

The Hovercraft Code

Department for Transport

RPC rating: **validated**

Description of proposal

All UK hovercraft are currently required to be built in accordance with the *High Speed Craft Code*, an international standard for ships operating at speed irrespective of size. In the absence of a more suitable alternative standard, this has also been applied mandatorily to smaller hovercraft. The Department believes it is impractical and unnecessary to apply these standards to smaller hovercraft and is proposing to introduce a non-statutory *Hovercraft Code* to enable small hovercraft built to more pragmatic standards to be operated commercially.

Impacts of proposal

The Department expects the proposal to facilitate the growth of a new market in the UK for small hovercraft for commercial uses. Manufacturers will not be required to build craft to the standards in the new code, and as such the Department expects there to be no direct costs to businesses. Consultation responses suggest that hovercraft manufacturers will experience increased sales, for example through craft currently built for personal use now being purchased for commercial uses and through international customers having greater confidence in smaller hovercraft being suitable for commercial purposes.

Quality of submission

Due to the particular uncertainty around the potential benefits, the Department has not monetised the potential benefits to business of this deregulatory change. The RPC is able to validate this assessment. The Department has provided a sufficient level of analysis that is consistent with the expected impact of the proposal.

Initial departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net cost to business (EANCB)	Zero (non-monetised benefit)

Business net present value	Not provided
Societal net present value	Not provided

RPC assessment¹

Classification	Qualifying regulatory provision
EANCB – RPC validated	Zero (non-monetised benefit)
Small and micro business assessment	Not required (deregulatory)



Michael Gibbons CBE, Chairman

¹ The RPC verification of the estimated equivalent annual net cost to business (EANCB) and assessment of whether the measure is a qualifying regulatory provision are based on current working assumptions.