

EXPLANATORY MEMORANDUM TO
THE PEDAL BICYCLES (SAFETY) REGULATIONS 2010

2010 No. 198

1. This explanatory memorandum has been prepared by The Department for Transport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations set out the requirements for the supply of new pedal bicycles, whether assembled or unassembled, including the requirement to fit a bell, reflectors and the conventions for hand operated brake levers.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The safety of new adult pedal bicycles, being sold in the United Kingdom, is currently regulated by The Pedal Bicycles (Safety) Regulations 2003 ("the 2003 Regulations"), which were made under the Consumer Protection Act 1987. The 2003 Regulations concern the supply of new bicycles, whether "ready to ride" or unassembled in boxes and do not affect cycles when in use. They require bicycles to meet British Standard 6102 Part 1:1992 and, amongst other things, require the fitment of reflectors and a bell at point of sale. They are enforced by Local Authority Officers.

4.3 Suppliers must also comply with the General Product Safety Regulations 2005 ("GPSR") (S.I.2005/1803), transposed into our national law from the General Product Safety Directive 2001/95/EC. Their purpose is to ensure that only 'safe' products are placed on the market. A safe product is one which, when used by consumers under normal or reasonably foreseeable conditions, presents only those minimum risks considered to be acceptable and consistent with a high level of protection for the safety and health of persons

4.2 In November 2007 new construction and safety standards for four different types of bicycle i.e. city and trekking bicycles (EN 14764: 2005), mountain bicycles (EN 14766: 2005), racing bicycles (EN 14781: 2005) and bicycles for young children (EN14765: 2005) were adopted by CEN (the European Committee of Standardisation). The European Commission subsequently cited these standards in the official journal of the European Union meaning there is now a presumption that any product that complies with these standards is a safe product.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

- 7.1 The 2003 Regulations are intended to ensure that new bicycles are safe by requiring compliance with the technical requirements laid down in the British Standard. The British Standard has not been updated to keep pace with advances in cycle design and is now considered obsolete. In many cases it is not relevant to modern cycle designs, for example there are no specific technical requirements to demonstrate that a mountain bike can withstand the demanding off-road environment.
- 7.2 European CEN standards are now seen as the benchmark for demonstrating that a cycle is safe throughout Europe. These have been developed to consider specific designs of cycle and are regularly updated in line with progress.
- 7.3 In addition, the introduction of the GPSR means there are now two pieces of legislation on the safety of pedal bicycles. The GPSR do not refer to a particular standard, it is for the supplier to demonstrate that a product is safe. However, compliance with the appropriate CEN standard offers a presumption of conformity (a presumption that the product is safe). This approach offers suppliers greater freedom to choose the best route to demonstrate a safe product. It also does not limit enforcement agencies to using standards that may be out of date and no longer relevant.
- 7.4 To eliminate the overlap with the GPSR and remove reliance on an obsolete British Standard, these revised Regulations do not require compliance with a particular standard. These Regulations do, however, set out safety requirements that cannot be ensured through the GPSR alone. These requirements are the need to fit a bell and reflectors at the point of sale. Brake levers must be set such that the front brake is operated by the right lever and the rear brake by the left lever (to meet the UK convention). Unassembled bicycles will be required to be supplied with the instructions and tools necessary to ensure safe and correct assembly is possible.

- Consolidation

- 7.2 This instrument replaces the existing 2003 regulations and consolidation is not necessary.

8. Consultation outcome

- 8.1 The Department consulted on a draft of these Regulations in early 2009. A total of 26 responses were received and, generally, the responses were positive.
- 8.2 The Department was persuaded by responses which suggested that a lead time of six months for the Regulations was insufficient for the trade to sell off existing stocks of bicycles built to the British standard and put in place mechanisms to ensure compliance with new requirements. Accordingly, the Regulations have been amended to provide for a period of one year during which manufacturers and retailers may continue to comply with the requirements of the 2003 Regulations before they are revoked.
- 8.3 Consultation responses also identified that the original draft of the Regulations did not require reflectors to be wide angled, whereas the 2003 Regulations (by reference to the British standard), did require this. Accordingly, the Regulations have been amended to now require the fitting of wide angle reflectors.
- 8.4 There were no other changes made as a direct result of consultation responses.

