



RIA Training

Economic Impact Assessment

EXPERTS

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Contents of the day

Introductions

What today will cover

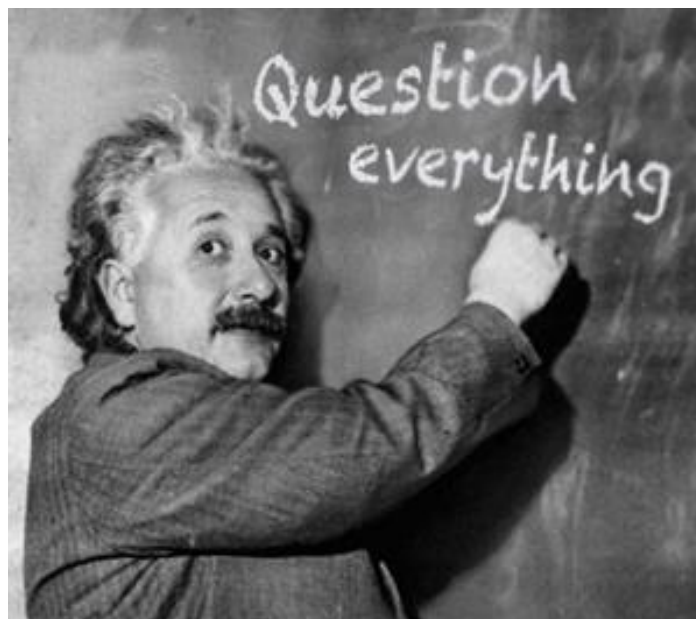
The format for the day

Outcomes





Ask Questions At Any Time!





Aim of Training & Schedule

- **What is an Economic Impact Assessment**
- **Calculating EIA**
- **Standard Cost Model**
- **Cost Benefit Analysis**
- **Tools**
- **Feedback & Discussions**





What is an Economic Impact Assessment?

RIA process establishes the most significant **NEGATIVE** and **POSITIVE** Impacts on areas of Economy, Social Welfare and Environment

RIA will inform decision makers on expected impacts

Expected Economic Impacts are assessed through impacts on:

1. Individual Economic Area
2. Economy in total
3. Market Competition





What is an Economic Impact Assessment?

Assessment of expected criteria are classified as:

- None
- Probably small
- Significant
- Highly Significant





What is an Economic Impact Assessment?

Specific Economic Areas: businesses are considered as:

- Micro less than 10 employees
- Small 10 – 49 employees
- Medium 50 – 250 employees
- Large more than 250 employees





What is an Economic Impact Assessment?

Specific Economic Area: impacts on SMEs assessed through:

- Costs of employment
- Requirements for investment
- New administrative costs
- Creation of new public competences
- Impact on property rights
- Other expected impacts on economy





What is an Economic Impact Assessment?

Impacts on the Economy as a whole assessed through effects on:

- Competitiveness
- Competition
- Growth
- Investment





What is an Economic Impact Assessment?

Impacts on the Economy as a whole assessed through effects on:

- Environmental sustainability
- Social and regional development
- Specific regions or sectors
- Macroeconomic environment
- Any other expected impacts on areas of economic activity





Minimum wage

The incoming Government in November 2015 announces it wants, over the next 4 years of the Parliament, to increase the minimum Croatian wage by 33% compared to June 2015



Minimum wage in Croatia

- Current minimum wage June 2015 - €398,9 p/m
- Target minimum wage by June 2019 - €531,9 per month
- Population 4,23 million
- Current number of employed persons - 1,543 million
- 50% of employees earn less than 445 € (net) per month



Minimum wage

- Current number of unemployed persons - 258.000
- Current unemployment rate - 15,9%
- Current long-term unemployment - 10,8%
- Current youth unemployment - 43,1%



What is an Economic Impact Assessment?

Expected impacts on the Economy in Total assessed in relation to economic objectives related to:

- Competitiveness of the economy and inflow of investments
- Economic growth
- Environmental sustainability
- Achievement of goals of social and regional devt.
- Specific regions and sectors
- Macroeconomic environment
- Market competition
- Other expected impacts on economy if evaluated as significant





Cost Benefit Analysis

'Systematic process for calculating and comparing costs and benefits of a project, decision or government policy'





Cost Benefit Analysis

- Monetary value of the benefits
- Comparison of costs
- Economic justification
- *Do nothing*
- Values on a common scale
- Ex-ante and Ex-post (before and after)





Cost Benefit Analysis

- Who is going to carry this out?
- What needs to be done?
- Who needs to be involved?
- Who needs to give authority?
- Using the guidance and tools available will improve competence





Cost Benefit Analysis

What can support your analysis?

