

 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Impact Assessment for the Ports of: Glasgow (Clyde), Great Yarmouth, Rosyth and Tyne ("the Listed Ports")	
<b>Lead Department/Agency</b>	Department for Transport	
<b>Stage</b>	Final	
<b>IA number</b>	DFT00250	
<b>Origin</b>	European	
<b>Expected date of implementation (and SNR number)</b>	November/December 2013. SNR6	
<b>Date submitted to RPC</b>	17/10/2013	
<b>RPC Opinion date and reference</b>	08/11/2013	RPC13-DFT-1922
<b>Overall Assessment</b>	<b>GREEN</b>	
<b>RPC comments</b>  <p>The IA is fit for purpose. The IA sets out clearly the requirements of the directive and provides best estimates of the likely impacts on business with an Equivalent Annual Net Cost to Business (EANCB) of £0.08 million. While the measure is out of scope of One-In, Two-Out (OITO), this figure is validated by the RPC as part of wider efforts to improve transparency of European legislation.</p>		
<b>Background (extracts from IA)</b> <b>What is the problem under consideration? Why is government intervention necessary?</b> <p>The terrorist incidents in the US (2001), Madrid (2004) and London (2005) highlighted the vulnerability of, and threat to, transport systems world-wide. The UK port industry is an important part of the UK economy, and essential node between transportation modes. Therefore a security incident involving the maritime transport system may have impacts falling beyond the immediate risks and consequences faced by port owners, such as the cost of human injury. As such effects are unlikely to be faced directly by port owners they may under invest in security measures. Government intervention by way of implementation of Directive 2005/65/EC is therefore required to ensure a consistent, proportionate port security regime across the UK.</p> <b>What are the policy objectives and the intended effects?</b> <p>Policy objective is to enhance security at the Ports of: Glasgow (Clyde), Great Yarmouth, Rosyth and Tyne ("the Listed Ports") to complement measures to help prevent maritime terrorist incidents. The intended effect is to designate a Port Security Authority (PSA) for each Listed Port, which will be responsible for the preparation and implementation of security plans, based on findings of security assessments at each Listed Port and for co-ordinating security within each port for which that Security Authority is designated.</p> <b>What policy options have been considered, including any alternatives to</b>		

**regulation? Please justify preferred option (further details in Evidence Base)**

Option 1. Do nothing .

**PREFERRED** Option 2. Introduce Statutory Instruments (one for each of the Listed Ports) delineating Port Security Authority (PSA) boundaries and formally designating a PSA for each of the Listed Ports for the purposes of Directive 2005/65/EC as transposed by SI 2009/2048 "the Port Security Regulations 2009". Preferred option as it puts in place at the Listed Ports new security measures not covered by the current regime which apply beyond the immediate ship/port interface to the wider port area. This will contribute to reducing the UK's vulnerability to maritime terrorist incidents . The Directive is being implemented progressively at the 40+ ports considered in-scope, the Listed Ports in this IA being the 2nd tranche of 20 remaining in-scope ports consulted on with the addition of Glasgow.

**Comments on the robustness of the OITO assessment**

As this proposal is of European origin and there is no evidence that the increase in regulation would go beyond minimum requirements, or of a failure to take available derogations which would reduce the costs to business and civil society organisations] it is out of scope of OITO (Better Regulation Framework Manual - paragraph 1.9.8. ii).

**Comments on the robustness of the Small & Micro Business Assessment (SaMBA)**

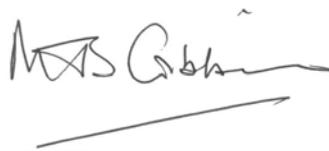
As this proposal is of European origin, a SaMBA is not required. However, the IA has looked at the impact on small businesses and states that it is expected that large port businesses will, as now, be the major players in running the PSAs and small businesses are unlikely to incur any costs from this activity (Paragraph 6.4)

**Quality of the analysis and evidence presented in the IA**

The proposals aim to introduce a new set of EU measure to enhance security in the UK ports. There will be an EANCb of £0.08 million to port owners with the benefit of preventing terrorism and reduce the risks of adverse impact on the economy

*Cost impacts:* The IA sets out clearly the requirements of the directive and provides best estimates of the resource costs for the UK ports industry through consultation with key stakeholders. The IA explains that during consultation "none of the respondents provided revised estimates to quantify the increased costs and the consultation stage cost estimates were retained". The IA would have benefitted from providing a degree of sensitivity analysis in order to demonstrate the level of uncertainty regarding the cost estimates.

**Signed**



**Michael Gibbons, Chairman**