9. Guidance

- 9.1 The Department will liaise closely with interested parties to ensure this instrument is correctly implemented.

10. Impact

- 10.1 The impact on business, charities or voluntary bodies is set out in the attached impact assessment. This instrument is deregulatory and does not impose any direct costs. However, Trading Standards will use European Standards as the benchmark for a safe bicycle when applying the General Product Safety Regulations. This may cost businesses £2-5 million in additional safety tests for cycles that do not comply. In practice, the majority of bicycles are produced for the European market and will already meet the European Standards so the costs are expected to be less.
- 10.2 There is no impact on the public sector.
- 10.3 An Impact Assessment is attached to this memorandum.

11. Regulating small business

- 11.1 The legislation applies to small business.
- 11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is to provide a transition period of 12 months during which businesses may continue to comply with the 2003 regulations while preparing to implement the 2010 regulations.
- 11.3 The basis for the final decision on what action to take to assist small business was the outcome of the statutory consultation which identified concerns among businesses that the proposed timescale would be difficult to meet especially for those needing to sell existing stock that might not comply.

12. Monitoring & review

- 12.1 This amendment is primarily a simplification measure and does not directly impose costs on industry. It simply removes an outdated standard from the regulation and a review is not necessary.

13. Contact

Adrian Burrows at the Department for Transport Tel: 020 7944 2105 or email: adrian.burrows@dft.gsi.gov.uk can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency: Department for Transport	Title: Impact Assessment of Amendment to the Pedal Bicycles (Safety) Regulations 2003	
Stage: Implementation	Version: final	Date: December2009
Related Publications: Consultation		
Available to view or download at: http://www.dft.gov.uk/consultations/		
Contact for enquiries: Adrian Burrows		Telephone: 020 7944 2105

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

The Pedal Bicycles (Safety) Regulations 2003 reference a British standard on bicycle construction which is now obsolescent (BS6102). New European standards concerning the construction of pedal bicycles have been introduced which are more stringent in places than the obsolescent British standard. The General Product Safety Regulations 2005 provide that compliance with voluntary national standards giving effect to European standards referenced in the Official Journal of the European Union can be used to demonstrate product safety. Intervention is required to rectify the outdated reference in the Regulations and ensure that bicycles sold in the UK are compliant with the latest safety standards, thereby achieving greater harmonisation of bicycle construction standards across the EU.

What are the policy objectives and the intended effects?

The new EN standards are intended to improve the construction and safety of three different types of bicycle: city/trekking, mountain and racing (standards also exist for children's bicycles, but these are outside the scope of this assessment). In addition to improved bicycle safety another intended effect is greater harmonisation of construction standards for bicycles sold throughout the European Union.

What policy options have been considered? Please justify any preferred option

Option 1: Do Nothing - all "do something" options will be assessed against this status quo. However, this is not in itself a valid option given the pressure from the bicycle industry to remove the British standard, calls from Trading Standards to clarify requirements and BSI obligations to withdraw BS6102. Option 2: Delete reference to BS6102 from the Regulations. This has emerged as the preferred option as it will allow the safety of adult bicycles to be assessed under the General Product Safety Regulations 2005 against the most appropriate standard without the need for constant revisions. Option 3: Replace reference to BS6102 with the new EN standards. This retains control of bicycle construction within bicycle legislation, however, some bicycle types which are currently covered (e.g. BMX) may fall outside the scope of new standards.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? We have no plans to undertake a review. This amendment is primarily a simplification measure and does not directly impose costs on industry. It simply removes an outdated standard from the regulation. The costs in the impact assessment result from obligations under the General Product Safety Regulations.

Ministerial Sign-off For Implementation stage Impact Assessments:

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 Minister:

Paul Clark

Date: 30th January 2010

Summary: Analysis & Evidence

Policy Option: 2

Description: Amend regulations by deleting reference to BS6102.

