

**The Pollution Prevention and Control (District  
Councils) Charging Scheme (Northern Ireland)  
2010**

**Consultation Paper**

**Planning and Environmental Policy Group  
Department of the Environment**

**November 2009**

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## **Section 1 – Introduction**

### **1.1 Background**

This consultation invites views on proposals for a revised Pollution Prevention and Control (“PPC”) charging scheme for Part C installations and mobile plant. The scheme is made under Regulation 22 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003 (“the Regulations”).

The revised scheme - The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2010, replaces The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2007, and relates to the regulation of emissions into the air from industrial sources.

### **1.2 Scope of the scheme**

The Department is required to have in place a charging scheme to ensure that, so far as practicable, fees and charges payable for permits under the Regulations are sufficient to recover the costs of district councils in exercising their functions under the Regulations. Insufficient cost recovery would lead to the costs of regulation falling upon the taxpayer, which would also prevent compliance with the “polluter pays” principle.

This paper outlines the structure of the proposed scheme for 2010. It also includes a draft of the risk based scheme proposed to start in 2011 in Annex IV. A risk based scheme assigns fee proportional to the environmental risk posed by the installation. Such a scheme has been in operation since 2006 in England and Wales.

### **1.3 Application and review of fees and charges**

It is intended that the proposed fees and charges will apply from 1 April 2010 with a view to moving to a risk based scheme in April 2011.

## **1.4 How you can respond to this consultation**

Your views are invited in response to this consultation by 22 February 2010.

Comments quoting “The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2010” should be sent to the address or e-mail below:

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E-mail: [bruce.harper@doeni.gov.uk](mailto:bruce.harper@doeni.gov.uk)

The consultation paper is being made available to relevant stakeholders. All responses will be considered.

## **1.5 Where to obtain hard copies of the Consultation Paper**

You can request a hard copy by telephone (028 90 254876), by text phone (028 90 540642), by fax (028 90 544599), or in writing.

If you require a copy of the consultation paper in an alternative format, it can be made available on request in large print, disk, Braille or audiocassette. The document may be available on request in minority ethnic languages to those who are not proficient in English.

## **1.6 Impact Assessments**

A screening for Equality Impact Assessment has been undertaken and it is not considered that the proposed increase in charges will have a differential impact on any of the nine groups defined under Section 75 of the Northern Ireland Act 1998.

A partial Regulatory Impact Assessment has been completed and is incorporated in this consultation.

The Department considers that there are no Rural Proofing issues and that its proposals are fully compliant with the European Convention on Human Rights.

## 1.7 Freedom of Information Act 2000 – Confidentiality of Consultations

The Department will publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. **Before** you submit your response please read the paragraphs below on the confidentiality of consultations, they will give you guidance on the legal position about any information given by you in response to this consultation.

**The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this consultation, including information about your identity, should be made public or be treated as confidential.**

This means that information provided by you in response to the consultation is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that:

- the Department should only accept information from third parties in confidence if it is necessary to obtain that information in connection with the exercise of any of the Department's functions and it would not otherwise be provided
- the Department should not agree to hold information received from third parties "in confidence" which is not confidential in nature
- acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner

For further information about confidentiality of responses, please contact the Information Commissioner's Office (or see website at: <http://www.informationcommissioner.gov.uk>). For further information about this particular consultation, please contact the address at 1.4 above.

## **Section 2 – The charging scheme**

### **2.1 Existing charging schemes**

2.1.1 Current fees and charges payable to district councils are as specified in The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2007.

2.1.2 The overall aim of the charging scheme is to provide full cost recovery for the regulation of prescribed installations in keeping with the Government's polluter pays policy, thus preventing the burden falling on the taxpayer. Enforcement duties are carried out by Environmental Health Officers of district councils.

### **2.2 Introduction to the charging scheme**

2.2.1 The Department is required to have in place a charging scheme so that, as far as practicable, fees and charges payable for permits under the Pollution Prevention and Control Regulations (NI) 2003 are sufficient to recover the costs incurred by district councils in exercising their functions under the Regulations.

2.2.2 The charging scheme relates to Part C installations with potentially low emission levels into the air, such as petrol stations, dry cleaners and activities including, for example, ceramic production, coating, printing and textile treatments.

2.2.3 In March 2009 there were 623 council controlled processes, 39% of which were petrol stations, 16% relating to cement and 21% relating to activities using solvents such as dry cleaners.

2.2.4 The charging scheme was last revised in April 2007. At that time, the scheme made some minor changes which resulted in application, subsistence, variation and transfer fees for refinishing vehicles, defined by EU Directive 70/156/EEC, being lowered in line with those for small waste oil burners, petrol stations and dry cleaners. The scheme was also revised to clarify that there is no fee for the surrender of a permit under regulation 20 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003. There was however no increase to fees and charges at this time.

### **2.3 Proposals for new charges and an increase to existing charges in 2010**

2.3.1 The Department proposes to increase existing fees by 7% to account for the increased costs of regulation of this sector.

2.3.2 The Department proposes to introduce a fee for service stations operating Petrol Vapour Recovery (PVR) Stage I and Stage II. "Stage II petrol vapour recovery system" means equipment aimed at recovering the petrol vapour displaced from the fuel tank of a motor vehicle during refuelling at a service station. This only applies to large service stations dispensing greater than 3.5 million litres of petrol per annum. This is in line with the charges applied in England and Wales.

2.3.3 The Department proposes to introduce a new fee for operating without a permit. District councils occasionally inspect premises they suspect may need a permit. This fee would allow district councils to recoup the costs of carrying out such inspections and also provide an additional financial incentive for businesses to ensure that they have a valid permit. Such a fee has been in place in England and Wales since 2007.

2.3.4 The Department proposes to move to a risk based charging scheme in 2012. The scheme will generate the same revenue as the existing scheme but the burden of costs will be redistributed with the greatest burden resting on the processes posing the greatest environmental risk, again this is in line with the position in England and Wales.

## **2.4 Justification for new charges and an increase to existing charges in 2010**

2.4.1 The charging scheme fees have not been increased since 2005. Inflation, measured by the Consumer Price Index (CPI) in the intervening years stands at 12% to the end of the financial year 2009/10.

2.4.2 District councils have suggested to the Department via the Chief Environmental Health Officers Group that the charging scheme may not be providing full cost recovery.

2.4.3 In June 2009, a sample of 5 district councils were asked to provide information relating to the 2008-09 financial year to enable the Department to gauge the existing level of costs incurred by councils.

2.4.4 These district councils all had a reasonable range and number of regulated installations within their areas, had a cost accounting system in place and were selected in order to ensure a representative sample. The sampled councils covered 28% of Northern Ireland's Part C permitted processes.

2.4.5 The results of the sample survey show overall that there is a significant shortfall in funding with expenditure exceeding income by 37%.

2.4.6 Due to the variance in enforcement effort between different installations, as well as the differing number and nature of installations within each of the different council areas, there is variance between the councils both in terms of income and expenditure. In one case the income generated from fees is slightly greater than the expenditure in operating the scheme. Overall the analysis shows that the fees are insufficient to cover the costs of operating the scheme.

2.4.7 It is proposed that the fees for service stations where PVR I and II are both taking place will be increased to £216. Only new stations and large stations with an annual throughput of greater than 3,500m<sup>3</sup> per annum are required to have PVR II in place. These stations are generally part of large chains that are familiar with this charging regime as it is already in place in England and Wales.

