

FINAL REGULATORY IMPACT ASSESSMENT

CONTROL OF POLLUTION (OIL STORAGE) REGULATIONS (NORTHERN IRELAND) 2010

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September 2010

1. Title of Proposal

Control of Pollution (Oil Storage) Regulations (Northern Ireland) 2010

2. Purpose and Intended Effect of Measure

(i) The Objective

The objective of the Regulations is to reduce and prevent the number of oil-related water pollution incidents. They will do this by setting minimum design standards for new and existing above ground oil storage facilities, codifying existing good practice to ensure that above ground oil storage facilities are adequately constructed. They will also provide a legal requirement for the standards to be met.

The Regulations will cover industrial, commercial, institutional (e.g. schools, day care centres) and institutional residential (e.g. nursing homes, hospitals) sectors. They will also extend to companies who refine or distribute oil. However, they will not apply:

- to oil stored in a container with a capacity of 200 litres or less;
- on premises used wholly or mainly as a private dwelling if the storage capacity of the container is 3500 litres or less;
- on any premises regulated under the Control of Major Accident Hazards Regulations (Northern Ireland) 2000 (CoMAH) if the storage capacity of the container in which it is stored is 2,500 tonnes or more;
- on any farm if the oil is used in connection with agriculture within the meaning of the Agricultural Act (Northern Ireland) 1949; and
- to any container which is wholly underground.

The Regulations make provision for transitional cases coming into operation in three stages:-

- new storage facilities will have to comply within six months of the Regulations coming into operation i.e. 20 September 2011;
- existing storage facilities located within 10 metres from a waterway or 50 metres from a well, spring or borehole, will have to comply within two years of the Regulations coming into operation i.e. 20 March 2013; and
- remaining existing storage facilities will have to comply by 31 December 2015.

In addition, where the Department considers that there is a risk of pollution to a waterway or water contained in any underground strata, it will have the power to serve a notice on that person having custody or control of the above ground oil storage container in order to minimise the risks in transitional cases.

Provision is also made for the right to appeal against a notice served by the Department in transitional cases and for penalties to be applied when an offence has been committed.

(ii) The Background

The Water Framework Directive (2000/60/EC) (WFD) requires that for diffuse sources liable to cause pollution, measures are put in place to prevent or control the input of pollutants. It also requires that all surface waters and groundwaters attain 'good status' by 2015.

The WFD is implemented in Northern Ireland through River Basin Management Plans which were published on 21 December 2009. Programmes of measures have been developed to ensure that the objectives of the WFD are met and included in these is a commitment to make these Regulations.

The Regulations for above ground oil storage facilities contribute to the implementation of the WFD by complementing and enhancing existing water pollution controls in Northern Ireland. They should ensure that, in the future, contamination of both surface waters and groundwater by oil is prevented or minimised. A key

requirement of the Regulations will be for the storage container to have a secondary containment system (a bund, which is an outer wall or enclosure designed to contain the contents of an inner tank, or, a drip tray) to ensure that any leaking or spilt oil is contained and does not enter the aquatic environment. Similar measures are already in place in England under the Control of Pollution (Oil Storage) (England) Regulations 2001 and in Scotland these Regulations are enacted as a General Binding Rule under the Water Environment (Oil Storage) Scotland Regulations 2006.

With the exception of the agricultural and domestic sectors in Northern Ireland, and sites regulated under CoMAH storing 2,500 tonnes of oil or more, there is no specific regulatory control for above ground oil storage facilities. Enforcement powers for facilities which pose a risk of pollution to surface water or groundwater are in place through The Water (Northern Ireland) Order 1999 and the Groundwater Regulations (Northern Ireland) 2009. The Northern Ireland Environment Agency (NIEA) has existing powers to issue a notice requiring remedial work to be undertaken where it appears that oil is likely to enter, or to have been present, in any waterway or water contained in underground strata. However, these controls are more reactive than proactive. The Regulations will enable NIEA to act to prevent pollution of the water environment rather than to treat oil pollution incidents after the event.

