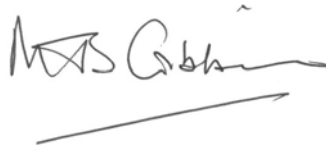
 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business	
Validation Impact Assessment (IA)	Private water storage and supply	
Lead Department/Agency	Department for Food and Rural Affairs	
IA Number	Defra 1506	
Origin	Domestic	
Expected date of implementation (and SNR number)	Not provided	
Date of Regulatory Triage Confirmation	17/04/2013	
Date submitted to RPC	10/06/2013	
Date of RPC Validation	27/06/2013	
RPC reference	RPC13-DEFRA-1752(2)	
Departmental Assessment		
One-in, Two-out status	IN	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	Zero Net Cost	
RPC assessment	VALIDATED	
Background (extracts from IA)		
<p>What is the problem under consideration? Why is government intervention necessary?</p> <p>Owners of private water storage do not currently sell water to water companies. While private transactions are technically possible, there are regulatory barriers. Making this transaction easier may encourage the development of water storage capacity by providing a market mechanism for the sale of stored water. This could help increase the number and capacity of water storage facilities, which can increase the resilience of farmers and landowners to extremes of weather. Government intervention to create an enabling framework is necessary as the market is subject to an economic regulation regime which currently does not encourage supply from private water storage.</p> <p>What are the policy objectives and the intended effects?</p> <p>The overall objective is that more private water storage facilities are built where this makes economic sense, increasing resilience of both storage owners and the public water supply to drought and reducing pressure on other sources. This measure is designed to open up a market which is currently inaccessible, in practice, to private water storage owners. This may then play a part in increasing the total volume of private water storage facilities, by providing a market mechanism which could make water storage and sale</p>		

more viable. This could be either by encouraging new construction or adding in additional saleable capacity to existing or planned private water storage facilities.

RPC comments

The IA says that this *“is a regulatory measure that imposes a net cost to business but as the costs are primarily intended to promote competition, the measure should be considered an “IN” with a zero net cost to business for the purposes of OITO”*. Based on the evidence presented, this assessment appears reasonable and in accordance with the Better Regulation Framework Manual (paragraph 1. 9. 14.)

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line extending to the right below the name.

Michael Gibbons, Chairman