benefits: £0		
Net: £0		

# Summary: Analysis & Evidence

# Policy Option 2

Description: Remove the requirement for licensing children to be taken abroad for the purpose of performance

## FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£1.24m	High: £2.57m	Best Estimate: £0.66m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.05m	£0.00m	£0.05m
High	£1.59m	£0.00m	£1.59m
Best Estimate	£0.82m	£0.00m	£0.82m

### Description and scale of key monetised costs by 'main affected groups'

There are likely to be one-off transition costs for this policy since Local Authorities (LAs) and production companies will need to dedicate time to adjust their processes in light of the new system.

### Other key non-monetised costs by 'main affected groups'

The potential long term costs of increased safeguarding issues which might come about if the legislation is not in place is not monetised.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	£0.00	£0.04m	£0.35m
High	£0.00	£0.30m	£2.62m
Best Estimate	£0.00	£0.17m	£1.48m

### Description and scale of key monetised benefits by 'main affected groups'

On-going benefits accrue through the reduction in time spent by production companies, magistrate courts, chief police officers and foreign consulates in preparing and reviewing licences.

### Other key non-monetised benefits by 'main affected groups'

None thought to occur here.

### Key assumptions/sensitivities/risks

Discount rate (%) 3.5

Using estimates from LA performance and employment manager and production society representatives and other parties involved in the licencing process we have been able to provide best estimates of the likely costs and benefits of the proposed change in policy. However it is not possible to verify all assumptions and estimates. We will endeavour to improve these estimates and assumptions in later stages of the IA.

## BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0.1m	Benefits: £0.1m	Net: £0.0m	Yes	OUT

# Summary: Analysis & Evidence

# Policy Option 3

Description: Rationalise the application process

## FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£0.79m	High: £1.87m	Best Estimate: £0.54m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.05m	£0.00m	£0.10m
High	£0.50m	£0.06m	£0.99m
Best Estimate	£0.28m	£0.03m	£0.54m

### Description and scale of key monetised costs by 'main affected groups'

LAs are likely to experience small transition costs due to the time that will be required to familiarise themselves with the new process.

On-going burdens are likely to fall to LAs, who will have a new role of issuing licences to production companies who wish to take children abroad, which previously rested with (the more expensive) magistrates. There is little change for production companies so no perceived costs to them in the long run.

### Other key non-monetised costs by 'main affected groups'

We have not monetised changes to production companies in the long term because we deem the changes to be negligible and therefore the increased burdens to be negligible. They will simply move from submitting a licence to a magistrate, to submitting it to the LA.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	£0.00	£0.02m	£0.20m
High	£0.00	£0.23m	£1.96m
Best Estimate	£0.00	£0.13m	£1.08m

### Description and scale of key monetised benefits by 'main affected groups'

We do not consider there to be any one-off benefits for these proposed changes. However, there are likely to be on-going benefits to magistrates (who would no longer be responsible for granting licences), chief police officers and foreign consulates (who would no longer have to view licence applications) and production companies (through a rationalised application process) as a result of changing to the proposed new, simpler system.

### Other key non-monetised benefits by 'main affected groups'

There is a potential non-monetised benefit of improvement in safeguarding measures if LAs are given this role instead of magistrates. This change would ensure that all licence issuing is kept in LA control, therefore all appropriate considerations can be taken into account when determining whether to issue a licence, when magistrates may not have had all appropriate information. It is not possible to monetise this as we cannot know its true impact but it may help to reduce safeguarding issues.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	3.5
Using estimates from LA performance and employment manager and production society representatives we have been able to provide best estimates of the likely costs and benefits of the proposed change in policy. However it is not possible to verify all assumptions and estimates. We will endeavour to improve these estimates and assumptions in later stages of the IA through consultation.		

## BUSINESS ASSESSMENT (Option 3)

<b>Direct impact on business (Equivalent Annual) £m:</b>			<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>
Costs: £0.0m	Benefits: £0.0m	Net: £0.0m	Yes	OUT

## Evidence Base (for summary sheets)

At present, if a producer wishes to take a child abroad to perform they must apply for a licence from a Magistrate's Court. The process by which the Magistrate should consider the application and the powers they have are set out in legislation from 1963. At that time it was unlikely that there were many children taken abroad for the purposes of a performance and the process set out appears to reflect a significant degree of caution and excessive amount of scrutiny. Recent estimates from the magistrates court show that approximately 300-500 licences are now issued each year for children performing abroad.