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Increased component and testing costs for bicycles which fall within the scope of the EN standard will be incurred by industry. Non-compliant stock write-off is reported not to be an issue if a sufficient lead-in time is provided.
	One-off (Transition)	Yrs	
	£ negligible		
	Average Annual Cost (excluding one-off)		
	£ 2.1 to 5.25m		
			Total Cost (PV) £ 18.1 to 45.2m
Other key non-monetised costs by 'main affected groups' Potentially increased testing cost incurred by enforcement authority.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' There is no evidence to enable quantification of benefits at this time.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ not quantified		
			Total Benefit (PV) £ 0
Other key non-monetised benefits by 'main affected groups' The amendment will reduce the potential safety risk to bicycle users, facilitate greater harmonisation and the creation of a more level playing field for industry, resolve legal uncertainty and comply with the principles of better regulation.			

Key Assumptions/Sensitivities/Risks A conservative approach has been taken and a range has been created based on the available cost estimates. The option will transfer powers to CEN / GPSR - although the EN standards are only one option to demonstrate product safety. Cost assumptions assume manufacturers don't currently comply, in practice some already comply with the EN standards.

Price Base Year 2007	Time Period Years 10	Net Benefit Range (NPV) £ -18.1 to -45.2m	NET BENEFIT (NPV Best estimate) £ -31.6m
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What is the geographic coverage of the policy/option?			UK	
On what date will the policy be implemented?			April 2010	
Which organisation(s) will enforce the policy?			Trading Standards	
What is the total annual cost of enforcement for these organisations?			£ Unknown	
Does enforcement comply with Hampton principles?			Yes	
Will implementation go beyond minimum EU requirements?			No	
What is the value of the proposed offsetting measure per year?			£ 0	
What is the value of changes in greenhouse gas emissions?			£ Negligible	
Will the proposal have a significant impact on competition?			NO	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)

(Increase - Decrease)

Increase £ 0 Decrease £ 0

Net Impact £ 0

Key: **Annual costs and benefits: (Net) Present**

Summary: Analysis & Evidence

Policy Option: 3

Description: Amend regulations by replacing the reference to BS6102 with current EN standards

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Increased component and testing costs for bicycles which fall within the scope of the EN standard will be incurred by industry. Non-compliant stock write-off is reported not to be an issue if a sufficient lead-in time is provided.
	One-off (Transition)	Yrs	
	£ negligible		
	Average Annual Cost (excluding one-off)		
	£ 2.1 to 5.25m		
Other key non-monetised costs by 'main affected groups' Potentially increased testing cost incurred by enforcement authority. There is potential for this option to lead to the same situation in future if changes/amendments are made to the EN standard.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' There is no evidence to enable quantification of benefits at this time.
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£ not quantified		
Other key non-monetised benefits by 'main affected groups' The amendment will reduce the potential safety risk to bicycle users, facilitate greater harmonisation and the creation of a more level playing field for industry, resolve legal uncertainty and comply with the principles of better regulation.			

Key Assumptions/Sensitivities/Risks A conservative approach has been taken and a range has been created based on the available cost estimates. Cost assumptions assume manufacturers don't currently comply - in practice some already do.

Price Base Year 2007	Time Period Years 10	Net Benefit Range (NPV) £ -18.1 to -45.2m	NET BENEFIT (NPV Best estimate) £ -31.6m
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What is the geographic coverage of the policy/option?				UK	
On what date will the policy be implemented?				April 2010	
Which organisation(s) will enforce the policy?				Trading Standards	
What is the total annual cost of enforcement for these organisations?				£ Unknown	
Does enforcement comply with Hampton principles?				Yes	
Will implementation go beyond minimum EU requirements?				No	
What is the value of the proposed offsetting measure per year?				£ 0	
What is the value of changes in greenhouse gas emissions?				£ Negligible	
Will the proposal have a significant impact on competition?				No	
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)				(Increase - Decrease)	
Increase	£ 0	Decrease	£ 0	Net Impact	£ 0

Kev: Annual costs and benefits: Constant Prices (Net) Present Value

Background

The Pedal Bicycles (Safety) Regulations 2003, henceforth referred to as "the 2003 Regulations" concern the supply of new bicycles and require compliance with BS6102 (or equivalent), along with, amongst other things, requirements regarding the fitment of reflectors and a bell at point of sale. The 2003 Regulations apply to the UK and are enforced by Trading Standards Officers.

The European Committee for Normalisation (CEN) has published and approved construction and safety standards for four different types of bicycle: children's, city/trekking, mountain and racing. These EN standards have since been referenced in the Official Journal of the European Union. Children's bicycles are outside the scope of the 2003 Regulations and have not been considered in this assessment.

