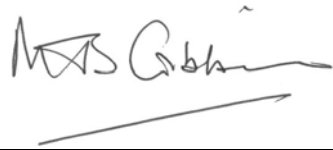
 Regulatory Policy Committee	OPINION	
Impact Assessment (IA)	Banning content rated stronger than R18 on video on demand (Communications Review)	
Lead Department/Agency	Department for Culture, Media and Sport	
Stage	Consultation	
Origin	Domestic	
IA Number	DCMS074	
Date submitted to RPC	9/4/2013	
RPC Opinion date and reference	1/5/2013	RPC13-DCMS-1757
Overall Assessment	AMBER	
<p>The IA is fit for purpose. The IA should, however, provide a clearer explanation of the proposed enforcement costs and how these will impact on compliant businesses.</p>		
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> <p><i>Size of the market.</i> A number of assumptions relating to individual firms' turnover have been made to enable an estimate to be made for the size of the overall market. The IA should provide more detail on the data which supports these estimates, as well as a more detailed explanation for how they have been reached, so that they can be tested effectively during consultation. The consultation should also be used to test the assumptions in the IA relating to revenue distribution and the extent to which one large provider, in a market with a number of niche providers, is an appropriate basis for modelling the market as a whole.</p> <p><i>Enforcement costs.</i> The IA includes estimates of the additional enforcement costs that would result from the proposal, which appear to have been identified as direct costs to business. It is, however, unclear how these costs would be met by providers and whether it could impact disproportionately on smaller providers. The IA should provide a clearer explanation of the expected impact of the enforcement costs, and how they are likely to be recovered.</p>		
<p>Have the necessary burden reductions required by One-in, Two-out been identified and are they robust?</p> <p>The IA says that the proposal is a regulatory measure that imposes a direct cost on business (an IN). On the basis of the evidence provided, this appears to be a reasonable assessment of the likely direction of impacts, and is consistent with the Better Regulation Framework Manual (paragraph 2.9.10.). The consultation will have to be used to strengthen the evidence supporting the estimated equivalent annual net cost to business so that it can be validated at final stage.</p>		

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons". The signature is written in a cursive style with a long horizontal stroke at the end. There is a small mark above the letter 'i' in "Gibbons".

Michael Gibbons, Chairman