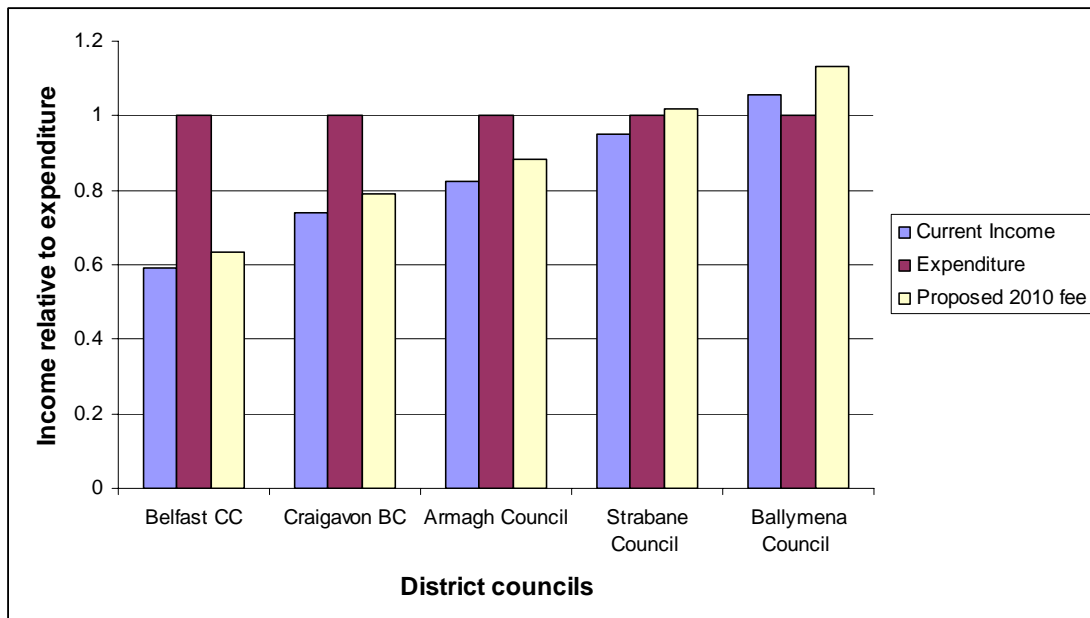
2.4.8 A new charge for operating without a permit is proposed to allow district councils to recoup the costs of inspecting non-permitted premises and also provide an additional financial incentive to businesses to hold a valid permit.

### Analysis of district council's costs

Overall the sample showed a significant shortfall with expenditure 137% of income. The majority of the shortfall (77%) was made up by Belfast City Council. While this council undertook more inspections than other councils it also had an element of staff turnover which resulted in increased time spent on permits due to work shadowing. Analysis of Belfast City Council's previous year's accounts also revealed a significant shortfall. However, even omitting this council, the other four councils together still showed expenditure exceeding income by 14%.

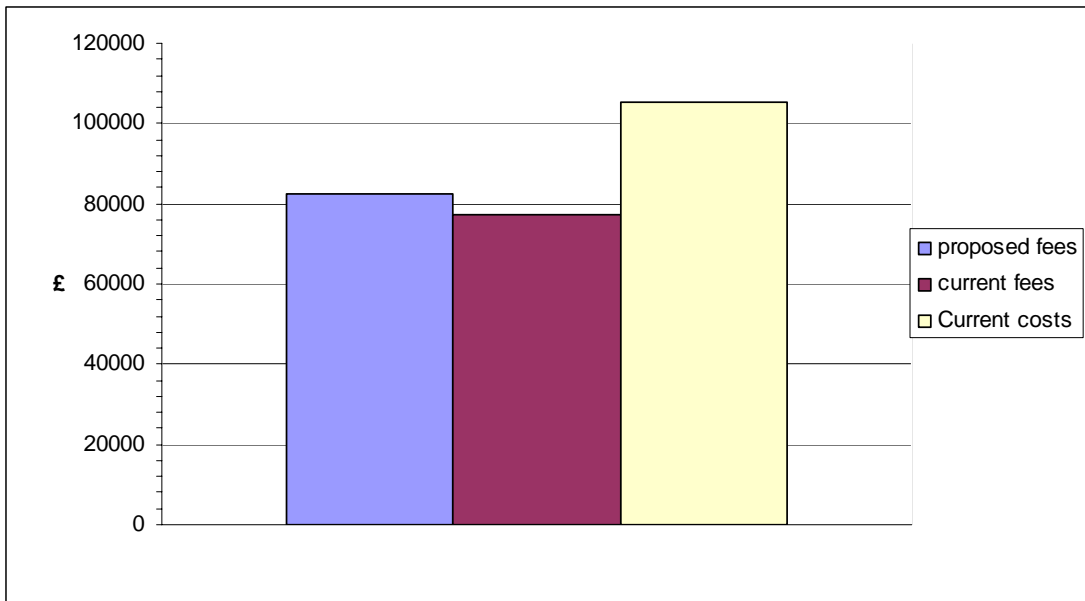
Ideally the fees generated by the charging scheme would equal the costs borne by the district councils in operating the scheme. The graph (Figure 1 below) shows the current income as a percentage of expenditure for the 5 councils in our survey. As can be seen in 4 out of the 5 councils the fees were insufficient to cover the costs. The 7% increase will reduce the shortfall for three councils, match costs to fees in the case of one council and slightly over-recover the costs in the case of one council.

**Figure 1: Income Relative to Expenditure by Council**



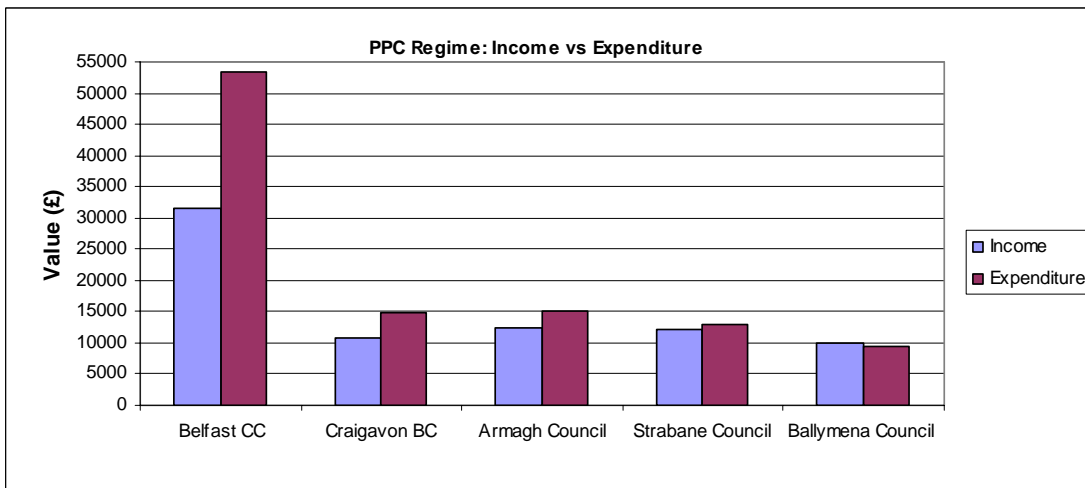
However, as is shown by the following Figure 2, there will still be a significant shortfall overall.

