

Summary of responses

CBI -Confederation of British Industry	At this particular time it is unfortunate that the Department is proposing to increase regulatory costs on the business sector, albeit we accept in this instance they are not major.
Response	The Department recognise that any increases are unwelcome especially in the current economic climate. However there exists a gap between fees and charges payable for permits and the costs of district councils in exercising their functions under the Regulations. The Department, in recognition of the difficult economic circumstances has limited this year's increase to 7% although the shortfall is estimated to be greater than 14%.
CBI -Confederation of British Industry	No evidence that services are provided efficiently.
Response	<p>The Consultation did not address the efficiencies of district councils in performing their regulatory duties. However, the district councils do perform inter council audits looking at such issues as;</p> <ul style="list-style-type: none"> • Enforcement Policy and Procedure; • Managed Work Programme; • Review and Quality Assessment of District Council's; • Management of P.P.C. Enforcement, Competence • Training / Authorisation; • Investigation of Complaints about District Council; • Premises Profile; • Enforcement Statistics and Promotion of Service, • Documented Procedures and List of Legislation & Guidance; • Facilities and Equipment; • Inspection Reports and Follow-up Letters; and • Enforcement and Suspension Notices and Variation notices; <p>This is done with the aim of achieving best practice across all councils.</p>
CBI -Confederation of British Industry	Concerned that there is no reference to reducing costs or how services could be re-engineered.
Response	The consultation proposed moving to a risk based approach whereby the installations which pose a greater risk pay a higher fee and are inspected more frequently. The majority of costs incurred by councils are in relation to inspections. The Department considers that there is no effective alternative to inspection to effectively ensure that installations are operating in accordance with Best Available Techniques (BAT) and in compliance with their permit.
CBI -Confederation of British Industry	Disappointed that no benchmarking of the costs of undertaking regulation appears to have been undertaken.
Response	The Department did indeed undertake benchmarking against local authorities in England and Wales. The fees in Northern Ireland are generally noticeably lower than fees for the same services in England and Wales.

CBI -Confederation of British Industry	Consultation fails to explain why some councils are able to manage the system within existing charging levels and others are failing to do so.
	<p>The reasons for variations in costs to councils are very wide ranging, these include:</p> <ul style="list-style-type: none"> • The type of installation permitted, the number and ratio of standard and reduced fee activities. (reduced fee activities currently pay lower fees, approximately 15% of the standard subsistence fee and 10% of the standard application fee); Where a council has many of these processes in its functional area it will have a reduced income; • The degree of compliance of an installation and the enforcement effort required to address non-compliance; • The number of similar installations within a single council where an inspector is already familiar with a particular type of facility's issues, less time is required for subsequent permits for similar facilities; • The distances from the district councils to the sites affects the time spent on inspecting installations; and • The seniority (and pay grade) of the inspecting officer affects the costs of carrying out an inspection.
CBI -Confederation of British Industry	The move to a risk based system is supported in principle however the changes which result in significant cost changes should be phased in over a 2-3 year period and companies should be provided with sufficient notice in order to prepare themselves
Response	The Department recognises the importance of giving businesses notice of increased fees. The Department has given permit holders 15 months notice of the introduction of a risk based charging scheme and considers this amount of time to be reasonable. It should also be noted that only 21 installations are categorised as high risk and the largest increase will be in the region of £400.
Kenny Bradley (Service Station Proprietor)	Feels that the district councils could increase productivity per employee in order to cover 'the significantly higher cost of the regulatory effort'
Response	The district councils along with all Government departments are continuously seeking to make efficiency savings. However, the councils cannot be expected to increase efficiencies to such a degree. The Department is duty bound to ensure that the fees are sufficient to recover the costs of the district councils in exercising their functions under the Regulations.
Kenny Bradley (Service Station Proprietor)	States that the 7 % increase will have a significantly greater effect on the small businesses costs than the larger enterprises, therefore punishing the smaller businesses again.
Response	The 7% increase applies equally across the range of permitted Part C installations. However, the charging scheme has a dual tier system whereby the "reduced fee activities" pay significantly lower fees. "Reduced fee activities" which include petrol stations, pay less than

