

**NIEA Regulatory Charging Policy proposals for
2016-21**

Consultation Paper

January 2016

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1. PURPOSE OF CONSULTATION

1.1. The purpose of this consultation is to get your views on:

- our proposal for a new Regulatory Charging Policy to adjust our regulatory fees and charges up by the GDP deflator rate for the period 2016-21;

Scope of the Regulatory Charging Policy

1.2 The Regulatory Charging Policy covers those fees and charges associated with waste, water and pollution control regulations, and listed in Appendix A.

Impact Assessments

1.3 The proposals were screened out for Equality Impact Assessment, Regulatory Impact Assessment and Rural Proofing. Further information on this can be found in Appendix C.

Responding to this consultation

1.4 We invite your feedback on our proposals. Please send your response to this consultation paper by **Thursday 24th March 2016** to:

NIEA Regulatory Charging Policy 2016-21 Consultation

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Or by email to: sheila.walker@doeni.gov.uk

Where to obtain further copies of the consultation paper

- 1.5 You can request a copy by telephone (028 92 623097) or in writing, or by e-mail to Sheila.Walker@doeni.gov.uk

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 audio cassette. The document may be available on request in minority ethnic languages to those who are not proficient in English.

Confidentiality of responses

- 1.6 Your response, and all other responses to the consultation, may be disclosed on request. For further information, please refer to Appendix C.

2. BACKGROUND

- 2.1 It is widely recognised that our environment is fundamental to a successful economy. That is why it is important that corporate compliance with environmental standards should be the aim of every business in Northern Ireland. Northern Ireland Environment Agency (NIEA) is committed to delivering an effective and supportive regulatory system to protect the environment and promote sustainable growth, which is fair and proportionate to those we regulate, including the level of charges we apply.
- 2.2 Income from regulatory fees and charges, to cover the costs associated with the regulation of environmental activities is a key revenue stream for Northern Ireland Environment Agency (NIEA). The Agency's 2015-16 opening budget for regulatory income was £7.9m. This income is generated from 15 charging schemes which currently operate within the Agency. A list of these charging schemes is attached at Appendix A.
- 2.3 NIEA's fees and charges are set in accordance with statutory requirements, DFP and Treasury guidance and the Agency's three-year Charging Policy, 2013 - 2016. One of the key aspects of DFP and Treasury guidance is the maintenance of full cost recovery whereby the income generated from the charging schemes covers the cost of the resources involved in the delivery of the regulatory activities.
- 2.4 The current Regulatory Charging Policy expires in March 2016 so a new charging policy will be introduced setting out charging arrangements for the next five years.

NIEA's environmental regulation charges

- 2.5 NIEA discharges its regulatory functions through the application of fees and charges on companies and operators subject to a range of environmental regulations. The Agency's regulatory fees and charges are designed to recover costs from regulated operators, based on the polluter pays principle and in accordance with government and treasury guidance.
- 2.6 The Agency generally applies two types of charges, designed to recoup the cost of associated regulatory staff and the services needed to support them and their activities:

Application fees: includes the receipt and processing of applications for permits or authorisations, consultation with authorisation holders and the assessment of potential impacts on people and the environment;

Subsistence fees or annual charges: sampling, compliance monitoring,

review and variation of authorisation conditions, and the issue of warning letters and notices.

- 2.7 Associated costs for these activities include regulatory staff salaries, accommodation, office services, IT, policy and guidance, process management, finance and personnel.

3. PROPOSED NIEA REGULATORY CHARGING POLICY 2016-21

Adjustment for inflation - GDP Deflator

- 3.1 In line with the previous charging policies, where it is deemed necessary, regulatory fees and charges will be increased by the GDP deflator rate forecast for the financial years, 2016/17 to 2020/21 for a number of our schemes.

Choice of inflationary measure

- 3.2 The GDP deflator was selected as the most suitable measure of inflation as it was considered to be the most stable and less subject to fluctuations. The GDP deflator rate was more stable than the Consumer Price Index (CPI) and Retail Price Index (RPI) over the 2013-16 period and provided the most accurate forecast. It was also the lowest of the 3 inflationary indices over the period. The GDP deflator will continue to be used for the new charging policy period.

Consultations on new or revised charging schemes

- 3.3 The Agency recognise the need to streamline the revision and consultation process on regulatory fees and charges to provide greater clarity and certainty for obligated businesses and to ensure full cost recovery. Over the period of the new charging scheme, there will be a requirement to review individual schemes which are identified that are not full cost recovering. Also for activities that are not currently chargeable. Separate consultations will be carried out for these.

Appendix A NIEA Regulatory Fees and Charges

- Pollution Prevention and Control (Industrial Pollution and Radiochemical Inspectorate) Charging Scheme (Northern Ireland)
- (Pollution Prevention and Control (Industrial Emissions) Charging Scheme (Northern Ireland)
- Radioactive Substances (Fees & Charges) Scheme (Northern Ireland)
- Greenhouse Gas Emissions Trading Scheme Charging Scheme Regulations (Northern Ireland)
- Fees and Charges in respect of Costs associated with the regulation of Discharges made by NIW – Scheme No 1
- Discharge of Effluent into Waterways and Underground Strata (Fees & Charges) Scheme (Northern Ireland)
- Water Abstraction and Impoundment Licensing Fees & Charges Scheme
- Waste Management Charging (Northern Ireland) Scheme
- Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations (Northern Ireland) 1999
- The Waste Electrical and Electronic Equipment (Charging) Regulations (Northern Ireland) 2006
- Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 2007
- The Waste Batteries and Accumulators (Charges) Regulations (Northern Ireland) 2009
- Hazardous Waste Regulations (Northern Ireland) 2005
- The Environmental Protection (Disposal of Polychlorinated Biphenyls and Other Dangerous Substances) Regulations (Northern Ireland) 2000
- The Transfrontier Shipment of Waste Regulations 2007

Appendix B Impact Assessments

A screening for Equality Impact Assessment has been undertaken and it is not considered that the proposed increase in charges will impact on any of the nine categories.

A regulatory impact assessment is not considered necessary for the proposed changes, in line with 'Better Policy Making and Regulatory Impact Assessment : A Guide for Northern Ireland' (DETI, 2004) and proposed revisions to this guidance: an RIA is not required for "Increases in statutory fees by a predetermined formula such as the rate of inflation".

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

Appendix C Confidentiality of Consultation Responses - Freedom of Information Act 2000

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 in 1.5 above.