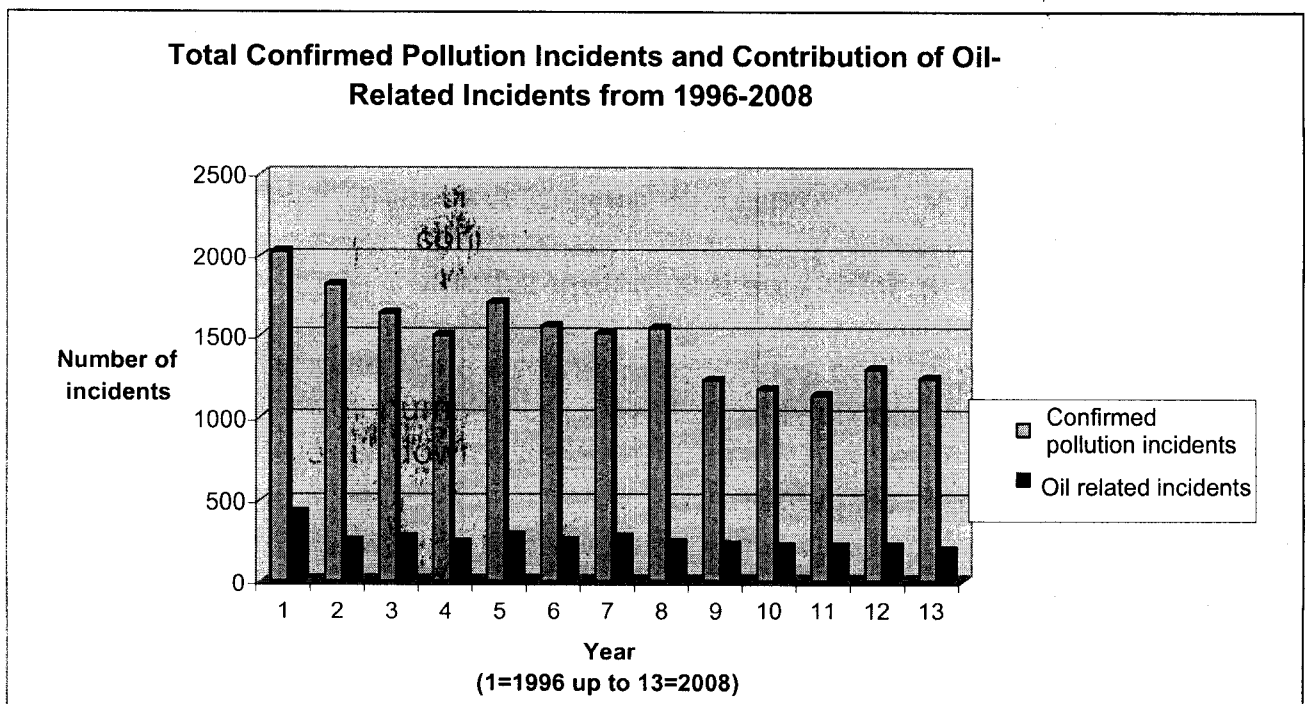
(iii) Risk Assessment

The environmental damage caused as a result of a pollution incident due to the release of oil can be significant and expensive to remedy. Oil spills are objectionable aesthetically, but more seriously, place all aquatic organisms at risk. Oil is considered toxic to animal and invertebrate life. It forms a film on the surface of waterways, which prevents or greatly reduces the rate at which atmospheric oxygen can be absorbed into water. This causes distress and even death to aquatic life.

Oil may adhere to the feathers and coats of birds and animals reducing their natural waterproofing and grooming can then have toxic effects. It can result in the contamination of drinking water supplies and water used for irrigation, stock watering and many industrial purposes, making it unfit for use. Oil can taint fish flesh making it inedible causing severe implications for fish farming or

game angling. The recreational use of water can also be adversely affected by contamination with oil. These impacts cannot easily be costed but are clearly severely detrimental to the environment.

Since 1996 the total number of substantiated pollution incidents has shown an overall downward trend. In recent years the total number of incidents appears to have levelled at around 1200 per year (see figure below). Similarly there has been a decreasing trend in the number of substantiated oil-related incidents, levelling at around 220 per year.



The most frequent polluting oil types are diesel, central heating oil, petrol and waste engine oil. The reported incidents occurred mainly as a result of spills, leaks, inadequate facilities and irresponsible disposal.