	10% of the standard application fee and just over 15% of the standard subsistence charge. Therefore small businesses are not significantly nor unduly affected.
Kenny Bradley (Service Station Proprietor)	Suggests that a pro rata scheme should be introduced for petrol stations
Response	The Department considers that a pro rata scheme would be over complicated and aims to have as simple a scheme as possible in line with the principles of Better Regulation.
Kenny Bradley (Service Station Proprietor)	Those retailers currently investing in their sites to comply with Stage I and II PVR will now incur ongoing costs punishing reinvestment which amounts to a total disincentive.
Response	This is a valid criticism of the scheme as proposed. Small petrol stations who voluntarily move to Stage II PVR will pay an extra £86 per year. However, most petrol stations who voluntarily fit this technology (before being required to do so under the regulations) will do so as part of a scheduled upgrade of their station infrastructure as it is more economical to do so. The £86 per annum increase is very small in comparison to the significant amount involved to install Stage II PVR. Although it is true that the fee structure poses a disincentive to petrol stations voluntarily upgrading to Stage II PVR, it is considered to be a very small disincentive.
Kenny Bradley (Service Station Proprietor)	Regarding risk based charging within the industry, businesses are grossly over legislated as is, and there is no need for any more.
Response	Noted, the Department will withdraw its proposal to extend the risk based charging scheme to “reduced fee activities” in order to keep the scheme as simple as possible, in line with the principles of Better Regulation.
Kenny Bradley (Service Station Proprietor)	Considers that any site dispensing less than 3 million litres per annum, classified as small business, should see no changes to the current charging scheme.
Response	The Department plans to apply the 7% increase in fees as set out in the Consultation document. The Department shall not press ahead with the proposed risk based charging system for reduced fee activities.
Invest NI	Concerned that even small increases in costs may be significant for textile dyeing and finishing companies. These companies are competing in global markets dominated by low wage cost economies that may not have to adhere to the same legislation as UK companies. Therefore, if these companies have to invest in new treatment plants and also pay increased charges, given the small profit margins involved, it is possible that the companies will become economically unviable and will have to close as they would not be able to recover the costs involved.
Response	The Department’s primary duty is the protection of the environment and is committed to the “Polluter Pays Principle”. All regulated industry must comply with Best Available Techniques (BAT) across the UK. It should be noted that charges in Northern Ireland are lower than in England and Wales. Low risk installations (the majority of

	installations) will see their fees fall in 2011 with the introduction of risk based charging.
Chief Environmental Health Officers Group, Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	Welcome the introduction of a fee for service stations operating PVR Stage II as it recognises the extra complexity of the work involved when compared to a standard Stage I installation.
Response	Noted
Chief Environmental Health Officers Group Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	The introduction of a fee for those premises operating without a permit is welcomed.
Response	Noted
Chief Environmental Health Officers Group Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	The proposal to introduce a charging scheme whereby the fee assigned is proportional to the environmental risk is <i>largely</i> welcomed
Response	Noted
Chief Environmental Health Officers Group, Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	Consider that the draft charging scheme should separate vehicle refinishers into a separate fees category for Northern Ireland in line with what has been done in England and Wales.
Response	The Department notes this and will consult on introducing a fee matching that charged in England and Wales for 2011/12.
Chief Environmental Health Officers Group, Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	The introduction of a risk based fee for “reduced fee activities” may be problematic due to the low inspection rate for medium and low activities. They consider that sub-dividing “reduced fee activities” into three categories unnecessarily complicates the process and the risk based charging scheme should not be applied to “reduced fee activities”. They are of the opinion that the reductions in fee for the reduced fee activities are nominal and of limited incentive. They advocate the retention of a fixed charge which has the benefit of an annual inspection. They suggest that this is the minimum level of inspection needed to ensure that annual record keeping and management changes are suitably controlled and regulated.
Response	The Department accepts this argument and will extend the risk based charging scheme to standard fee activities only and will retain a single flat fee for reduced fee activities.
Chief Environmental	Predict that the move to risk based charging will not be revenue