There are now many more opportunities for children to perform as well as routine opportunities to travel, for example, through school. The requirements on applicants and magistrates of current legislation are therefore excessive, for example, an applicant must present the application for each child to the chief police officer of the area so they can offer an objection before it is then sent to the magistrate. Once a magistrate has granted a licence the Secretary of State is required to pass on that information to the relevant consular office abroad, to ensure that they are aware of the child's presence in that county. We do not consider such procedures to be necessary, nor do they tend to be used as originally intended (for example, the consular office does not usually take any particular action following receipt of that information).

In addition to simplifying the process for applications, we also consider that it is no longer necessary for such licences to be granted by a magistrate. Local authorities are responsible for all other elements of child performance licensing, and that is appropriate as they are able to make local and direct enquiries, for example, to take into account the views of the child's school, or other performance licenses that have been issued to the child. Currently magistrates do not have to make any reference to the LA view or even alert them to the licence that they have issued, or application they have refused. We consider that the LA should be responsible for all performance licensing decisions for a child in their area. This will aid consistency in the approach to granting licences and help ensure appropriate safeguarding measures are upheld.

### **Rationale for intervention:**

Producers that make applications for taking children abroad tell us that the process is complicated and unnecessarily bureaucratic; this is echoed by the small number of magistrates' courts that handle the applications. Current practice in the industry and courts means that, although technically an application can be made to any magistrate, in reality only a small number, and primarily only one court in London, handles most of the applications from across the country.

Government intervention is necessary to reduce burdens to producers but also streamline the process so that LAs are responsible for all performance licensing decisions for a child in their area. This will aid consistency in the approach across all licence clearance processes and help ensure appropriate safeguarding measures are upheld.

### **Policy Objective:**

To rationalise the process for applications for licenses to take children abroad to take part in performances, reducing excessive scrutiny and procedures which serve little purpose in safeguarding children. In addition, we want to ensure that decisions about licensing are taken locally and consistently by the appropriate authorities.

### **Options:**

- 1) Do nothing – this option would involve the continuation of current practice which is excessively bureaucratic and burdensome. It would also be against the robust arguments that industry, magistrates and LAs have made for change.
- 2) Remove the requirement for licensing children to be taken abroad for the purposes of performance – this legislation is primarily about safeguarding children. We do not consider that it is responsible to remove all licensing requirements for producers to take children abroad. The licensing process assists producers in assessing the arrangements they have made for children and enables them to ensure that relevant risks and challenges have been considered.
- 3) Rationalise the application process to ensure that only necessary and proportionate procedures are in place and that decisions are made at a local and appropriate level.

### Impact of Option 1:

Maintaining the status quo is not an ideal situation and would continue to lead to many of the problems described above.

### Impact of Option 2:

In considering the option, the main concern was that safeguarding children is the primary purpose of this legislation. By removing these requirements entirely from all legislative requirements, there would be no mechanisms for standardising and enforcing a basic level of protection for child performers.

### Impact of option 3 (preferred option):

This option allows us to make two significant changes to current practice. First, there is an opportunity to rationalise the application process to ensure that appropriate safeguards are still in place for protecting children, but that they are proportionate and relevant to modern day expectations and standards of care. Second, it ensures that a decision is made at an appropriate level, i.e. by a LA performance licensing officer and not a magistrate. The LA officer is in a position to take account of local factors which are relevant to the child, e.g. the view of the head teacher if the child was to be missing school as a result of the performance. It will also bring all performance licensing decisions for a child in one place so the LA can keep an overview of all arrangements.

### Costs and benefits:

While regular data collections are not in place to provide robust estimates of the impacts of the policy, we have been able to produce best estimates of the likely impacts of the proposed policy using estimates from our LA and production company contacts. Unfortunately the assumptions are not all verifiable but we will endeavour to improve these assumptions and estimates through consultation before further stages of the IA. We have assessed the likely impacts of both option 2 and 3 (preferred) to highlight the costs and benefits of each.