A sample study carried out by NIEA between November 2003 and March 2004 found that of 241 oil depots surveyed 162 had oil storage facilities on site. Of these 59 (36%) had inadequate bunding, 35 (22%) had no bund at all, 86 (53%) had no drip control, 59 (36%) had no pump containment and 103 (64%) had no fill point containment. These findings are not unexpected since the majority of oil-related pollution incidents are as a result of poor

storage facilities, e.g. unbunded tanks, leaking tanks and pipes, overfilling, faulty valves, together with vandalism and poor management and construction practices.

In the first six years of the implementation of the Oil Storage Regulations in England there was a 41% reduction in oil and fuel incidents. On this basis it is anticipated that the Regulations will contribute to reduce the number of incidents in Northern Ireland from approximately 220 per year to 130 per year by 2016.

3. Options

Three options have been identified to reduce the number of oil pollution incidents from above ground oil storage facilities and are compared to the 'business as usual' or 'do nothing' option, as follows:

Option 1: Do nothing, or 'business as usual' scenario

Option 2: Introduce a voluntary scheme

Option 3: Use economic incentives such as grants and tax breaks

Option 4: Regulate

Explanation of Options

Option 1: *Do nothing or business as usual scenario*

This is included as a baseline option and represents the situation at present. NIEA has existing powers to issue notices where it considers that oil is likely to enter into waterways and groundwater. However the cost of undertaking site inspections, issuing improvement notices, contesting appeals and following up on remedial work is excessive. This is not considered to be an effective use of resources. In addition, pollution incidents would continue at current high levels, except to the extent that business takes voluntary action. For these reasons this option can be discounted.

Option 2: *Introduce a voluntary scheme*

This is similar to the Option 1 case. NIEA has produced several 'Pollution Prevention Guidelines' in conjunction with the Scottish Environment Protection Agency (SEPA) and the Environment Agency for England and Wales (EA) concerning the safe handling of oil and oil storage. NIEA has also conducted a moderately successful "Oil Care Campaign" since 1994. NIEA has worked closely with the oil industry and businesses to educate operators about good environmental practices. However, these actions have not significantly reduced the number of oil-related water pollution incidents. It is not considered that a voluntary scheme, such as a Code of Practice, is likely to achieve much more than the existing guidance and the clean-up costs would remain similar to those at Option 1. Also, there would not be a level playing field as good operators would be at a financial disadvantage.

Option 3: *Use economic incentives such as grants and tax breaks*

This option runs against the 'polluter pays' principle as the environmental costs are subsidised and operators who have financed a current good standard would be at a disadvantage. The availability of grants would almost certainly encourage tank operators to improve oil storage to reasonable standards. However, there would be no guarantee that grants would lead to an improvement in all tanks. A grant of less than 100% of the marginal costs (i.e. the extra costs of buying a bunded tank) would still leave the tank operators facing extra expenditure and it is likely that a number of them would choose not to comply.

Option 4: *Regulate*

We consider that this option is the best way of controlling the number of oil-related water pollution incidents and ensuring equity and fairness between operators, as far as it is possible. In addition there are a number of benefits to the operators of affected sites, although there would be a cost in providing the required level of containment. At 2008 prices the cost of remedial measures should an oil spill occur would be substantially reduced, avoiding clean-up costs in the region of £1,000 - £30,000 for industrial spills. A clean-up for the worst case scenario could cost up to £400,000. For a typical business with tank sizes of 2,500 - 5,000 litres the benefits would be £20,000 - £50,000 per incident. (These figures

were provided with assistance from UK Spill.) In addition, the risk of prosecution, imprisonment, and fines of up to £20,000 per offence would be greatly reduced. NIEA costs, which averaged £325 per case and ranged from approximately £200 - £4,000 in the period March to December 2008, would also be reduced.

Issues of Equality and Fairness

The Regulations will create a 'level playing field' for above ground oil storage facilities. They will set statutory minimum standards to control such facilities in the commercial, industrial and institutional sectors in line with those already in place in the agricultural sector implemented under the Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) Regulations (Northern Ireland) 2003. The Regulations will help to ensure equity and fairness throughout all sectors of Northern Ireland.