The development of the EN standards was industry-led and DfT was content to accept these in addition to BS6102. However, instead of revoking BS6102 the decision was taken to make it obsolescent, meaning it would remain active and could continue to be referenced in the 2003 Regulations with the intention that it would be made obsolete at some point in the future.

Following the European Commission's decision to reference the EN standards in the Official Journal, the UK is now in a situation where there is more than one official standard relevant to the construction of pedal bicycles (ie: the BS and EN standards). This has created a position of uncertainty for the bicycle industry who are seeking clarity regarding continued compliance with BS6102. The current situation does not accord with the principles of better regulation promoted throughout Government.

Trading Standards has advised DfT that they now consider the EN standards to be the benchmark for bicycle construction. It is likely that some bicycles, manufactured to BS6102, will not comply with the EN standards (e.g. mountain bikes – due to the more rigorous fatigue testing required by the EN standard). At present, if challenged, retailers could claim that it is not illegal to sell bicycles that meet the BS6102 requirements.

Preparation of the Impact Assessment

This implementation stage impact assessment is based on the earlier consultation stage impact assessment accompanied documents produced for public consultation

Options

1. Do Nothing – this would involve maintaining the current status quo. It is not considered a practical option because it maintains the current position of legal uncertainty and therefore does not accord with the principles of better regulation (it is not good practice for the Regulations to refer to an obsolescent standard); and does not respond to the concerns of the bicycle industry. However, for the purpose of the impact assessment all "do something" options will be assessed against this status quo.
2. Amend the 2003 Regulations by deleting the reference to BS6102, i.e. remove the construction requirements but maintain the provisions for additional requirements (including a bell and reflectors). As a result the construction standards for bicycles would fall under the scope of the GPSR; compliance with national standards giving effect to EN standards can then give rise to a presumption of product safety. A key advantage of this option is that any changes or amendments to the EN standards which are subsequently referenced in the Official Journal could automatically be used to assess product safety. This option does take direct responsibility for bicycle construction standards away from Government control, but the UK could still comment on any future proposals through the national standards body (BSI) or choose to legislate on pedal bicycle construction standards in the future.
3. Amend the 2003 Regulations by deleting the reference to BS6102 and replacing it with specific reference to the current EN standards which would clarify current construction/safety requirements. A disadvantage of this option is that any future

changes or amendments to the EN standards would not be referenced, generating a similar situation to that which currently exists. There may also be certain types of bicycle, covered under existing legislation, which may not be specifically addressed by the EN standards, an example being BMX bicycles.

Sectors and Groups Affected

The amendments will ultimately impact at the point of sale as the regulations concern the supply of new bicycles. However, there will also be impacts throughout the supply chain as retailers will require manufacturers to supply components which are compliant with the new standard or to standards that offer equivalent levels of safety. Therefore the business sectors affected would be bicycle and bicycle component manufacturers and retailers.

There are acknowledged difficulties in collecting data on the UK bicycle industry given that there is not a single authoritative source for such information. In 2005 the Bicycle Association of Great Britain (The Bicycle Association), a suppliers membership organisation which has over 30 members, reported that they had always found it difficult to gather reliable data on bicycle sales but were making efforts, with the help of their members, to construct a more accurate picture of sales.

The UK has a fairly limited indigenous manufacturing industry, consisting mainly of craft builders and small brands such as Brompton.

Evidence suggests that the majority of bicycles which are sold in the UK are produced in the Far East, with China thought to be the biggest producer. However, many manufacturers also produce for export to other EU countries where the EN standards are already required, or will be in the near future. Therefore it is likely that manufacturers are already either achieving or working towards compliance and will be already incurring increased test and build costs as a result.

Eurostat report that the UK imported a total of almost 3.29 million bicycles in 2003 from outside of the EU. The UK sourced only 150,000 bicycles from other EU states in the same year.

It is estimated that the average number of bicycles sold in the UK is increasing and is between 3.5 million (Eurostat) and 4.5 million (Bicycle Association) based on 2004 data. However, Bike Biz reports sales figures for 2005 as being in the region of 3.5 million bicycles (Bike Biz, 2006).

