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To: Chief Executives

District and Borough Councils,  
Unitary Authorities and Port Health Authorities in  
England

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## **Local Authority Environmental Regulation of Industrial Plant: 2009/10 Fees and Charges**

This letter will be of particular interest to your authority's **environmental services department** and concerns the charging levels for Local Authority Pollution Prevention and Control (LAPPC – Part B) and Local Authority Integrated Pollution Prevention and Control (LA-IPPC – A(2)) regimes.

### Changes to the fees and charges

The reasons for the increases are set out in the Department's consultation of September 2008 at <http://www.defra.gov.uk/corporate/consult/localauth-plantfees09-10/index.htm> which was sent to the Local Authorities Co-ordinators of Regulatory Services (LACORS), English local authorities, local regional pollution groups, and trade associations. The increases and amendments are as presented in the September consultation with one exception. In the light of responses from local authority stakeholders, and after discussion with Defra's Industry Forum and Industrial Pollution Liaison Committee, an additional charge has been included for cases where, as at 1<sup>st</sup> April in any year, there has been a change of operator in the previous 12 months at one of the installations in one of the six sectors newly being brought within the risk method. This is to cover the costs of an additional inspection visit and is referred to in point e) below. A summary of the charges for 2009/10 is attached at appendix 1 at the end of this letter.

In summary the changes commencing April 2009 are –

- a) an across the board increase in fees and charges by on average 3.1%, taking account of inflation and efficiency savings with the exception of annual charges for high and low risk standard Part B processes and temporary permit transfers for mobile plant.

- b) annual charges for high risk installations (2% of the total number of installations) increase by 4.2%, and by 2.8% for low risk installations (64% of the total). This achieves 3.1% overall but increases the incentive on higher risk operators to improve their performance.
- c) the extension of risk based regulation to the remaining regulated sectors not yet covered. This is contained in the new Part 2 of the risk method referred to below. Consequential amendments to the relevant six process guidance (PG) notes is contained in a new additional guidance (AQ) note also referenced below and authorities are recommended to vary permits accordingly.
- d) Environment Agency charges for water discharges collected by local authorities are revised, simplifying the existing charges and removing the need to pay a water element at the time of application
- e) a new charge of £74 for a change of ownership for low risk reduced fee activities to cover local authority costs in reviewing operator competence at that facility
- f) the extension of the charging review to a bi-ennial rather than annual cycle.

### Relevant documents

The new charging schemes can be found on Defra's website at the following address <http://www.defra.gov.uk/environment/ppc/localauth/fees-risk/fees.htm>

The risk methodologies for A2 and Part B processes and sample score sheets for risk assessing the newly added sectors can be found on Defra's website at the following address <http://www.defra.gov.uk/environment/ppc/localauth/fees-risk/risk.htm>

The amendment to Chapter 27 of the General Guidance Manual, attached at appendix 2, will be incorporated in the Manual itself when it is next updated on line. Please note, in particular, new paragraph 27.21A which contains the inspection frequencies for the newly added sectors.

Additional guidance amending the following PG notes is in AQ1(09) at <http://www.defra.gov.uk/environment/ppc/localauth/pubs/guidance/notes/aqnotes/index.htm>

- small waste oil burners (PG1/1(04))
- gas odourisers (PG1/15(04))
- dry cleaners (PG1/14(04))
- vehicle refinishers (PG6/34b(06))
- petrol stations (PG1/14(06))
- mobile crushers (PG3/16(04)).

If you have any queries or questions about the content of this letter please contact Eamonn Prendergast: [eamonn.prendergast@defra.gsi.gov.uk](mailto:eamonn.prendergast@defra.gsi.gov.uk) , 020 7238 1692.

Yours sincerely

Eamonn Prendergast

## 2009-2010 Charges

## Appendix 1

### LAPPC charges for 2009/10

Type of charge	Type of process	2009/10 Fee		
Application Fee	Standard process	£1561		
	Additional fee for operating without a permit	£1124		
	Reduced fee activities (except VRs)	£146		
	PVR I & II combined	£243		
	Vehicle refinishers (VRs)	£342		
	Reduced fee activities: Additional fee for operating without a permit	£67		
	Mobile screening and crushing plant for the third to seventh applications	£1561		
	for the eighth and subsequent applications	£932		
		£472		
		Where an application for any of the above is for a combined Part B and waste application, add an extra £294 to the above amounts		
Annual Subsistence Charge	Standard process Low	£731 (+£98)*		
	Standard process Medium	£1098(+£147)*		
	Standard process High	£1653 (+£196)*		
	Reduced fee activities Low/Med/High	£75	£149	£224
	PVR I & II combined Medium component	£65**		
	Vehicle refinishers Low/Med/High	£216	£345	£518
	Odourising of natural gas Low/Med/High	£75	149	£224
	Mobile screening and crushing plant L/M/H	£611	£978	£1467
	for the third to seventh permits L/M/H	£364	£583	£874
	eighth and subsequent permits L/M/H	£187	£299	£448
		* the additional amounts in brackets must be charged where a permit is for a combined Part B and waste installation	** To be added to risk assessed reduced fee for PVRI	
	Where a Part B installation is subject to reporting under the E-PRTR Regulation, add an extra £98 to the above amounts			
Transfer and	Standard process transfer	£160		
	Standard process partial transfer	£471		