**Figure 2: Overall Current and Proposed Fees and Costs**



The 7% increase in fees will reduce the shortfall in funds for individual sampled councils as shown below in Figure 3.

**Figure 3: Impact of Increase in Fees on Councils**



A move to a risk based scheme should reduce the disparity between income and expenditure for the Councils who are required to undertake Pollution Prevention Control (PPC) regulation. However because not all councils have a representative range of processes in their area some disparity in income versus costs is inevitable.

## **2.5 Charging Review Options**

### **Option A: Do nothing**

The Department has considered the option of maintaining the current level of charges. However, this option would not meet the statutory requirement to try to ensure that, as far as practicable, fees and charges payable under the scheme are sufficient to cover the expenditure incurred by district councils. Currently part of the burden of maintaining the permitting scheme is falling on the taxpayer.

### **Option B: Increase fees and charges in line with cost accounting information provided by district councils**

Not all councils have cost accounting procedures in place. In addition the indirect costs are sometimes hard to quantify and accurately attribute to PPC activities. The biggest obstacle is the absence of accounting information for all Councils as there are large variances between councils and thus uncertainty as to the degree to which the sample is representative of the group as a whole. Overall however, the information gathered in our sample does indicate that there is a shortfall in income versus expenditure relating to the PPC scheme.

### **Option C: Apply an increase based on the rate of inflation**

The CPI is the target measure of inflation currently used by the UK government. Inflation has risen by almost 12% since fees were last increased in 2005. It should also be noted that CPI has risen to almost 7% since the last review of charges in 2007.

### **Option D: Apply a risk based scheme**

This is a scheme where high risk installations pay higher fees following the polluter pays principle. In addition the fees are a better reflection of enforcement effort so the fees are more closely matched to costs. This reduces the potential for a council to be operating with surplus revenue generated from fees at the same time other councils are running at a deficit. A risk based scheme has been operating in England and Wales since 2006.

### **Option E: Increase fees for 2010 by 7% and move to a risk based scheme in 2011**

The Department is cognisant of the difficult economic circumstances existing for businesses and therefore in order to reduce the shortfall in funding for the district councils it proposes to increase the fees by 7% rather than the 12% by which inflation has risen since the fees were last increased.

The Department also plans to move to a risk based charging scheme in 2011. This will be a more equitable system. 60% of the Part C permitted processes are categorised as low risk and so it is expected that the majority of permit holders will pay reduced fees with the move to risk based charging. The Department plans to wait until 2011 to introduce the risk based scheme to give businesses affected notice.

## **2.6 Proposals for new Risk Based Scheme in 2011**

2.6.1 A risk based scheme is proposed for 2011. This scheme will apply varied subsistence charges based on the risk rating assigned to each process.

2.6.2 The risk rating takes into account operator performance and so businesses can reduce the fees paid through enhanced operator performance.

2.6.3 The charging scheme will be reviewed in 2012.

## **2.7 Justification for new Risk Based Scheme in 2011**

2.7.1 A risk based scheme is more in keeping with the “polluter pays” principle. The installations which are the source of greatest risk and therefore require an increased level of inspection will pay a higher fee to reflect this additional scrutiny.

2.7.2 While the current system has the advantage of simplicity, a risk based system will redistribute the burden of permitting in a manner that better reflects the environmental risks posed by each process. This will offset the reduced costs on low risk processes by increasing the burden on higher risk processes.

2.7.3 The standard processes are already risk assessed by the district councils to determine inspection frequencies so the scheme should be easy to implement. The permitting process and conditions will remain the same for the businesses affected.

2.7.4 The risk assessment is common to all district councils and so avoids any potential for a “postcode lottery” effect. The risk assessment incorporates operator performance and so this scheme will provide a financial incentive for installations to reduce their risk rating by enhanced operator performance.

2.7.5 This scheme will need advanced notification prior to coming into effect given the increases in fee for high risk installations.

## **2.8 Risk Based Charging Options**

### **Option 1: Applying a simple ratio based on current fee levels**

The ratio has been determined from research work commissioned by Defra from Risk Policy Analysts (RPA) into resource input from district councils. They produced a rule of thumb that low risk activities would require 50% less resource input than medium risk activities, and high risk activities would require 50% more resource input.

This results in a ratio of 50:100:150 or 1:2:3 for low, medium and high risk installations. This ratio is the same as the number of inspections required for each risk category and suggests that this is a reasonable approach to use.

### **Option 2: Applying a fee calculated from a baseline cost plus a simple ratio**

Some district council costs will be unaffected by the risk rating of an installation. Baseline costs include costs relating to the proportion of time spent on non-inspection activities, including training, data monitoring and maintaining registers.

Inspections costs cover, amongst other things, routine and unplanned inspections, enforcement activities and dealing with complaints.

The baseline costs have been estimated by Defra to make up 40% of the overall costs for local authorities operating the permitting scheme. A base fee has been calculated as 40% of the current Part C fees. An additional risk based factor has been added to this base fee using the ratio 1-2-3 for low-medium-high installations.

The Department proposes to apply Option 2 taking into account baseline costs as the best estimate of district council costs.

The risk fees are calculated in such a way as to be revenue neutral. i.e. there will be no significant increase or decrease in overall revenue generated. The level of fees depends on the mix of low medium and high risk installations. Installations will have the opportunity to improve their risk rating through improved operator performance. This will result in reduced inspections and reduced fees.

The charging scheme will be reviewed every 2 years in order to ensure that the fees are proportionate to the risk and full costs are being recovered for the district councils.

Current Income has been estimated based on the number of permitted activities in each risk category. Some activities qualify for reduced fees which are generally less than one tenth of the standard fees. The number of reduced fee activities has been extrapolated based on figures available from the five District councils in our survey.

The current annual revenue for the Part C permitting scheme in Northern Ireland is estimated to be approximately £264,500.

Calculating from proposed 2011 fees and using 40% of the standard subsistence fee gives a baseline fee of £361.66

Reverse calculating our risk based charge to end up revenue neutral gives a risk based fee of £295.

The standard subsistence fees then become:

Low	£657
Medium	£952
High	£1247

Reduced fee activities with the same percentage change applied become:

Low	£101
Medium	£146
High	£192

## 2.9 Future Review of Charging Levels

2.9.1 District councils completed a pilot inter-group audit of Industrial Pollution Control work in 2008 and one of the recommendations in the audit report was that councils should put comprehensive time accounting systems in place and commence full cost accounting at the earliest opportunity.

2.9.2 The Department will also encourage all district councils to comply with the recommendation so that data will be available in future years to enable a more detailed analysis of costs to be undertaken.

## Section 3 –The proposed charges

The following Table 1 sets out the proposed charges from 1 April 2010, the existing charges and the amount of the increase.

Table 2 sets out the risk based charges for 2011/12 as well as the charges for 2010/11 and details the changes in fees.

Table 3 shows the fees for 2010 and 2011 alongside the fees for England and Wales. It can clearly be seen that the fees for Northern Ireland are generally significantly lower than those charged for equivalent processes in England and Wales.