In their 2001 report MIntel found that the average price of an adult bicycle sold in the UK was £107 but this is thought to have reduced since – Bike Biz statistics suggest a figure as low as £80.

The retail market can be split between large multiples such as Halfords (thought to be Britain's biggest retailer of bicycles) and smaller independent bicycle dealers (IBDs). In addition to Halfords, multiple retailers which sell bicycles include Toys R Us, Motorworld and Decathlon - also, supermarkets (including Asda and Tesco) and Argos.

Anecdotally, IBDs tend to focus on the sale of mid- to high-end bicycle models.

Bike Biz statistics suggest that:

- There are approximately 20,000 people involved in the UK cycle industry, mostly in distribution and retail.
- There are about 400 bicycle and bicycle and accessory suppliers, although these are declining or being absorbed into larger groups.
- There are up to 4,000 IBD shops, although many of these will also sell other items such as auto accessories.
- The typical gross profit margin on bicycles for IBDs is 34 percent.
- 40 percent of the UK market is made up of bicycles of 20in and below (i.e. children's bicycles).

Option 1

This is not considered a practical option but, as noted, it forms the reference case against which other "do something options" have been assessed.

Option 2

Costs

- Increased component/materials and testing costs incurred by the UK bicycle industry – initial estimates of the increased cost suggest a range of between \$2 and \$5 per bicycle (£1-£2.50). Based on the conservative assumption that 3.5 million bicycles are sold in the UK per year and that 60 percent of these will fall under the EN standards, the total cost to industry is estimated to be between £2.1 and £5.25 million per year. However, it is likely that some of this cost will have already been incurred as it is thought that some companies have already taken steps towards compliance. Also, this figure may vary depending on the extent to which the increased cost is passed on to UK businesses (from manufacturers based outside of the UK). It is likely that a proportion of this cost increase will be passed on to the consumer in the form of increased prices with the remainder being absorbed by retailers and the supply chain in the form of reduced margins. Accredited testing facilities are now available, and although capacity may become an issue, this should be mitigated by the fact that many companies have already taken steps towards compliance.
- Write-off of non-compliant stock – discussions indicate that as long as a reasonable lead in period is provided (12 months appears to be considered adequate) then this will not cause firms to incur costs in the form of inventory write-offs.
- Increased testing costs to Trading Standards – in order to investigate compliance with the technical provisions of the EN standards. The important point here is the extent to which additional costs will be incurred as a result of the amendment, particularly given the fact that Trading Standards may already see the EN standard as relevant. No estimate of the potential increase in costs to Trading Standards is available at this time.
- Administration burdens – there is no increase in admin burdens as the amendment will not lead to an increased cost of proving compliance (e.g. preparation of documents, etc).

Benefits

- Removal of industry uncertainty – the current situation creates potential uncertainty for manufacturers and retailers regarding future construction standards.
- Industry support and encourage the adoption of the EN standards – the present situation of conflicting legislation creates uncertainty and confusion for industry, and consumers. Industry will benefit from clarity around what changes are being made and when. Resolving the uncertainty will also allow compliance with the principal of better regulation.
- Reductions in commercial risk for retailers – safety improvements are expected to result in increased product confidence.
- Facilitating a level playing field in respect of safety and testing - currently some retailers have achieved or are in the process of achieving compliance for reasons of product safety and consumer protection and have incurred costs as a result, making them disadvantaged financially compared to those which have not done so at this stage.
- Reduction of potential safety risk to bicycle users - the EN standards are more rigorous thereby improving the safety of bicycles potentially leading to a reduction in accidents. However, the number, and therefore costs, of accidents resulting from

mechanical/structural defects is thought to be small and there is insufficient evidence to quantify this aspect. In addition, consumers may also benefit from improved durability and product performance.

Unfortunately there is no evidence at this time to enable quantification of any of the benefits listed above.

Environmental and Social Costs

There are no significant environmental or social costs associated with the proposed amendment. The proposals are not expected to impact on charities or voluntary sector organisations.

Option 3

Costs

Costs to the bicycle industry and Trading Standards will be as described under option 2.

In addition, a disadvantage of this option is that changes or amendments to the referenced EN standards would lead to the present situation re-occurring in the future with potential court costs from legal challenge and further costs to Government generated by the need to find a solution.

