

<b>Title:</b> Simple Pressure Vehicles (2014/29 EU); Electromagnetic Compatibility (2014/30 EU); Non Automatic Weighing Instruments (2014/31 EU); Measuring Instruments (2014/32 EU); Lifts and their safety components (2014/33 EU);ATEX (2014/34 EC); Low Voltage (2014/35 EU);Pressure Equipment Directive (2014/EU) <b>IA No:</b> BEIS030(F)-16-RD  <b>RPC Reference No:</b> RPC-3250(1)-BIS <b>Lead department or agency:</b> Department for Business, Energy and Industrial Strategy <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>			
	<b>Date:</b> 14/11/2016			
	<b>Stage:</b> Final			
	<b>Source of intervention:</b> EU			
	<b>Type of measure:</b> Secondary legislation			
<b>Contact for enquiries:</b> Victoria Griffiths, 0207 215 6212				
<b>Summary: Intervention and Options</b>				<b>RPC Opinion:</b> GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANDCB in 2014 prices)	One-In, Three-Out	Business Impact Target Status
-£148.09m	-£148.09m	£16.93m	Not in scope	Non qualifying provision

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

The New Legislative Framework (NLF) is a framework of general principles and rules, which aims to make legislation on the Single Market for Goods clearer, more consistent and more effective. EU Decision 765/2008 lays down provisions that are intended to be incorporated into future EU product harmonisation legislation and existing product legislation when it is revised or recast. In order to bring existing product harmonisation legislation into line with the Decision, an "Alignment Package" was introduced to align 9 EU Directives to the NLF and would apply to subsequent directives. We have to implement the revised Directives into national law to meet our obligations under the EU Treaty

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

The objective is to meet the UK's legal obligation to implement the Directives. The intended effects of implementing the Directives are:

(a) avoiding the consequences of breaching EU law; and

(b) harmonising the provisions of the directives so that their text is consistent for that particular sector. In doing so it aims to better protect consumers from uncompliant products, make Product Safety legislation easier to understand and use, and therefore make it easier to make, sell and distribute products in the EU.

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

Option 1: PREFERRED  
 Make secondary legislation to implement the Directives - by revoking and replacing the existing legislation (listed below). This option has been chosen because it will allow the UK to meet its legal obligation to implement the Directives.

Option 2:  
 Adopt a non-regulatory approach to implementing the Directives. This option was considered and discounted because it would not satisfy the UK's legal obligation to implement the Directives.

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> Month/2021				
Does implementation go beyond minimum EU requirements?			No	
Are any of these organisations in scope?			<b>Micro</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 (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.**

**Signed by the responsible Minister:** Margot James **Date:** 15/11/2016

# Summary: Analysis & Evidence

# Policy Option 1

## Description:

### FULL ECONOMIC ASSESSMENT

Price Base Year 2015	PV Base Year 2015	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -289.9	High: 77.34	Best Estimate: 148.09

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	6.6	8.2	77.3
High	6.6	32.9	299.8
Best Estimate	6.6	16.4	148.1

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

Administrative burdens for manufacturers and importers will increase including the requirement to hold relevant information for 10 years, and manufacturers' names, addresses as well as the products' identifying batches/serial numbers are required to be included on products.

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

Need to raise awareness of new requirements will call on resources from enforcement agencies and competent authorities. We have not been able to obtain figures for all sectors affected (although we believe low voltage will be the largest). Post-marketing obligations (for example sample testing, keeping a register of complaints and defective products) will, if appropriate, need to be established if not already in place.

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'

There may be some minor financial savings to enforcement costs due to the improved traceability requirements.

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

Better functioning of the internal market through harmonisation of duties and obligations in the supply chain. This will facilitate movement of goods and benefit economic operators. There could also be benefits to the health and safety of consumers and workers through reducing the number of non-compliant products on the market, and environmental benefits such as a reduction in the risk of environmentally unfriendly goods. It is not possible to quantify the benefits in these instances.

#### Key assumptions/sensitivities/risks

Discount rate (%) 3.5

We do not have figures for all sectors affected. We have made some assumptions around the likely resource cost for manufacturers and importers of holding administrative data for 10 years and adding further details to products, updating guidance and other documents. We assume data filing systems already exist. The likely benefits of this change in the Directives will depend to some extent on the effectiveness of the enforcement regime.

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 16.9	Benefits: 0	Net: -16.9	
			N/A

## **Evidence Base**

A separate document containing evidence has been published alongside this Impact Assessment.