**Table 1. Proposed Fees 2010/11 (7% increase)**

Type of charge	Proposed charge 2010/11	Existing charge	Increase
<b>Permit Application Charge</b>			
Standard Charge	£1450 per activity	£1355 per activity	£95
Reduced Charge for certain activities	£ 139	£130	£9
<b>PVR I and II combined</b>	<b>£246</b>	<b>£130</b>	<b>£116</b>
<b>Subsistence Charge</b>			
Standard Charge	£904 per activity	£845 per activity	£59
Reduced Charge for certain activities	£139	£130	£9
<b>PVR I and II combined</b>	<b>£216</b>	<b>£130</b>	<b>£86</b>
<b>Variation Charge</b>			
Standard Charge	£926	£865	£61
Reduced Charge for certain activities	£91	£85	£6
<b>Transfer Charge</b>			
<b>-Transfer of whole permit</b>			
Standard Charge	£144	£135	£9
Reduced Charge for certain activities	£16	£15	£1
<b>-Transfer of part permit</b>			
Standard Charge	£433	£405	£28
Reduced Charge for certain activities	£43	£40	£3
<b>Additional fee for operating without a permit</b>			
	<b>£1137</b>	<b>---</b>	<b>£1137</b>
Standard Charge	£ 68	<b>---</b>	<b>£68</b>
Reduced Charge for certain activities			

Table 2.

## Proposed Risk based fees 2010/11

Type of charge	Proposed 2010/11 Charges	Proposed Risk Based Charges 2011/12	Change
<b>Permit Application Charge</b>	( per activity )	( per activity )	
Standard Charge	£1450	£1450	£0
Reduced Charge	£ 139	£139	£0
PVR I and II combined	£246	£246	£0
<b>Subsistence Charge</b>			
Standard Charge			
<i>Low</i>	£904	£657	<b>-£247</b>
<i>Medium</i>	£904	£952	£48
<i>High</i>	£904	£1,247	£343
Reduced Charge			
<i>Low</i>	£139	£101	<b>-£38</b>
<i>Medium</i>	£139	£146	£7
<i>High</i>	£139	£192	£53
PVR I and II combined			
<i>Low</i>	£216	£108	<b>-£108</b>
<i>Medium</i>	£216	£216	£0
<i>High</i>	£216	£326	£110
<b>Variation Charge</b>			
Standard Charge	£926	£926	£0
Reduced Charge	£91	£91	£0
<b>Transfer Charge</b>			£0
<b>-Transfer of whole permit</b>			
Standard Charge	£144	£144	£0
Reduced Charge	£16	£16	£0
<b>-Transfer of part permit</b>			
Standard Charge	£433	£433	£0
Reduced Charge	£43	£43	£0
<b>Additional fee for operating without a permit</b>			
Standard Charge	£1137	£1137	£0
Reduced Charge	£ 68	£ 68	£0

**Table 3.**

<b>COMPARISONS BETWEEN CHARGES IN NI AND ENGLAND AND WALES</b>				
CHARGE	England and Wales		NORTHERN IRELAND Proposed	
	2009/10	2010/11	2009/10	2010/11
<b>APPLICATION</b>	£	£	£	£
Standard fee	1561	1579	1355	1450
Reduced fee	146	148	130	139
<b>PVR I and II</b>	243	246	---	246
Additional Fee for operating without a permit				
Standard fee	1124	1137	None	1137
Reduced fee	67	68	None	68
<b>SUBSISTENCE</b>				
Standard				
High	1653	1672	845	904
Medium	1098	1111	845	904
Low	731	739	845	904
<b>Reduced fee activities</b>				
High	224	227	130	139
Medium	149	151	130	139
Low	75	76	130	139
<b>PVR I and II</b>				
High	140	108	130	210
Medium	214	216	130	210
Low	289	326	130	210
<b>VARIATION CHARGES</b>				
Standard	994	1005	865	926
Reduced	97	98	85	91
<b>TRANSFER CHARGES WHOLE</b>				
Standard	160	162	135	144
Reduced	0	0	15	16
<b>TRANSFER CHARGES PART</b>				
Standard	471	476	405	433
Reduced	44	45	40	43
<b>SURRENDER</b>	0	0	0	0

# Partial Regulatory Impact Assessment

## 1. Proposal

This partial Regulatory Impact Assessment relates to the proposed revisions to the Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2007, a Charging Scheme made under Regulation 22 of The Pollution Prevention and Control Regulation (Northern Ireland) 2003 in respect of permits granted under those Regulations.

## 2. Purpose and intended effect of measure

### (i) The objective

Currently the fees charged do not cover the costs of the district councils exercising their function under the Regulations. This partial RIA has been undertaken as any increase in fees will result in a direct cost to business.

### (ii) The background

The fees were last increased in 2005. Inflation as measured by the Consumer Price Index (CPI) has risen by over 12% in the intervening period. Councils have advised that the fees are no longer sufficient to cover the costs of operating the scheme.

### (iii) Rationale for government intervention

The Department is required to have in place a charging scheme so that, as far as practicable, fees and charges payable for permits under the Pollution Prevention and Control Regulations (NI) 2003 are sufficient to recover the costs of district councils in exercising their functions under the Regulations. Insufficient cost recovery would lead to the costs of regulation falling upon the taxpayer which prevents compliance with the “polluter pays” principle.

### (iv) Consultation

The proposals will be subject to a full 12 week public consultation.

The Pollution Prevention and Control Regulations are concerned with emissions of pollutants to air. The review of the Charging Scheme is only concerned with recovering the costs incurred by district councils undertaking activities required by the Regulations.

## 3. Summary of Proposals

- An increase in fees of 7%, based on CPI, to more closely match the costs in regulating the Part C processes and reduce the shortfall in costs incurred by councils.
- The introduction of fees for operating without a permit to allow district councils to recoup costs incurred in seeking out such businesses and providing them with a financial incentive to obtain a valid permit.
- The introduction of a fee for service stations where Petrol Vapour Recovery (PVR) Type I and Type II are both taking place.

- The introduction of an environmental risk based charging scheme from 2011.

## **4. Charging Review Options**

### **Option 1: Do nothing**

This is not in keeping with the “Polluter Pays Principle” and results in the burden of financing the scheme falling on the tax-payer. This would also fail to meet the Departments obligations under Regulation 22 of the 2003 Regulations.

### **Option 2: Increase existing fees by a percentage**

#### **2.1: Uplift in line with the inflation rate since the fees were last increased.**

This would result in a 12% increase in fees. Although the fees have not been increased since 2005, the Charging Scheme was reviewed in 2007. Given the difficult economic circumstances for businesses, and as the decision was taken not to increase fees in 2007, it is not considered acceptable to increase fees by this amount.

#### **2.2: Increase fees according to inflation since the last review of fees.**

This would result in an increase of 7%. Although this will not fully recover all the costs incurred by district councils it will reduce their shortfall and the burden on the tax payer.

### **Option 3: Reform the charging scheme to one where fees are proportional to Environmental Risk.**

Such charges would better reflect the regulatory effort required. This is more in keeping with the polluter pays principle. The installations which are the source of greatest risk and therefore regulatory effort also pay the greatest fees. A risk based approach to permitting is advocated in the Hampton report<sup>1</sup>.

While the current system has the advantage of simplicity, the lower risk installations are effectively subsidising the costs of permitting and enforcing the high risk installations.