Single dwelling householders in the domestic sector who own heating oil storage tanks will be exempt from the Regulations, if the tank concerned has a capacity of less than 3,500 litres. However, a similar control for domestic heating oil storage tanks is applied by Regulation 9, Schedule 2, Part L1(4) and L7 of the Building (Amendment) Regulations (Northern Ireland) 2006.

The cost of meeting the minimum standards required by the Regulations may be proportionally greater for operators of small tanks, such as small businesses and voluntary groups. The Regulations may affect the market for tanks and bunds and possibly encourage the production of less expensive plastic integrally banded tanks at the smaller end of the market. This will be of benefit to small businesses and voluntary groups as the costs of installation are lower. If this happens, it will have some effect on the market share of tank manufacturers and firms installing brick or concrete bunds, whose markets may shrink unless they can diversify.

4. Costs and Benefits

The Regulations will have an impact on the following sectors:-

- Consumers: Premises with above ground oil storage facilities in the industrial, commercial and institutional sectors in

Northern Ireland will be responsible for meeting the requirements of the Regulations. A large number of sites will be affected.

- Suppliers: Tank manufacturers and firms fitting, installing and maintaining tanks and bunds will be affected indirectly. Suppliers will need to meet the increased demand for tanks, pipe work and bunds to the standard required in the Regulations within the timescale for compliance. Thereafter, annual sales could be expected to stabilise at a lower level. There are only a few suppliers of oil equipment in Northern Ireland.

Costs

The costs of Options 1-3 would be minimal for business. The costs for Option 4 will vary according to the total oil storage capacity at each site. For convenience, the cost of purchasing or upgrading an individual tank at different tank capacities has been estimated. We consider that small businesses and those with small oil storage facilities should anticipate costs at the lower end of the range.

Non-recurring Costs

The main compliance costs to firms are the one-off costs of upgrading an existing tank and in particular providing a bund; or, installing a new tank to the required design specification. The costs will vary depending on tank capacity, which can be from 600 litres at the lower end to 150,000 litres at the upper end. Many tanks affected by the Regulations will have a capacity of about 2,500 – 5,000 litres and these will be typical businesses. This range will be used to estimate costs and benefits. In comparison, small businesses are likely to have a tank capacity in the range of 1,000 – 2,500 litres.

These costs and benefits are broad estimates. This is because it is not possible to calculate these using a robust methodology. However, they allow a rough comparison of costs and benefits which can be used to gauge the merits of the Regulations. It should also be noted that the costs and benefits are those over and above the status quo.

Costs of Installing New Bunded Tanks

It is assumed that new integrally bunded above ground oil storage tanks are purchased. There are no additional labour costs beyond

the cost that would have been incurred under the 'business as usual' scenario. There may be marginal additional costs for pipe work and mobile tank requirements, but we have been unable to cost these. We estimate that the typical business is likely to face additional costs for installing new bunded tanks of £800 - £1,000, and small businesses are likely to face additional costs of £600 - £800. The full range of costs for different tank capacities is detailed below:

Tank Capacity (litres)	600	1,000	1,500	2,500	5,000	30,000	50,000	150,000
Base	£400	£400	£500	£600	£800	£1,200	£1,500	£2,000
Bunded tank	£200	£200	£200	£200	£200	£500	£500	£500
Total cost	£600	£600	£700	£800	£1,000	£1,700	£2,000	£2,500

(2008 prices)

Costs of Upgrading Existing Tanks

The additional costs of upgrading existing above ground tanks will vary enormously depending on the amount of work that is needed to bring the facilities up to the standard in the Regulations and the age of unbunded tanks. Tanks may require remedial work and where new bund construction is called for it may be cheaper to completely replace with a new integrally bunded tank.

The typical business is likely to face additional costs in year 5 for upgrading existing tanks of up to £1,800, and small businesses are likely to face additional costs of up to £1,200. The full range of costs for different tank capacities is given below.

Tank capacity (litres)	600	1,000	1,500	2,500	5,000	30,000	50,000	150,000
Cost for tank where bund requires some remedial work	£200	£200	£400	£400	£400	£800	£800	£1,000
*Cost for replacing tank including £200 installation fee	£700	£800	£1,000	£1,200	£1,800	£20,000	£25,000	£35,000

(2008 prices)

*Note: This cost is dependent on the age of the tank after 5 years when the Regulations come into operation. It provides an example of the most expensive scenario, a 5-year old tank which – assuming an average lifespan of 25 years – would have had another 20 years of use.

