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Bruce Harper
Department of the Environment NI
Planning and Environmental Policy Group
23 Castle Place
Belfast
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Dear Mr Harper,

RE: THE POLLUTION PREVENTION AND CONTROL (DISTRICT COUNCILS) CHARGING SCHEME (NORTHERN IRELAND) 2010 – CONSULTATION PAPER.

Please find the comments from Belfast City Council on the above Draft Charging Scheme relating to those installations regulated by district councils under the Pollution, Prevention and Control Regulations (Northern Ireland) 2003.

The Council understands that the Department of the Environment NI is required to have in place a charging scheme so that, as far as practicable, fees and charges payable for permits under the PPC Regulations (NI) 2003 are sufficient to recover the costs incurred by district councils in exercising their functions under the Regulations. Although the charging scheme was last revised in April 2007, the changes resulted in the application, 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, but at this time no fees chargeable by district councils were increased. The last occasion on which fees chargeable by district councils were increased was in 2005.

The Council appreciates that the Department is now proposing a number of new charges and an increase to existing charges in 2010, i.e:

- Existing fees are to be increased by 7% to account for the increased costs of the regulation by district councils of this sector of industrial pollution;
- The introduction of a fee for service stations operating Petrol Vapour recovery (PVR) Stage I and Stage II;
- The introduction of a fee for operating without a permit;
- A move to a risk based charging scheme in 2011/12.

A review of the charging scheme and any increases in charges is welcomed by the Council. However, whilst it is anticipated that such increases will enable district councils to maintain their regulatory functions at satisfactory levels, it should be noted that the fees have not been increased since 2005 and that the increases proposed do not reflect the inflation rate of 12% since that time according to the Consumer Price Index (CPI). The result of this is that some of the costs of regulation will continue to fall upon the tax/rate payer thus falling short of compliance with the “polluter pays” principle.

It is understandable in the current difficult economic circumstances that it would be difficult to expect businesses to meet the full 12% increase all at once. However steps to ensure compliance with the “polluter pays” principle should be taken as soon as practicable. Therefore Belfast City Council is of the opinion that the charging scheme should be reviewed on an annual basis and not bi-annually as proposed.

Alternatively, if it is not deemed practicable to review the District Council Charging Scheme on an annual basis, consideration should be given to the adoption of a similar process to that proposed in the current Consultation Paper – Northern Ireland Environment Agency, Draft Charging Policy 2010-2013. In this document it is proposed to increase fees on an annual basis in line with the GDP deflator (currently 2.45%). This would help to ensure that fees keep pace with current inflation levels, are proportionate to risk and that the gap between Northern Ireland charges and those in Great Britain does not increase further.

The introduction of a fee for service stations operating petrol vapour recovery (PVR) Stages 1 and 11 is to be welcomed as it recognises the extra complexity of the work involved when compared to a standard Stage 1 installation.

The introduction of a 'fee' for those premises operating without a permit is also welcomed. This will allow district councils to recoup the costs of an inspection of a premises they may suspect needs a permit. It will also provide a financial incentive for businesses to ensure that they have a valid permit.

The proposal for the introduction of a Risk Based scheme in 2011/12 whereby the fee assigned is proportional to the environmental risk is to be largely welcomed. The risk rating takes into account operator performance and so businesses can reduce the fees paid through enhanced performance. Currently district councils in Northern Ireland operate an inspection programme based on environmental risk although this is not linked to fees. The move to link this to fees should be straightforward for standard installations, although it should be noted that the situation relating to those activities where 'reduced charges' apply may be more problematic.

In relation to Standard Charge installations, programmed inspections are currently in general either once, twice or three times a year, depending on the risk associated with the activity and it would be expected that something similar would pertain in 2011/12. Reduced Charge installations currently require one visit per year. However, if these are to be further subdivided into 3 categories this could mean that some low risk installations could only be visited once every three years, thus significantly reducing the current level of control over such processes. Belfast City Council would be of the opinion that sub dividing Reduced Charge installations into 3 categories unnecessarily complicates the process and considers that the 2011/12 Risk Based scheme should not be applied to Reduced Charge installations but rather that they continue to be inspected at least once per year with a common fee.

It is also noted that in case of an activity described in: - Regulation 5(2d), 7(2d), 11(2d), 13(2d) and 14(2d) of the Draft Charging Scheme that the carrying out of **vehicle refinishing activities** are listed as a **Reduced Fee Activity** along with dry cleaners, waste oil burners and petrol stations. However, in a document issued by DEFRA in September 2009 (Consultation on Partial Bi-ennial Review of Local Authority Environmental Regulation of Industrial Plant: 2010/11 Fees and Charges) **vehicle refinishers** are rated in a separate category from both Standard Processes and Reduced Fee activities and that for 2010/11, the Application fee is £346 and the Annual Subsistence fee is, depending on risk, £218, £349 or £524. Belfast City Council would consider that the Draft Charging Scheme should likewise separate Vehicle refinishers into a separate fees category for Northern Ireland.

I would request that you consider the views and opinions of Belfast City Council before issuing the Charging Scheme.