The Part C standard processes are already risk assessed by the district councils to determine inspection frequencies and this would allow the scheme to be easily implemented. The permitting process and conditions would remain the same for the Businesses affected.

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<sup>1</sup> <http://www.berr.gov.uk/files/file22988.pdf>

The risk assessment methodology is common to all district councils and therefore avoids any potential for a “postcode lottery” effect.

The risk assessment incorporates operator performance and so this scheme provides a financial incentive for installations to reduce their risk rating through enhanced operator performance.

This scheme will need advanced notification prior to coming into effect given the significant increases in fees on high risk installations.

A similar risk based charging scheme was successfully implemented in England and Wales in 2006.

#### **Option 4: Increase Fees according to district council costs.**

A sample of 5 district councils was taken and the cost accounts investigated to assess the shortfall. While overall expenditure outstripped income by 37%, the variance between councils prevents this from being an effective method of calculating increases. It can be stated with confidence that the fees overall are insufficient to cover district council costs. It is currently not possible to quantify the shortfall accurately and it would not be feasible to do so unless all councils undertake cost accounting.

#### **Option 5: Hybrid of options 2 and 3**

Increase Fees by 7% in 2010 in order to reduce the shortfall in income and then move to a Risk based charging Scheme in 2011.

## **5. Costs, Benefits and Obstacles**

### **Costs**

#### **(i) Compliance costs**

##### **Option 1: Do nothing**

No costs to business. The increasing shortfall to councils in respect of the costs of operating the scheme is borne by the taxpayer.

##### **Option 2: Increase existing fees by a percentage**

###### **2.1: 12% increase in fees based on inflation since last increase in fees:**

Cost to business overall of approximately £31,500. This figure was calculated from the number of permitted processes in Northern Ireland in 2008. The number of reduced fee activities was extrapolated based on figures from five councils representing 28% of processes.

In this case the cost to an individual business for subsistence permit would rise from £845 to £946, an increase of £101. The cost for an application permit would rise from £1355 to £1518, an increase of £163.

**2.2: 7% increase in fees based on inflation since last review of fees:**

Cost to business overall of approximately £19,000. In this case the reduced increase in fees means that the cost to an individual business for subsistence permit would rise from £845 to £904, an increase of £59. The cost for an application permit would rise from £1355 to £1450, an increase of £95.

**Option 3: Reform the charging scheme to one where fees are proportional to Environmental Risk**

The cost to an individual business depends on many factors. The most significant factor is the risk category of the processes the business operates. Because there are many more low risk processes than high risk processes, the reduction in fees for the low risk processes is smaller than the increase in fees for the high risk processes.

Preliminary calculations indicate that if overall revenue was to remain at current levels, the low, medium and high risk processes would have a 27% reduction, a 5% increase and a 38% increase respectively.

Subsistence fees are made up of a 40% baseline fee with a 1:2:3 addition for low, medium and high risk processes:  
A move to risk based charging with no increase in revenue would give charges of £614, £890 and £1166 respectively.

**Option 4: Increase Fees according to district council costs**

The full costs to district councils cannot be accurately determined with the present information.

**Option 5: Hybrid of options 2 and 3**

Costs would be as indicated in Option 2.2 for 2010/11.

For 2011/12 the subsistence fees for low, medium and high risk processes would be £657, £952, and £1247 respectively. This is a 27% reduction, a 5% increase and a 38% increase for low, medium and high risk processes respectively from 2011 fees.

**(ii) Other costs**

Some small costs will be incurred in notifying the businesses of changes to the charging scheme but these are considered to be negligible.

**(iii) Costs for a typical business**

## **7% increase**

For a Business applying for a permit the costs will increase from £1355 to £1450, an increase of £95, and the annual subsistence charge will increase by £59 to £904.

For a business carrying out a “Reduce Fee Activity” the application fee will increase by £9 to £139 and the annual subsistence charge will also increase by £9 to £139.

## **Risk based charging**

Most of the permitted processes (60%) are classified as low risk and will attract a lower fee. As there are many low risk processes and few high risk processes, processes classified as high risk will see a significant increase in fees.

The standard subsistence for a high risk activity will increase from £845 to £1247, an increase of £402. Fewer than 4% of permitted processes are currently classified as high risk.

The “Reduced Fee Activities” high risk standard subsistence fee will increase from £130 to £192.

The installations which are classified as medium risk will see an increase of £107 and £16 for standard and “Reduced Fee Activities” respectively.

Businesses will have an opportunity to improve their risk rating through increased compliance and operator performance.

## **Benefits**

### **Option 1: Do nothing**

No increase in fees for business, but burden would be borne by the taxpayer

### **Option 2: Increase existing fees by a percentage**

**2.1** A 12% increase in fees would net approximately an additional £31,500 in fees. This figure is based on the number of permitted processes in 2009. This option reduces the burden on the taxpayer.

**2.2** A 7% increase in fees, based on CPI, would net approximately an additional £18,500 in fees. This option also reduces the burden on the taxpayer but to a lesser extent.

### **Option 3: Reform the charging scheme to one where fees are proportional to Environmental Risk**

The introduction of a risk based scheme will be revenue neutral and will result in a reduction in fees for most businesses (60% of processes are categorised as low risk).

Risk based charging results in a more equitable recovery of costs from business and is more equitable for district councils as the revenue generated through permitting charges will be more closely aligned to the actual costs of operating the scheme.

#### **Option 4: Increase Fees according to district council costs.**

Aligning the fees accurately to district council costs would be in line with the Departments requirement under the regulations to recover costs. However, the full costs to district councils cannot be accurately determined at present.

#### **Option 5: Hybrid of options 2 and 3**

Has the benefits of both increasing revenue to cover costs and also giving industry notice of risk based charging. The benefits of risk based charging have already been outlined.

### **Obstacles**

#### **Option 1: Do nothing**

There exists a shortfall in income. The taxpayer will “pay” instead of the polluter if the fees are not increased. The Department will not be discharging its duty under the Regulations.

#### **Option 2: Increase existing fees by a percentage**

**2.1:** The charging scheme was reviewed in 2007 and the fees were not increased at that stage. It is possible that a 12% increase may result in a slight over-recovery of costs for some councils. Businesses are unlikely to welcome a 12% increase in fees in light of the current economic climate.

**2.2:** A 7% increase in fees will not recover all of the costs of operating the permitting scheme for all councils.

#### **Option 3: Reform the charging scheme to one where fees are proportional to Environmental Risk**

Significant increases for activities categorised as high risk. Introducing the risk based scheme in 2010 will not give businesses adequate notice of the potentially significantly higher fees.

#### **Option 4: Increase Fees according to district council costs**

There is too much inter-council variation to accurately determine an appropriate fee increase. Not all councils have cost accounting in place and in

addition the differing cost accounting in place across different councils, as well as the differing number and type of processes in each council's functional area mean this method becomes overly complex and unreliable.

### **Option 5: Hybrid of Options 2 and 3**

The points made under Option 2 and Option 3 above apply here also. There may be a slight learning curve while regulators and businesses adjust to the new risk based system.

### **Business sectors affected**

This will affect any businesses which operate a Part C process as set out in The Pollution Prevention Control Regulations (Northern Ireland) 2003 as amended. These include *inter alia* petrol stations, businesses involved in coating of metal and timber, printing, businesses operating small waste oil burners under 0.4 megawatts, melting non-ferrous alloys and crematoriums.