<b>Option 2</b>	<b>Detail</b>	<b>Lower</b>	<b>Upper</b>
<b>Costs: one-off</b>	Transition costs for LAs and production companies	£0.05m	£1.59m
<b>Costs: on-going (per annum)</b>	Long term impacts of increased safeguarding issues	Non-monetised	Non-monetised
<b>Benefits: one-off</b>	Consider none to occur here	-	-
<b>Benefits: on-going (per annum)</b>	Reduction in admin burdens to magistrates courts, chief police officers, foreign consulates and production companies	£0.04m	£0.30m
<b>Option 3</b>			
<b>Costs: one-off</b>	Transition costs for LAs and production companies	£0.05m	£0.50m
<b>Costs: on-going (per annum)</b>	Increased burdens to LAs	£0.00m	£0.06m
<b>Benefits: one-off</b>	Consider none to occur here	-	-
<b>Benefits: on-going (per annum)</b>	Reduction in admin burdens to magistrates courts, chief police officers, foreign consulates and production companies. Non-monetised benefit of potential improvement in safeguarding	£0.02m	£0.23m

## Option 2 (removing the requirement for licensing children to be taken abroad for the purposes of performance)

### Costs

Transition costs are likely to fall on LAs and production companies in this option. This is because even without legislation LAs are likely to continue to provide safeguarding guidelines or checks on production companies. However, we cannot know the full extent of these costs since legislation would be removed; therefore LAs would be under no obligation to provide their own guidelines. They would have to make their own judgement on whether they wished to issue/enforce guidelines and have acceptance from production companies since they would no longer have any powers to enforce. But it is still likely that some LAs would create guidelines and some production companies accept those guidelines meaning there would be costs to the LAs to amend their current guidance and training to take account of the new system. Using data from the Annual Survey of Hourly Earnings (ASHE) from ONS we can estimate that a LA administrative officer will earn approximately £13/hr. We have made a best estimate assumption that it would take between 1 and 5 days for each LA to revise its training and guidance and formulate how it would protect safeguarding in the absence of legislation. Since we know there are 150 LAs the gross wage measured transition costs to LAs are estimated to be between £14,000- £68,000.

For transition costs for professional production companies can use the approx wage/hr of production company admin staff to derive a valuation. For the amateur sector of production companies we know that the majority of staff are volunteers. Valuing volunteer activity is methodologically challenging.<sup>1</sup> Approaches commonly adopted include valuing their time using the wages earned by workers performing similar tasks in the paid private production sector or valuation using estimates of the wages that the volunteers earn in their work for pay. A lower bound estimate of the later is given by the national minimum wage (NMW). For the professional sector of production companies we do not have adequate data to know the wages of their admin staff. However, we have provided a best upper limit estimate of £30,000 a year for earnings of admin staff for professional companies.

As with the LA calculation, we estimate the amount of time it would take for production companies to familiarise themselves with the new policy. Estimates from amateur production society representatives tell us there are approximately 3000 amateur production companies. While we have attempted to use a best estimate of the number of companies here, 3000 companies was reached using estimates from company representatives, but a number of amateur production companies may not be part of a society and we might therefore have not captured them. We do not have an estimate for the number of professional companies, but have provided a best estimate assumption of approx 2000 professional production companies, giving a total of approx 5000 production companies. We hope that in the next stage of this impact assessment we may be able to arrive at a more representative estimate. We assume that it takes between half a day and 2 days for production companies to familiarise themselves with the new policy (best estimate assumption).

We do not estimate there to be any monetisable on going costs for option 2. However, this is largely because we are not able to monetise the potential long term costs of increased safeguarding issues which might come about if the legislation is not in place. We cannot know the full extent of what would happen in LAs without legislation since it would not be right to attempt to test what would happen if safeguarding rules were not in place.

Overall costs for option 2:

<b>Costs</b>	<b>Lower</b>	<b>Upper</b>
<b>One-off</b>	£0.05m	£1.59m
<b>On-going (per annum)</b>	-	-
<b>PV of Costs over 10 years</b>	<b>£0.05m</b>	<b>£1.59m</b>

Note: a mark up is applied to account for non-wage labour costs. It is assumed that non-wage labour costs constitute 21 per cent of total labour costs. This is based on analysis of the 2004 UK Labour Cost Survey (LCS).

<sup>1</sup> See Brown, E. (1999). *Assessing the value of volunteer activity. Nonprofit and Voluntary Sector Quarterly* 28 (3).

## Benefits

There are not likely to be any one-off benefits for option 2. However, there are a number of on-going benefits resulting from a reduction in burdens to magistrates and production companies. Whilst it is likely that if legislation was removed, LAs and production companies would carry on some form of safeguarding procedures (as was detailed in the costs above), we do not have adequate data to show how many LAs would do this, so we have simply assumed that without legislation, all production companies and LAs would not complete or clear licences or have inspections.