Recurring Costs

The main recurring cost is likely to be routine maintenance to ensure the reasonable standards in the Regulations are met at all times, through an annual inspection and service and, for open bunds, removal of collected rainwater. Maintenance requirements would not be onerous as storage tanks have few mechanical features and brick or concrete bund construction is very durable. Integrally bunded tanks have minimal maintenance requirements and don't need to have rainwater removed. It is estimated that routine maintenance and service could cost £50 - £75 per annum. Removal of rainwater could cost approximately £50 per tonne of material removed. These costs may be incurred regardless of whether the Regulations were introduced.

There are likely to be implications for a minority of businesses in the supplier market. For many firms there will be a surge in demand to meet the timescale of the Regulations followed by a reduction when that has been delivered. There will be a consequent reduction in revenue but overall there will be increased business. We have been unable to quantify the costs or benefits involved.

Total Compliance Costs

Upgrading Existing Tanks

It is estimated that there are 365,000 existing tanks in Northern Ireland, 15,000 of which are in the industrial, commercial and institutional sectors, with the remaining 350,000 found in the domestic sector. The majority of the domestic sector would be private dwellings (and would be exempt). Therefore, this cost modelling will focus on the industrial, commercial and institutional sectors. NIEA estimates that 50% (7,500) of these are banded and, of these, 50% (3,750) have an inadequate bund. This is a prudent estimate. Therefore, we assume that 7,500 of existing stock is unbanded and 3,750 is inadequately banded.

The calculations are shown below.

For 5,000L tanks:

Cost for remedial work = £400

Cost for Replacing Tank = £1,800

Total Cost = $(£400 \times 3750) + (£1800 \times 7500) = £15\text{m}$

For 2,500L tanks:

Cost for remedial work = £400

Cost for Replacing Tank = £1,200

Total Cost = $(£400 \times 3750) + (£1200 \times 7500) = £10.5\text{m}$

Therefore the one-off cost to the industrial, commercial and institutional sectors to update existing tanks could range from £10.5m to £15m (based on 2,500L-5,000L tanks).

New Tanks

Sales figures for new tanks purchased in Northern Ireland are not available. However we know that sales of bunded versus non-bunded tanks have declined since 2007, when sales would have been nearly 50-50. Current advice is 25% bunded versus 75% non-bunded which reflects limited budgets.

Defra's RIA on their Oil Storage Regulations showed that new tanks per annum represented 4% of existing tanks. Whilst this is not ideal as regards accuracy, it is felt that this is a reasonable estimate. This would mean 600 new tanks per annum in Northern Ireland for the industrial, commercial and institutional sectors. Most of these are likely to replace existing tanks (which are assumed to be replaced every 25 years). If we assume that these tanks would have been purchased under the status quo, then it is the bunding of these tanks that should form part of the analysis. Therefore, 75% of these new tanks would now need bunding (450 tanks). The difference in cost between a bunded tank or an unbunded (single skin) tank varies depending on the manufacturer and supplier. However, using data gathered it can be assumed that bunded tanks cost three times more than unbunded tanks. This is a very prudent estimate. The table below shows the figures used. Note that the cost is just for the tank and does not include installation which is assumed to be similar for both types of tank.

Size	Unbunded Tank Cost	Bunded Tank Cost
2,500L	£250	£750
5,000L	£500	£1,500

This means that the cost associated with new tanks ranges from £500 to £1,000 per unit. If 450 tanks will now need to be bunded due to the Regulations then the extra cost per annum will range from £225,000 to £450,000.

Therefore, the total cost to the industrial, commercial and institutional sectors over 10 years, is estimated to be between £12.8m (2,500L tank) and £19.5m (5,000L tank).

Identify Any Other Costs

We have estimated the costs to the environment of Options 1 and 2. These figures become the benefits to the environment of regulating (Option 4) by avoidance of clean-up costs.

It is possible those industrial and commercial sites, which have above ground oil storage facilities, would pass on the costs of compliance with the Regulations to customers by increasing the prices of goods and services. However, many may simply absorb the additional costs and overall we estimate that the impact on inflation would be minimal.