Currently there are 623 Part C permitted processes in Northern Ireland. Many of the smaller firms, petrol stations, small waste oil burners, and dry cleaners qualify for reduced fees and pay generally less than a tenth of the standard fees.

A move to a risk based scheme will reduce the fees for most affected businesses but will significantly increase fees for those businesses operating processes which are categorised as high risk (24 processes out of a total of 623).

### **Other Impact Assessments**

#### Equality Impact Assessment

Screening for an Equality Impact Assessment has been carried out and it is considered that there will be no significant implications for equality of opportunity. The screening assessment is included in Annex II.

#### Human Rights Impact Assessment

The provisions of the draft legislation are fully compatible with the Convention on Human Rights. The screening for Human Rights is included in Annex III.

#### Rural Proofing

No adverse effects have been identified for rural communities.

## **6. Consultation with small business: the Small Business Impact Test**

A general increase in fees will not disproportionately affect small businesses. In fact reduced fee activities disproportionately *benefit* small businesses. Initial pre-consultation with some small businesses did not reveal any issues with the proposed charging scheme.

## **7. Enforcement and Sanctions**

Part 3 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003 sets out the details for enforcement of permits. District councils can enforce bad debts in the usual way and can revoke permits for the non payment of fees and charges without scope for appeal.

## **8. Monitoring and Review**

Regular reviews of fees and charges will be undertaken to ensure cost recovery is maintained, with an RIA as appropriate and similar consultation procedures as for these proposals.

In addition the district councils have been asked to implement cost accounting procedures in order to assess the income and expenditure related to operating the scheme and to ensure that future reviews can more accurately determine appropriate fees. This is in line with the 2003 LAQM Guidance 2003 and the Report of the Inter-Group Audit of Pollution Prevention and Control Work 2008.

## **9. Competition Assessment**

Charges in Northern Ireland generally remain below those in the rest of the UK and therefore no impact on competition are envisaged.

## **10. Summary and Recommendation**

It is therefore recommended that the hybrid option should be introduced, increasing the fees by 7% for the year 2010/2011. This will reduce the shortfall in the costs which district councils accrue in administering the Regulations. This should be followed in 2011/2012 by the introduction of the risk based scheme. This will serve to better recover district councils costs and also ensure that the businesses with the greatest risk of pollution pay the largest fees.

Consulting on the proposals at this early stage will give businesses adequate notice of, what will be for some, significant increases based on the principle of the polluter pays. The charging scheme will be reviewed and informed by better cost accounting from the district councils in 2012 to ensure that the fees are set at an appropriate level.

<b>. Option</b>	<b>Total cost per annum</b>	<b>Total benefit per annum</b>
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Increase by 7%	7% cost to business (£18,500 in total in additional fees)	7% saving to Taxpayer. DOE undertaking its duty to ensure that fees reflect costs.
Risk based Scheme	Overall revenue neutral, but increased cost to high risk businesses.	Savings to majority of businesses (60%). More accurate recovery of fees to councils.

**Table 4**

Table 4 above, sets out the recommended options.

Table 5 on the following page shows the current NI fees, the proposed increased fees for 2010/11, the risk based fees for 2011/12 and the risk based fees in England and Wales for 2010/11.

As can be seen from Table 5, the charges are, in general, significantly lower than equivalent fees being charged in England and Wales.

<b>Table.5</b>	<b>Charges comparison table</b>			
<b>Type of charge</b> (* per activity)	<b>Current Fees</b>	<b>Proposed 2010/11 charge</b>	<b>Proposed Risk Based Charges 2011/12</b>	<b>2010 /11 Fees in England and Wales</b>
<b>Permit Application Charge</b>				
Standard Charge	£1355*	£1450*	£1450*	£1579*
Reduced Charge	£130	£ 139	£139	£148
PVR I and II combined	---	£246	£246	£246
<b>Subsistence Charge</b>				
Standard Charge				
<i>Low</i>	£845*	£904*	£657*	£739*
<i>Medium</i>	£845*	£904*	£952*	£1111*
<i>High</i>	£845*	£904*	£1247*	£1672*
Reduced Charge				
<i>Low</i>	£130	£139	£101	£76
<i>Medium</i>	£130	£139	£146	£151
<i>High</i>	£130	£139	£192	£227
PVR I and II combined				
<i>Low</i>	---	£216	£108	£108
<i>Medium</i>	---	£216	£216	£216
<i>High</i>	---	£216	£326	£326
<b>Variation Charge</b>				
Standard Charge	£865	£926	£926	£1005
Reduced Charge	£85	£91	£91	£98
<b>Transfer Charge</b>				
<b>-Transfer of whole permit</b>				
Standard Charge	£135	£144	£144	£162
Reduced Charge	£15	£16	£16	£0
<b>Transfer of part permit</b>				
Standard Charge	£405	£433	£433	£476
Reduced Charge	£40	£43	£43	£45
<b>Additional fee for operating without a permit</b>				
Standard Charge	---	£1137	£1137	£1137
Reduced Charge	---	£ 68	£ 68	£68

## **11. Declaration**

**“I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.”**

***Signed***

***Date***

***Edwin Poots  
Minister for the Environment  
Department of the Environment***

***For further information contact  
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## SCREENING FOR EQUALITY IMPACT ASSESSMENT

Northern Ireland Act 1998 (Section 75) – Statutory Equality Obligations

### **The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2009**

#### 1. Introduction

Section 75 of the Northern Ireland Act 1998 requires all public authorities in carrying out their functions relating to Northern Ireland to have due regard to the need to promote equality of opportunity between:

- Persons of different religious beliefs.
- Persons of different political opinions.
- Persons of different racial groups.
- Persons of different ages.
- Persons of different marital status.
- Persons of different sexual orientation.
- Men and women generally.
- Persons with a disability and persons without.
- Persons with dependants and persons without.

To satisfy this requirement, government departments carry out Equality Impact Assessments of policies and legislation to test whether they could have an adverse impact on equality of opportunity between any of the nine groups listed above. While it is acknowledged that Section 75 puts a duty on public authorities to look at all its policy areas and not just those relating to equality issues, it is accepted that not all policies need to be assessed to the same extent. Screening aims to identify those policies that are likely to have the greatest impact on equality of opportunity and therefore should be subject to a full Equality Impact Assessment.

#### 2. Brief Summary of the Scheme

The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2009 will increase the charges currently set out in the 2007 charging scheme. The scheme is made under Regulation 22 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003. These Regulations transpose the requirements of EC Directive 96/61 on Integrated Pollution Prevention and Control. The purpose of the Directive is to achieve a high level of protection of the environment through the prevention of, or reduction in pollution of air, water and land caused by emissions from permitted installations.

#### 3. Aims of the Scheme

The overall aim of the charging scheme is to provide full cost recovery for regulation of prescribed installations in keeping with the Government’s polluter pays policy.

4. Screening Analysis

4.1 Is there any evidence of higher or lower participation or uptake by different groups within any of the nine categories?

<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>
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4.2 Is there any evidence that particular groups have different needs, experiences, issues and priorities in relation to the particular main policy area?