There are likely to be reductions in administrative burdens to magistrates, chief police officers, foreign consulates and production companies to process and clear licences. Estimates from Westminster magistrates court (where the majority of licences are granted) show that it takes between 1hr – 1 day to clear and issue a licence. Estimates from the magistrates court show that approximately 300- 500 licences are issued each year for children performing abroad. We separate out the wage estimates of magistrate clerks and judges (according to the description of the procedure given to us from the magistrates court) and find that the wage cost of a clerk is between £3,900- £26,000 a year and for a judge it is £9,000 - £45,000 a year.

Chief police officers and foreign consulates will no longer be part of the process and neither will production companies. We have used best estimates to assume approximate time scales for chief police and foreign consulate involvement in the process. We then use ASHE data to provide an estimate of wage to get estimates of the reduction in burdens. This gives estimates of wage benefits of between £1,950-£13,000 for foreign consulates; £8,400-£56,000 for chief police officers; and £9,000-£100,000 for production companies.

Benefits for option 2:

Benefits	Lower	Upper
<b>One-off</b>	-	-
<b>On-going (per annum)</b>	£0.04m	£0.30m
<b>PV of Benefits over 10 years</b>	<b>£0.35m</b>	<b>£2.62m</b>

Note: a mark up is applied to account for non-wage labour costs. It is assumed that non-wage labour costs constitute 21 per cent of total labour costs. This is based on analysis of the 2004 UK Labour Cost Survey (LCS).

Overall NPV:

	lower	Upper
<b>PV of Costs over 10 years</b>	£0.05m	£1.59m
<b>PV of Benefits over 10 years</b>	£0.35m	£2.62m
<b>NPV over 10 years</b>	<b>-£1.24m</b> (lower benefits less upper costs)	<b>£2.57m</b> (upper benefits less lower costs)

This gives a best estimate NPV of £0.66m over a 10 year period. While the benefits for this option are much larger than the costs, we expect that they would be more than offset with any costs resulting from poor protection of children. This cost is not included in the estimates presented.

Option 3 (rationalise the application process so licensing decisions are taken at the appropriate level)

## Costs

There are likely to be a number of one-off costs associated with option 3, the preferred option. Transition costs are likely to be felt by both LAs and production companies as they familiarise themselves with the new process. As before, ASHE estimates show that admin staff in LAs earn approx £13/hr, there are 150 LAs and we assume that it may take between 2 and 7 days per LA to get used to the new process. This estimate is slightly higher than previously estimated for the amateur sector since it is a new process for LAs and they would need additional time to familiarise themselves with the process. We estimate wage costs of between £27,000- £96,000.



For production companies, again we do not have adequate data to fully represent the wages of all production company members. We therefore use the NMW as a proxy for the value of amateur sector administrative staff time. For professional company staff we use an upper limit of £30,000 per year as we assume that this will encompass the majority of professional company administrative staff. Estimates from amateur production society representatives suggest there are approx 3000 amateur production companies. While this may not capture all amateur production companies it is a best estimate given available data. We do not have equivalent estimates from professional company staff, but we have assumed a best estimate of 2000 professional companies. We also assume that between 25% and 85% of production companies have children participating (best estimate using estimates from society representatives (larger for all companies since we do not have adequate estimates from professional companies)). We assume it takes between 2 hrs and ½ a day to familiarise with the new process.

The largest on-going burden for this option is the increase in burden to LAs to clear licences as the process moves from magistrates to LAs. We assume that LAs will take approximately the same amount of time as magistrates to clear licences, since the process is more streamlined than the normal licensing process. Using ASHE data and estimates from Westminster magistrate court on the number of licences a year the wage costs are estimated at between £3,900 and £46,000 a year.

Overall costs for option 3:

<b>Costs</b>	<b>Lower</b>	<b>Upper</b>
<b>One-off</b>	£0.05m	£0.50m
<b>On-going (per annum)</b>	£0.00m	£0.06m
<b>PV of Costs over 10 years</b>	<b>£0.10m</b>	<b>£0.99m</b>

Note: a mark up is applied to account for non-wage labour costs. It is assumed that non-wage labour costs constitute 21 per cent of total labour costs. This is based on analysis of the 2004 UK Labour Cost Survey (LCS).