There will also be costs to Government. As regulator and enforcer, NIEA will monitor and enforce the Regulations at an estimated cost of £10,000 per year pro-rata (as estimated by NIEA), from and including 2010. Costs would be at a minimal maintenance level thereafter to ensure that the maintenance proposals were met. These costs are significantly lower than the cost of using existing powers at individual sites and the costs to DOE of cleaning up a pollution incident. The Regulations would therefore significantly reduce the burden on DOE of oil-related water pollution incidents.

Benefits

There are no additional benefits as regards Options 1 and 2.

Option 3 (to use economic incentives such as grants and tax breaks) runs against the 'polluter pays' principle as the environmental costs are subsidised. The availability of grants would almost certainly encourage tank operators to improve oil storage to reasonable standards. However, there would be no guarantee that grants would lead to an improvement in all tanks. A grant of less than 100% of the marginal costs (i.e. the extra costs of buying a bunded tank) would still leave tank operators facing extra expenditure and it is likely that a number of them would choose not to comply. Furthermore, it is estimated that there may be around 36,000 new oil storage tanks sold annually in the industrial, commercial and institutional sectors. Providing grants to finance the extra costs for this number of tanks would be far too costly for the public finances.

Zero-rated VAT for new equipment complying with the proposals might reduce the costs for operators who install them, but they would still face additional expenditure. Given the number of tanks involved, such a scheme would be too costly and would not achieve the relatively fast reduction in oil pollution incidents that we are looking for or the 'level playing field' between operators.

The principal benefit of the Regulations (Option 4) will be the reduction in the number of oil-related water pollution incidents in Northern Ireland. This will reduce the risk to wildlife and habitats and help to safeguard surface waters and groundwater thus protecting drinking water supplies. Additionally, the reduction of further pollution to land, surface waters and groundwater will reduce the costs of remediation of contaminated land in the future.

It is difficult to quantify the environmental benefits of introducing the Regulations. The value placed on benefits in this RIA only refers to the savings made in relation to a reduction in clean-up costs. Therefore, it should be noted that the environmental benefits of preserving wildlife and habitats and safeguarding surface waters have not been quantified.

The methodology below was used to place a value on the savings made in relation to clean-up costs.

It is estimated that there are approximately 220 substantiated oil-related incidents per year. In the first six years of the implementation of the Oil Storage Regulations in England there was a 41% reduction in oil and fuel incidents. On this basis it is anticipated that the Regulations will contribute to reduce the number of incidents in Northern Ireland by 90 in six years; this is 15 incidents per year. It is assumed that for a typical business with tank sizes of 2,500 – 5,000 litres, the benefits would be £20,000 - £50,000 per incident.

In addition, NIEA clean-up costs averaged £325 per case but could range from approximately £200 - £4,000. The average cost was used in this instance.

The table below shows the clean-up savings from the introduction of the Regulations to the target year, when all facilities must comply (year 5).

Year	1	2	3	4	5
Incidents	205	190	175	160	145
Saving (5,000L Tank)	£0.75m	£1.50m	£2.25m	£3.00m	£3.75m
Saving (2,500L Tank)	£0.30m	£0.60m	£0.90m	£1.20m	£1.50m
Saving (NIEA)	£4,875	£9,750	£14,625	£19,500	£24,375

The total benefits to the industrial, commercial and institutional sectors over 10 years is estimated between £13.5m (2,500L tank) to £33.8m (5,000L tank). This assumes that the number of oil-related incidents per year remains constant after year 6. If these were to continue to fall then the benefits would be greater.

Summary of Costs and Benefits

The total costs and benefits have been calculated over 10 years and this has been shown in the table below. For prudence purposes it has been assumed that the number of oil-related incidents per year remains constant after year 6. If these were to continue to fall then the benefits would be greater.

Sector	Total Cost	Total Benefit
Private	£12.8m to £19.5m (2,500L to 5,000L)	£13.5m to £33.8m (2,500L to 5,000L)
Public	£0.1m	£0.2m

The limitations of the calculations used to estimate these figures should be recognised. It has been assumed that all tanks in the industrial, commercial and institutional sectors are in the range of 2,500L to 5,000L. This is clearly not the case. In addition, it was not possible to quantify all of the benefits of introducing the Regulations; particularly in relation to reducing the risk to wildlife and habitats and helping to safeguard surface waters and groundwater. Nevertheless, the data included in this RIA allows the merits of the Regulations to be assessed.