<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>
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The proposed regulations aim to ensure protection of the environment and human health by further enhancing the current UK regulatory systems . There is no evidence that particular groups have different needs, experiences, issues and priorities in relation to this topic.

4.3 Is there an opportunity to better promote equality of opportunity or good relations by altering policy or working with others in Government or the community at large?

<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>
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4.4 Have consultations in the past with relevant groups, organisations or individuals indicated that particular policies create problems which are specific to them?

<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>
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5. Equality Impact Assessment Decision

5.1 Full Equality Impact Assessment procedure is confined to those policies considered likely to have significant implications for equality of opportunity. As a result of the screening analysis in Section 4, it is considered that there will be no significant implications for equality of opportunity arising from the introduction of the charges contained in the draft of The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2009. The scheme does not, therefore, need to be submitted for a full Equality Impact Assessment.

## HUMAN RIGHTS ACT 1998

### The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2009

#### 1. Introduction:

- 1.1 The purpose of this paper is to review the Human Rights implications of the proposed changes to the charging scheme as set out in this consultation paper.
- 1.2 The Department is required to have in place a charging scheme, and may from time to time review the scheme to ensure that, so far as practicable, fees and charges payable for permits under The Pollution Prevention and Control Regulations (NI) 2003 are sufficient to cover the costs of district councils.
- 1.3 These Regulations transpose the requirements of EC Directive 96/61 on Integrated Pollution Prevention and Control. The purpose of the Directive is to achieve a high level of protection of the environment through the prevention of, or reduction in pollution of air, water and land caused from permitted installations.

#### 2. Proposals

There has been no increase for several years and the Department proposes to apply an increase of 7%.

#### 3. Human Rights Assessment

The overall aim of the charging scheme is to provide full cost recovery for regulation of prescribed installations in keeping with the Government's polluter pays policy. Whilst the proposed increases will have a small financial impact on businesses, the Department considers that its proposals are fully compliant with the European Convention on Human Rights.

# **The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2010**

**Department of the Environment**

1 April 2010

**A Charging Scheme made under Regulation 22 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003 in respect of permits granted under those Regulations**

## **DRAFT**

### **Department of the Environment**

#### **A CHARGING SCHEME MADE UNDER REGULATION 22 OF THE POLLUTION PREVENTION AND CONTROL REGULATIONS (NORTHERN IRELAND) 2003 IN RESPECT OF PERMITS GRANTED UNDER THOSE REGULATIONS**

##### **The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2010**

The Department of the Environment, in exercise of the powers conferred on it by Regulation 22 of The Pollution Prevention and Control Regulations (Northern Ireland) 2003, hereby makes the following charging scheme.

#### **Citation and commencement**

1. This charging scheme may be cited as The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2010 and shall come into operation on 1<sup>st</sup> April 2010. This scheme supersedes The Pollution Prevention and Control (District Councils) Charging Scheme (Northern Ireland) 2007.

#### **Interpretation**

2. (1) In this scheme, unless the contrary intention appears:

“activity” means any activity carried on as part of a Part C installation whether or not described in Schedule 1 to the Regulations, and in a case where an activity falls within two or more descriptions in Schedule 1 to the Regulations, that activity shall be regarded for the purposes of this scheme as falling within that description which fits it most aptly;

“permit” means a permit granted under Regulation 10 of the Regulations;

“the Department” means the Department of the Environment

“the Regulations” means The Pollution Prevention and Control Regulations (Northern Ireland) 2003 and expressions used in this charging scheme shall have the same meaning as in the Regulations.

(2) For the purposes of this scheme references to “installation” or “Part C installation” shall be taken to include references to “mobile plant” or “Part C mobile plant”, unless the contrary intention appears, and where the context requires shall mean only that part of the installation which is the subject of the permit or the application for a permit.

(3) Subject to paragraph (4), references to the number of Part C activities to which a permit relates means the number of Part C activities which are carried out in the installation.

(4) Where an installation carries out two or more Part C activities then, for the purpose of paragraph (3) –

- (a) in so far as those activities fall within the same Section of Part 1 of Schedule 1 to the Regulations, they shall be treated as a single activity;
- (b) in so far as the same operator carries out at the same location two or more of the Part C activities mentioned in the same head below and described by reference to

the provisions of Part 1 of Schedule 1 to the Regulations, they shall be treated as a single activity –

- i. Section 3.1 (Production of Cement and Lime) and Section 3.5 (Other Mineral Activities);
  - ii. Section 3.5 (Other Mineral Activities ) and Section 3.6 (Ceramic Production);
  - iii. Section 6.4 (Coating Activities, Printing and Textile Treatments) and Section 6.5 (The Manufacture of Dyestuffs, Printing Ink and Coating Materials);
  - (v) Section 6.6 (Timber Activities) and paragraph (c) of Part C of Section 1.1 in so far as it relates to any activity for the burning of waste wood.
- (c) in so far as the same operator carries out at the same installation one or more of the activities specified in Section 7 of Part 1 of Schedule 1 to the Regulations (Solvent Emission Directive Activities) together with one or more of the Part C activities mentioned in the heads below and described by reference to the provisions of Part 1 of Schedule 1 to the Regulations, they shall be treated as a single activity –
- (i) Section 2.1 (Ferrous Metals);
  - (ii) Section 2.2 (Non-Ferrous Metals);
  - (iii) Section 2.3 (Surface Treating Metals and Plastic Materials);
  - (iv) Section 6.4 (Coating Activities, Printing and Textile Treatments);
  - (v) Section 6.5 (The Manufacture of Dyestuffs, Printing Ink and Coating Materials);
  - (vi) Section 6.7 (Activities Involving Rubber);
  - (vii) Section 6.8 (The Treatment of Animal and Vegetable Matter and Food Industries).
- (d) in all other cases where Part C activities fall within different Sections of Part 1 of Schedule 1 to the Regulations they shall be treated as separate activities.

### **Application**

3. This scheme applies to:

- (1) an application made on or after 1<sup>st</sup> April 2010 under regulation 10(1) of the Regulations for a permit to carry on a Part C installation;
- (2) the subsistence of a permit to carry on a Part C installation;
- (3) the variation of the conditions of a permit to carry on a Part C installation;
- (4) an application made on or after 1<sup>st</sup> April 2010 under regulation 18 of the Regulations for the transfer, in whole or in part, of a permit to carry on a Part C installation to another person.

### **Permit Application Charge**

4. A permit application charge must accompany every application for a new permit.
5. (1) Except in the cases described in paragraph (2), the permit application charge shall be £1,450 multiplied by the number of activities carried out in the installation.
- (2) In the case of an application relating to an activity described in –
  - (a) paragraph (b) of Part C of Section 1.1 of Part 1 of Schedule 1 to the Regulations which has a net rated thermal input of less than 0.4 megawatts;

- (b) paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;
- (c) the table in Part C of Section 7 of Part 1 of Schedule 1 to the Regulations as “dry cleaning”, or
- (d) paragraph (b) of Part C of Section 6.4 of Part 1 of Schedule 1 to the Regulations which relates to the carrying out of vehicle refinishing activities consisting of the coating of road vehicles as defined in article 1 of the Directive 70/156/EEC<sup>1</sup>, or part of them, carried out as part of vehicle repair, conservation or decoration outside of the manufacturing installations,

the application fee shall be £139.