- Personnel
- Tools
 - RIA Guidance
 - RIA Checklist
 - RIA Monitoring Tool – Unit Cost Database
 - RIA Monitoring Tool – RIA Calculator





Example

- Issue
 - 2013 no dedicated service
 - Specialist wards
 - Emergency 9.7%
 - No standardised approach



Example

- Initiative
 - 20 hospitals
 - Doctors & fully equipped ambulances
 - Emergency only
 - 24/7
 - 2000 trained



Example

- Result
 - Reach hospital Alive
 - 90% multiple injuries
 - 42% cardiac arrest
 - Survive for over 48hrs
 - 92% multiple injuries
 - 79% cardiac arrest



Tools

- Unit cost database:
<http://neweconomymanchester.com/downloads/3316-150327-Unit-Cost-Database-v1-4-xlsx>
- IA
Calculator: <https://www.gov.uk/government/publications/impact-assessment-calculator--3>

fx Outcome category									
	A	B	C	D	E	H	I	J	
1	Outcome category	Outcome detail	Cost code	Cost / saving detail	Unit	Fiscal value			
2						Estimated cost/saving	Year	Updated cost/saving	
44	HEALTH	AMBULANCE	HE3.0	Ambulance services - average cost of call out, per incident	Per incident	£ 216	2013/14	£ 223	
49	HEALTH	HOSPITAL	HE4.0	A&E attendance (all scenarios)	Per incident	£ 109	2011/12	£ 117	
52	HEALTH	HOSPITAL	HE5.0	A&E attendance - no investigation and no significant treatment	Per incident	£ 64	2011/12	£ 68	
55	HEALTH	HOSPITAL	HE6.0	A&E attendance - investigation with subsequent treatment	Per incident	£ 125	2011/12	£ 134	
58	HEALTH	HOSPITAL	HE7.0	Hospital inpatients - average cost per episode (elective and non-elective admissions)	Per episode	£ 1.807	2013/14	£ 1.863	
87	HEALTH	HOSPITAL	HE8.0	Hospital outpatients - average cost per outpatient attendance	Per admission	£ 111	2013/14	£ 114	
91	HEALTH	HOSPITAL	HE9.0	Hospital day cases - average cost per episode	Per episode	£ 698	2013/14	£ 720	
	HEALTH	HOSPITAL	HE10.0	Nurse team manager, hospital-based - cost per hour (excluding qualification costs)	Per hour	£ 51	2013/14	£ 53	



Tools

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RIA Calculator

- Equivalent Annual Net Cost to Business (EANCB)
- Net Present Values
- 7 green tabs

3 IA Number:

Option 1, overview page:

Net Benefit (Present Value (PV)) (£m)			
Low:	0,00	High:	0,00
Best Estimate		0,00	

Costs	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Cost (present value)
Low	0,0		0,0	0,0
High	0,0		0,0	0,0
Best Estimate	0,0		0,0	0,0

Benefits	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Benefit (present value)
Low	0,0		0,0	0,0
High	0,0		0,0	0,0
Best Estimate	0,0		0,0	0,0

Direct impact on business (Equivalent Annual) £m:			
Costs:	0,0	Benefits:	0,0
Net:		0,0	

Cost of Option		
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB: 2014 prices; 2015 present value)
0,00	0,00	0,00

Option 2, overview page:

Net Benefit (Present Value (PV)) (£m)			
Low:	0,00	High:	0,00
Best Estimate		0,00	

Costs	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Cost (present value)
Low	0,0		0,0	0,0
High	0,0		0,0	0,0
Best Estimate	0,0		0,0	0,0

Benefits	Total Transition (constant price)	years	Average Annual (excl. Transition, constant price)	Total Benefit (present value)
Low	0,0		0,0	0,0
High	0,0		0,0	0,0
Best Estimate	0,0		0,0	0,0

Direct impact on business (Equivalent Annual) £m:			
Costs:	0,0	Benefits:	0,0
Net:		0,0	

Cost of Option		
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB: 2014 prices; 2015 present value)
0,00	0,00	0,00



RIA – Economic Assessment

Summary

and

ANY QUESTIONS





Thank You and Goodbye