A Net Present Value (NPV) calculation was also completed over 15 years using a discount rate of 3.5%. This is an economic tool used to reflect time preference theory. The NPV over 15 years was

between £4.8m and £23.7m depending on tank size (2,500L and 5,000L respectively).

5. Small Firms Impact Assessment

Although there may be some additional costs to small businesses it is not likely to affect their competitiveness or profitability. It is considered that the Regulations will not disproportionately affect small businesses.

Small businesses and their representatives which might be affected by the potential implications of the Regulations were invited to respond to the consultation.

6. Enforcement and Sanctions

NIEA aims to protect the environment by consistent and fair application of the legislation it enforces. It will continue to work co-operatively with those it regulates in order to secure improved performance and will offer advice where appropriate.

NIEA will continue to promote the Oil Care Campaign and will continue to issue guidance on the handling, delivery and storage of oil and the proper collecting of oil to industrial, commercial and institutional oil storage premises.

NIEA will issue guidance and undertake training of staff to ensure that the Regulations are implemented, monitored and enforced fairly and equitably across Northern Ireland.

The Regulations provide for operators of oil storage facilities in breach to be prosecuted and for penalties to be imposed. In taking enforcement action NIEA will continue to apply the existing published Enforcement and Prosecution Policy for Environmental Protection.

A range of enforcement tools is available, and includes warning letters, enforcement and prohibition notices as well as prosecution. The choice of enforcement action taken will depend on the individual case, but NIEA will continue to be consistent, proportionate and transparent in the action taken.

7. Monitoring and Review

NIEA will monitor compliance with the Regulations in the data that is collected for the annual report on pollution incident statistics. NIEA will ensure that monitoring data is consistent across Northern Ireland. The Department will review the effectiveness of the Regulations and consider if the standards are appropriate in the light of further developments 5 years after their introduction.

8. Consultation

The partial RIA formed part of the Department's formal consultation process with key stakeholders on the implications of the proposed Regulations.

The proposals have been discussed with oil industry representatives and the Regulations take account of comments made.

9. Summary and Recommendation

Non-recurring compliance cost-benefits of Option 4 for a typical business in the oil consumer market are likely to be:

Typical business	Expected costs per tank 2,500 – 5,000 litres for tank	Expected benefits per incident @ 2,500 – 5,000 litres
Purchase new facilities	£800 - £1,000	£20,000 - £50,000
Upgrade existing facilities	Minimal - £1,800	£20,000 - £50,000

Recurring costs for maintenance, such as an annual inspection and service, have not been included as they could be incurred regardless of whether the Regulations were introduced.

Total compliance cost-benefits of Option 4 for businesses in the oil consumer market and for Government would be recurring for newly purchased tanks assuming that the level of unbunded or inadequately banded stock remained the same if the Regulations were not introduced. We have also estimated the total non-recurring costs of the Regulations to regulate existing stock at 'significant risk' within 2 years, and remaining existing stock within 5 years. There are no recurring costs of the Regulations to

regulate existing stock. Estimated annual total costs and benefits are shown below.

Sector	Expected total costs	Expected total benefits of reduction in clean-up
Business: additional one-off cost of 'worst case' upgrade of existing tank at significant risk within 2 years and remainder within 5 years and bunding new tanks	£1.28m to £1.95m (2,500L to 5,000L)	£1.35m to £3.38m (2,500L to 5,000L)
Government: additional costs of monitoring and enforcement	£10,000 per annum pro-rata from and including 2010	£20,000 per annum pro-rata from and including 2010

The NPV over 15 years was between £4.8m and £23.7m depending on tank size (2,500L and 5,000L respectively).

It should be noted that given the methodology used, costs are likely to have been overestimated and benefits underestimated.

The historic high incidence of water pollution from inadequate oil storage facilities justifies statutory measures to protect the environment. These Regulations aim to provide better protection for the aquatic environment.

10. Declaration

"I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs".

Signed



Date

1 December 2010

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