(3) In the case of an application relating to an activity described in paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 of the Regulations where an activity described in either

- (a) paragraph (c) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations, or
- (b) paragraph (d) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;

takes place on the same site, the application fee shall be £246

(4) In the event of an application for a permit being withdrawn, no refund of the application fee will be made.

### **Annual subsistence charges**

6. An annual subsistence charge shall be payable in respect of the subsistence of a permit to operate a Part C installation on the date of coming into effect of the permit; and on each first day of April thereafter.
7. (1) Subject to Article 8, except in the cases described in paragraph (2), the annual subsistence charge shall be £904 multiplied by the number of activities carried out in the installation.  
(2) In the case of an activity described in –
  - (a) paragraph (b) of Part C of Section 1.1 of Part 1 of Schedule 1 to the Regulations which has a net rated thermal input of less than 0.4 megawatts;
  - (b) paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;
  - (c) the table in Part C of Section 7 of Part 1 of Schedule 1 to the Regulations as “dry cleaning”, or
  - (d) paragraph (b) of Part C of Section 6.4 of Part 1 of Schedule 1 to the Regulations which relates to the carrying out of vehicle refinishing activities consisting of the coating of road vehicles as defined in article 1 of the Directive

70/156/EEC<sup>1</sup>, or part of them, carried out as part of vehicle repair, conservation or decoration outside of the manufacturing installations,

the subsistence charge shall be £139

(3) In the case of an application relating to an activity described in paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 of the Regulations where an activity described in either

- (a) paragraph (c) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations, or
- (b) paragraph (d) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;

takes place on the same site, the subsistence fee shall be £216.

8. (1) Subject to paragraph (2), in the case of a permit coming into effect after the start of the financial year (1<sup>st</sup> April), the subsistence charge for that year shall be the annual subsistence charge as provided by paragraph 7 of this scheme adjusted pro rata to the period beginning with the 1<sup>st</sup> day of the month following the permit coming into effect and ending on the last day of March following.

#### **Additional Fees for operating without a permit**

9. Where an operator has been operating an installation without a permit in contravention of regulation 9, he or she must pay the following fee when he or she submits an application for a permit, in addition to the fee payable in article 5.
- (a) £68, in the case of an application for a permit authorising any reduced fee activity;
  - (b) £1137, in the case of an application for a permit authorising any other Part C activity.

#### **Variation Charges**

10. A variation charge shall be payable where the enforcing authority serves on the operator a notice under paragraph 4(5) of Part 2 of Schedule 7 to the Regulations.

11. (1) Except in the cases described in paragraph (2), the variation charge shall be £926.

(2) In the case of an activity described in –

- (a) paragraph (b) of Part C of Section 1.1 of Part 1 of Schedule 1 to the Regulations which has a net rated thermal input of less than 0.4 megawatts;
- (b) paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;

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<sup>1</sup> Council Directive 70/156/EEC of 6 February 1970 on the approximation of laws of the Member States relating to the type-approval of motor vehicles and their trailers, OJ L 23/02/1970, pages 1 to 15

- (c) the table in Part C of Section 7 of Part 1 of Schedule 1 to the Regulations as “dry cleaning”, or
- (d) paragraph (b) of Part C of Section 6.4 of Part 1 of Schedule 1 to the Regulations which relates to the carrying out of vehicle refinishing activities consisting of the coating of road vehicles as defined in article 1 of the Directive 70/156/EEC<sup>1</sup>, or part of them, carried out as part of vehicle repair, conservation or decoration outside of the manufacturing installations,

the variation charge shall be £91.

### **Transfer Charges**

- 12.** A transfer charge shall accompany an application to transfer, in whole or in part, a permit for a Part C installation, made under regulation 18 of the Regulations.

#### Transfer of Whole

- 13.** (1) Except in the cases described in paragraph (2), the transfer charge for an application to transfer the whole of a permit shall be £144.

(2) In the case of an activity described in –

- (a) paragraph (b) of Part C of Section 1.1 of Part 1 of Schedule 1 to the Regulations which has a net rated thermal input of less than 0.4 megawatts;
- (b) paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;
- (c) the table in Part C of Section 7 of Part 1 of Schedule 1 to the Regulations as “dry cleaning”, or
- (d) paragraph (b) of Part C of Section 6.4 of Part 1 of Schedule 1 to the Regulations which relate to the carrying out of vehicle refinishing activities consisting of the coating of road vehicles as defined in article 1 of the Directive 70/156/EEC<sup>1</sup>, or part of them, carried out as part of vehicle repair, conservation or decoration outside of the manufacturing installations,

the transfer charge shall be £16.

#### Transfer of Part

- 14.** (1) Except in the cases described in paragraph (2), the transfer charge for an application to transfer part of a permit shall be £433.

(2) In the case of an activity described in –

- (a) paragraph (b) of Part C of Section 1.1 of Part 1 of Schedule 1 to the Regulations which has a net rated thermal input of less than 0.4 megawatts;
- (b) paragraph (b) of Part C of Section 1.2 of Part 1 of Schedule 1 to the Regulations;
- (c) the table in Part C of Section 7 of Part 1 of Schedule 1 to the Regulations as “dry cleaning”, or
- (d) paragraph (b) of Part C of section 6.4 of Part 1 of Schedule 1 to the Regulations which relates to the carrying out of vehicle refinishing activities consisting of

the coating of road vehicles as defined in article 1 to the Directive 70/156/EEC<sup>1</sup>, or part of them, carried out as part of vehicle repair, conservation or decoration outside of the manufacturing installations,

the transfer charge shall be £43.

### **Surrender of a permit**

- 15.** A notification under regulation 20 of the Regulations to surrender all or part of a permit authorising the operation of one or more Part C installations or Part C mobile plant shall not give rise to a fee.

### **Payments**

- 16.** Any fees or charges payable under this scheme shall be paid to the relevant enforcing authority.

Sealed with the Official Seal of the Department of the Environment on

*Tim Irwin*  
A Senior Officer of the Department of the Environment

(L.S.)

Type of charge	Proposed 2010/11 Charges	Proposed Risk Based Charges 2011/12
<b>Permit Application Charge</b>		
Standard Charge	£1450 per activity	£1450 per activity
Reduced Charge for certain activities	£139	£139
PVR I and II combined	£246	£246
<b>Subsistence Charge</b>		
Standard Charge		
<i>Low</i>	£904 per activity	£657 per activity
<i>Medium</i>	£904 per activity	£952 per activity
<i>High</i>	£904 per activity	£1247 per activity
Reduced Charge for certain activities		
<i>Low</i>	£139	£101
<i>Medium</i>	£139	£146
<i>High</i>	£139	£192
PVR I and II combined		
<i>Low</i>	£216	£108
<i>Medium</i>	£216	£216
<i>High</i>	£216	£326
<b>Variation Charge</b>		
Standard Charge	£926	£926
Reduced Charge for certain activities	£91	£91
<b>Transfer Charge</b>		
<b>-Transfer of whole permit</b>		
Standard Charge	£144	£144
Reduced Charge for certain activities	£16	£16
<b>-Transfer of part permit</b>		
Standard Charge	£433	£433
Reduced Charge for certain activities	£43	£43
<b>Additional fee for operating without a permit</b>		
Standard Charge	£1137	£1137
Reduced Charge for certain activities	£68	£68