There is also a likely non-monetised cost to production companies. However, this cost is not monetised in this impact assessment since we deem the increased burden to be negligible, and therefore not necessary to monetise in this situation. The increased burden may arise from having a change in system, which may change some of the current methods production companies use to submit licence applications for children performing abroad, but the main changes fall on magistrates and LAs and otherwise the system does not change significantly, so we deem this to be a non-monetised cost in this case. However, if consultation shows that there would be significant changes to production companies we would change the estimates in the next stage IA process.

### *Benefits*

We do not consider there to be one-off benefits for this option. However, there are a number of on-going benefits. These benefits are likely to occur due to reduced burdens to magistrate's courts, chief police officers, foreign consulates and production companies as a result of the proposed changes in legislation.

For magistrates courts there is a semi-transfer of administrative burdens from magistrates to LAs (see costs for increase in burden to LAs). However, magistrate's involvement is more expensive since it involves district judges. Westminster magistrate court (who processes the majority of licences for children performing abroad) provided estimates of the number of licences issued per year and the approximate time it takes to issue those licences. They also provided details of the process, so we were able to estimate the approximate time that a clerk may work on the licence, preparing the papers for the hearing, sending out the application pack, etc. and also the approximate amount of time the district judge would be involved with the licence. We have therefore been able to provide an estimate of a wage reduction in burdens to magistrates courts of approx £2,000 - £26,000 for clerks (some of which is transferred to LAs) and between £4,500- £45,000 for judges' involvement.

We do not have data estimates on the approximate amount of chief police officers time spent on clearing licences for children performing abroad. We have therefore used the estimates from Westminster magistrate's court to estimate the approximate amount of time of chief police officer involvement. Using ASHE data for senior police officers we can estimate that the wage benefits would be approximately £8,400 - £56,000.

For foreign consulates, again we do not have data estimates on the approximate amount of time spent on clearing licences. However, we know anecdotally that foreign consuls receive these licences but do not really do anything with them. Foreign consulates do not have any additional jurisdictions in relation to child safeguarding for performing children than they do for other UK children aboard, e.g. on holiday. Therefore this procedure is currently seen more of a courtesy, so we have used a small amount of time as an estimate – of between half an hr and 2 hours per licence. This gives a wage benefit estimate of between £2,000 and £13,000 a year.

There is also likely to be a reduction in burdens to production companies, since under the new proposals production companies would no longer have to clear the licence application with the chief police officer before they send it off to the LA to be cleared. We use the earlier estimates of chief police officer time here too, again these are best estimates using the Westminster magistrate estimates, and find reduced wage burdens of between £1,800- £40,000 a year.

Overall benefits for option 3:

<b>Benefits</b>	<b>Lower</b>	<b>Upper</b>
<b>One-off</b>	-	-
<b>On-going (per annum)</b>	£0.02m	£0.23m
<b>Total PV of Benefits over 10 years</b>	<b>£0.20m</b>	<b>£1.96m</b>

Note: a mark up is applied to account for non-wage labour costs. It is assumed that non-wage labour costs constitute 21 per cent of total labour costs. This is based on analysis of the 2004 UK Labour Cost Survey (LCS).

There is likely to be a non-monetised benefit under this option of potential improvements in safeguarding measures as LAs would now have control over all licensing processes allowing them to take account of all appropriate considerations in their area, before agreeing to issue a licence. We do not have adequate data to monetise these potential impacts, as we do not know the true extent of these benefits. However, if these changes led to a reduction in safeguarding issues then the cost savings could potentially be substantial. We cannot know the full extent of what would happen in LAs without legislation since it would not be right to attempt to test what would happen if safeguarding rules were not in place. We hope to improve quantification of safeguarding benefits at the final stage impact analysis.

Overall NPV for option 3:

	<b>lower</b>	<b>Upper</b>
<b>PV of Costs over 10 years</b>	£0.10m	£0.99m
<b>PV of Benefits over 10 years</b>	£0.20m	£1.96m
<b>NPV over 10 years</b>	<b>-£0.79m</b> (lower benefits less upper costs)	<b>£1.87m</b> (upper benefits less upper costs)

This gives a best estimate of approx £0.42m over a 10 year period for this option.