<p>Health Officers Group Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC</p>	<p>neutral and will reduce income (possibly by 5% on a regional average) without any effect on current levels of regulatory effort. This will have the greatest impact on the councils with high numbers of standard charge low risk premises. This scale of reduction needs to be accurately defined, and CEHOG are aware of the current Departmental initiative to do so.</p>
<p>Response</p>	<p>It can be confirmed that the proposed risk based charges will not be revenue neutral. The charges were based on the best figures available to the Department at the time of preparing the Charging scheme consultation. The Department received further information subsequent to the issuing of the consultation, which reveals that the charges are insufficient to remain revenue neutral. This is primarily due to changes in the number and risk rating of the standard charge permits. A slight overestimation of the number of reduced fee activities also contributed to the proposed risk based fees being set too low.</p> <p>The revenue generated from the proposed fees will fall by 1.9% or £5,850 in 2011. The Department estimates that if the fees were increased by £15, £30 and £45 for low medium and high risk activities the scheme would be revenue neutral.</p>
<p>Chief Environmental Health Officers Group Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC.</p>	<p>The move to increase charges is welcome and overdue. However, the increase in fees will not cover the 12% rise in inflation and as a result the costs of regulation will continue to fall in part on the tax payer. It is requested that the fees are increased by 12% in 2010 as outlined in option C of the Consultation document.</p>
<p>Response</p>	<p>The Department recognises that this increase will not cover the 12% rise in inflation and that some of the costs of regulation are still falling on the taxpayer. The Department also recognise the current economic climate and the difficulties it presents to businesses. Taking a balanced approach the Department will not be increasing the fees by 12% this year but will increase fees by 7%. The Department is working towards the goal of full cost recovery.</p>
<p>Chief Environmental Health Officers Group Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC</p>	<p>The charging scheme is reviewed on an annual basis or if an annual review is not deemed practical, that an increase in line with the GDP deflator be considered as per the Northern Ireland Environment Agency fees consultation.</p>
<p>Response</p>	<p>The Department considers that an annual review of the fees would be excessive and not an efficient use of resources. The Department considers a biannual review combined with an inter year GDP deflator based increase to be a better solution and will consult on this option with a view to introducing it in 2011.</p>
<p>Chief Environmental Health Officers Group, Belfast CC, Ballymoney BC,</p>	<p>Understand that it would be difficult to expect businesses to meet full 12% increase at once but suggest that steps be taken to ensure that the “polluter pays principle” is complied with as soon as possible.</p>

Larne BC, Newry and Mourne DC	
Response	The Department recognises the need to return to full cost recovery. The Department plan to consult on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, in order to address this deficit and rebalance the fees charged with the regulatory costs.
Chief Environmental Health Officers Group, Belfast CC, Ballymoney BC, Larne BC, Newry and Mourne DC	Request that steps are taken to ensure compliance with the “polluter pays principle” as soon as practicable. Suggest a further rise of 7% in 2011/12 to coincide with the move to a risk based scheme.
Response	The Department recognises the need to return to full cost recovery. The Department plan to consult later this year on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, in order to address this deficit and rebalance the fees charged with the regulatory costs.
Northern Ireland Environment Link	Welcome the intention to revise charges but are disappointed that the department is not pursuing full cost recovery in 2010
Response	The Department recognises the need to return to full cost recovery. The Department plan to consult on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, later this year in order to address this deficit and rebalance the fees charged with the regulatory costs.
Northern Ireland Environment Link	Is concerned that having charges lower than in England and Wales could potentially send out the message that the Environment in Northern Ireland does not require the same level of protection as in England and Wales
Response	Historically there has been a difference in fees between England and Wales, and Northern Ireland. This should not be taken to mean that the environment is less valuable in Northern Ireland nor that the regulatory regime in Northern Ireland is in any way less stringent than in England and Wales.
Northern Ireland Environment Link	The fees should be increased by at least 12% in 2010 to ensure that those responsible for sources of atmospheric pollution are not subsidised by the general public
Response	The Department recognises the need to return to full cost recovery. The Department plan to consult later this year on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, in order to address this deficit and rebalance the fees charged with the regulatory costs.
Northern Ireland Environment Link	Approve of the move to a risk based scheme as this is in line with the polluter pays principle. However the scheme must be fit for purpose with full cost recovery.

Response	The Department recognises the need to return to full cost recovery. The Department plan to consult on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, later this year in order to address this deficit and rebalance the fees charged with the regulatory costs.
Northern Ireland Environment Link	The Department's intention to introduce a charging scheme which, by definition fails to meet the requirements of the scheme seems to open the Department to potential ridicule.
Response	The Department is aware that the scheme will not provide full cost recovery in 2010/11. The Department recognises the need to return to full cost recovery. The Department plan to consult later this year on setting up a framework of incremental increases whereby the fees will rise by a set percentage, linked to inflation, in order to address this deficit and rebalance the fees charged with the regulatory costs.