Benefits

The benefits will be as described under option 2. However, the identified benefits would only be temporary should changes or amendments to the referenced EN standards occur in the future as this would lead once again to a position of uncertainty. For example, EN standards for BMX bicycles are likely to be agreed in the near future. If we chose to reference specific standards in bicycle legislation then further amendments would be needed to incorporate these, and any subsequent, changes.

Environmental and Social Costs

There are no significant environmental or social costs associated with the proposed amendment. The proposals are not expected to impact on charities or voluntary sector organisations.

Risks and Uncertainty

The lack of a recognised source of statistics relating to the UK bicycle industry means that information from a number of sources has been used in the analysis.

In addition, it has been difficult to generalise on costs incurred by industry as this involves gaining access to commercially sensitive information.

However, a conservative approach has been taken and where calculations have been possible a range has been created based on available estimates.

Option two (the preferred approach) lessens Government control of bicycle construction standards but, as discussed earlier, the EN standards are optional and Trading Standards could use other technical requirements if they could be justified.

Summary of Impact Tests

Race, Gender and Disability Equality

There are no race, gender or disability equality impacts to these proposals.

Competition Assessment

Result of the competition assessment are as follows –

Would the regulatory proposal:

1. Directly limit the number or range of suppliers? No
2. Indirectly limit the number or range of suppliers? No
3. Limit the ability of suppliers to compete? No
4. Reduce suppliers' incentives to compete vigorously? No

Therefore the proposal is unlikely to raise any competition concerns. The amendment will create a more level playing field and help to create harmonisation of standards across the EU.

In the UK, the proposal will primarily impact on retailers as all major manufacturers are located outside of the UK. Although some non-harmonised domestic requirements will remain in place, the amendment will encourage some harmonisation by allowing manufacturers (both UK and non-UK based) to produce bicycles to the same standard for the whole of the EU market.

There is pressure from the bicycle industry to introduce the amendment as currently those who have invested in compliance are at risk of being undercut by those who have not.

Small Firms Impact Test

There are two types of small firms which need to be considered: UK-based manufacturers and independent retailers.

Anecdotal evidence suggests that the small number of companies manufacturing bicycles in the UK have already taken steps to achieve compliance with the technical provisions of the EN standards given their high regard for safety and quality of product. Therefore the introduction of the amendment will create a more level playing field. While uncertainty remains, other manufacturers will be able to continue selling bicycles which do not comply with the more rigorous EN standards and those British importers and retailers that are compliant will be incurring greater costs at a disadvantage to their competitiveness.

The need to comply with the EN standards is expected to increase the cost price which retailers pay for bicycles and this will impact on all retailers regardless of size, potentially lowering profit margins as the market for bicycles is thought to be price sensitive reducing the potential to pass on the full cost to the consumer. This is more likely to impact on the viability of small retailers but evidence suggests that small retailers are most likely to focus on sales of mid- to high-end bicycles which are potentially less price sensitive than budget ranges.

Legal Aid

There are no legal aid implications.

Sustainable Development

The proposal does not conflict with any of the five principles of sustainable development.

Carbon Assessment

The impact on greenhouse gas emissions is considered to be negligible.

Other Environment

There are no other environmental implications.

Health Impact Assessment

The answer to the three screening questions is no; therefore a full assessment is not necessary.

Human Rights

There are no human rights implications.

Rural Proofing

There is no differential impact on rural areas.

Summary of Costs and Benefits

Area of Impact	Option 2	Option 3	Notes
Cost of compliance	£2.1-5.25m	£2.1-5.25m	An annual cost incurred by the UK bicycle industry based on the estimated increase in the cost per bicycle as a result of increased testing requirements. May vary depending on the extent to which the cost increase is passed on by manufacturers based outside of the UK.
Cost of testing (Trading Standards)	Not quantified	Not quantified	An annual cost incurred by Trading Standards in order to test compliance. No estimates available at this time.
Reduction of potential safety risk	Not quantified	Not quantified	An annual benefit to consumers. Retailers will also experience benefits as a result of reduced consumer dissatisfaction.
Removing reference to an obsolescent	Not quantified	Not quantified	Benefits to industry resulting from removal

bicycle construction
standard so as to
facilitating a level
playing field

of uncertainty and
general adoption of
the EN standards.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No