### **Risks and Assumptions:**

Although we would be removing elements of scrutiny from the application procedure, for example, we would no longer require that the chief police office of the District must be provided with the application seven days before the magistrate, we do not consider that this is necessarily reducing safeguards for the child. LA officers would still be able to refer applications to police or social services or any other authority if they consider there is any reason for concern. To have a compulsory legal requirement for this for every single application seems excessive. Equally, once a licence has been granted, we will no longer require details of the licence to be sent to the relevant consular office abroad. The Foreign Office has advised that it is not necessary for such a requirement and it leads to no particular action from the consular office.

Moving the processing of these licenses from magistrates to LA licensing officers does represent a new duty for the LA. However, as well as rationalising this particular process which will make it simpler and faster, it is our belief that the overall rationalisation of licensing process, particularly the removal of the requirement to license individual children in amateur performances will lead to a large reduction in

'domestic' licence applications. We do not consider that the volume of application for performances abroad will therefore create an excessive burden of LAs. The streamlining plans we have outlined in the related impact assessments for changes to the licensing system and for licensing amateur performances would more than offset any additional burden for moving responsibility for licensing child performances abroad from magistrates to LAs. Estimates from the magistrates courts show that approximately 300-500 licences are issued in England each year for children performing abroad.

#### **Wider impact:**

This legislation will put in place equal protections for all children under 16 that are taking part in performances. We do not consider therefore, that it will unfairly disadvantage anyone in terms of age, gender, disability, race, religion or sexual orientation. In addition, the purpose of reviewing the legislation is to improve the consistency with which it is implemented across local authority areas by improving the clarity of roles and responsibilities.

#### **Small firm impact test:**

We do not have an adequate estimate of the proportion of small businesses that make up those production companies that wish to take children who perform abroad. However, we estimate that the reduction in burdens for production companies as a result of this government intervention will be largely proportionate in manner.

The likely increase in costs as a result of these changes are minimal and likely to affect all size firms equally. Firms may experience a reduction in burdens as a result of these changes but again these are likely to be minimal and likely to affect all size firms equally and have not been estimated here. While minimal and not estimated here, small firms may confer an even greater advantage than larger firms since small companies are more likely to have to compete with other companies in the informal sector, who are not compliant.

#### **Micro business exemptions:**

We do not envisage that micro businesses should be exempt from this legislation. The legislation exists to offer protections to children involved in performances and we consider that all children should be offered those protection regardless of the size of the firm that they are working with. For example, one of the requirements of an organisation working with children is to ensure that if a child is to miss school as a result of a performance, they must make arrangements for alternative provisions for that child. It does not follow that a child can only be offered education provision if the firm that they are working with is of a certain size. Similarly, a condition of having a licence is that a chaperone is appointed to take care of the child during production (to ensure they are safe, work within legal framework for hours and breaks, understand what is required of them and object to anything which may harm the welfare and well being of a child), again, there is no reason that a child should be denied these safeguarding measures owing simply to the size of the organisation that they are working with.

#### **OIOO:**

For the sake of this impact assessment we have deemed all production companies to be businesses, even though some smaller amateur production companies may well be fully made up of volunteers. We have however assessed the annual costs and benefits and net present value (NPV) of this option to find that there is likely to be an 'out' for this option as there are larger benefits than costs to production companies, particularly for annual benefits.

#### **Summary and preferred option:**

Option 3 is the preferred option as it will allow us to review and streamline the process whilst maintaining key safeguards for children.

## Post Implementation Review Plan

### **Basis of the review**

There has been no commitment to conduct a post implementation review as proposals are yet to be consulted on, but we anticipate that a review would be appropriate once new arrangements have had sufficient time to bed in (5 years).

There is a child performance advisory group made up of industry, child welfare professionals and charities and the National Network for Children in Entertainment and Employment. We are working closely with this group through the consultation period and will continue to do so during implementation, monitoring and reviewing following the commencement of the reforms.

### **Review Objective**

The objective of the PIR would be to check that the new legislative framework was working effectively to ensure that appropriate safeguarding arrangements are consistently made to protect children who take part in performances, and that their opportunities to do so are not constrained by unnecessary bureaucratic processes and requirements.

### **Review approach and rationale**

The approach would be to conduct a scan of stakeholder views.

### **Baseline**

Current day practice and stakeholder views (as set out in policy review report)

### **Success criteria**

- 1) effective safeguarding of children who take part in performances
- 2) stakeholder views

### **Monitoring Information arrangements**

We do not plan to collect data which would represent a new burden to LAs or production companies.