<b>Surrender</b>	<b>New operator at low risk reduced fee activity</b>	<b>£74</b>
	<b>Surrender: all Part B activities</b>	<b>£0</b>
	<b>Reduced fee activities: transfer</b>	<b>£0</b>
	<b>Reduced fee activities: partial transfer</b>	<b>£44</b>
<b>Temporary transfer for mobiles</b>	<b>First transfer</b>	<b>£50</b>
	<b>Repeat transfer</b>	<b>£10</b>
	<b>Repeat following enforcement or warning</b>	<b>£50</b>
<b>Substantial change</b>	<b>Standard process</b>	<b>£994</b>
	<b>Standard process where the substantial change results in a new PPC activity</b>	<b>£1561</b>
	<b>Reduced fee activities</b>	<b>£97</b>

#### LAPPC mobile plant charges for 2009/10

<b>Number of permits</b>	<b>Application fee 2009/10</b>	<b>Subsistence fee 2009/10</b>		
		<b>Low</b>	<b>Med</b>	<b>High</b>
<b>1</b>	<b>£1559</b>	<b>£611</b>	<b>£978</b>	<b>£1467</b>
<b>2</b>	<b>£1559</b>	<b>£611</b>	<b>£978</b>	<b>£1467</b>
<b>3</b>	<b>£931</b>	<b>£364</b>	<b>£583</b>	<b>£874</b>
<b>4</b>	<b>£931</b>	<b>£364</b>	<b>£583</b>	<b>£874</b>
<b>5</b>	<b>£931</b>	<b>£364</b>	<b>£583</b>	<b>£874</b>
<b>6</b>	<b>£931</b>	<b>£364</b>	<b>£583</b>	<b>£874</b>
<b>7</b>	<b>£931</b>	<b>£364</b>	<b>£583</b>	<b>£874</b>
<b>8 and over</b>	<b>£472</b>	<b>£187</b>	<b>£299</b>	<b>£448</b>

#### Key

Subsistence charges can be paid in four equal quarterly instalments paid on 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January. Where paid quarterly the total amount payable to the local authority will be increased by £36.

Reduced fee activities are; Service Stations, Vehicle Refinishers, Dry Cleaners and Small Waste Oil Burners under 0.4MW

## LA-IPPC charges for 2009/10

**NB – every subsistence charge in the table below includes the additional £98 charge to cover LA extra costs in dealing with reporting under the E-PRTR Regulation.**

Type of charge	Local authority element 2009/10
Application	£3181
Additional fee for operating without a permit	£1124
Annual Subsistence LOW	£1368
Annual Subsistence MEDIUM	£1524
Annual Subsistence HIGH	£2208
Substantial Variation	£1294
Transfer	£222
Partial transfer	£660
Surrender	£660

## Environment Agency Subsistence Fees for Discharge to Controlled Waters 2009/10

Charge band	Charge	Applicability
<b>A</b>	£ 2,250	Where permit conditions contain numerical water discharge limits other than for the pollutants or parameters listed in bands B and C
<b>B</b>	£ 750	Where permit conditions contain numerical water discharge limits for BOD, COD <sup>1</sup> or ammonia
<b>C</b>	£ 220	Where permit conditions contain numerical limits for water flow, volume, suspended solids, pH, temperature, or oil or

<sup>1</sup> biological oxygen demand and chemical oxygen demand

		grease
<b>D</b>	£ 65	Where conditions are included in a permit which do not fall within any of the descriptions in bands A-C (e.g. descriptive conditions)

### **Key**

Subsistence charges can be paid in four equal quarterly instalments paid on 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January. Where paid quarterly the total amount payable to the local authority will be increased by £36. There is no extra fee payable to the Environment Agency where quarterly payments are made.

### **Newspaper advertisements**

Newspaper adverts may be required under EPR at the discretion of the LA as part of the consultation process when considering an application (see Chapter 9 of the General Guidance Manual). This will be undertaken and paid for by the LA and the charging scheme contains a provision for the LA to recoup its costs

## NB Paragraph 27.21A of this Annex was revised on 31 March 2009

(revised text for General Guidance manual)

## Appendix 2

### Risk-based approach to regulation and inspection frequency

- 27.13 Inspections are carried out to ascertain compliance with conditions (this can include authorities undertaking their own compliance monitoring), to check process changes, and in response to complaints. Inspections can also provide an opportunity for authorities to provide advice on wider environmental issues, such as sustainable consumption and production, which can benefit both the environment and business, and to put operators in touch with eg the Envirowise helpline ([www.envirowise.gov.uk](http://www.envirowise.gov.uk), 0800 585794) or the Carbon Trust (<http://www.carbontrust.co.uk/default.ct>, 0800 085 2005).
- 27.14 The benefits of physical inspection of premises are that it can reveal operational and practical compliance issues which monitoring data alone will not show. Local authorities will also normally want to undertake an inspection visit in response to a complaint, if they receive monitoring data showing a breach or near-breach of conditions, or if they receive a report from the operator of abnormal operation.
- 27.15 A risk-based inspection methodology was introduced for LAPC in 2003, LAPPC in 2004, and LA-IPPC in 2005. The 2003 and 2004 methods were replaced by a 2009 method, which incorporated the hitherto excluded 'reduced-fee' activity sectors (petrol stations, dry cleaners, small waste oil burners, and vehicle refinishing) as well as gas odorising and mobile crushing plant. The methods can be found at <http://www.defra.gov.uk/environment/ppc/localauth/fees-risk/risk.htm>.
- 27.16 The method involves assessing each installation against specified criteria. The criteria fall into two categories:
- **environmental impact appraisal:** the potential environmental impacts of a process according to its type, level of upgrading to meet regulatory requirements, and its location;
  - **operator performance appraisal:** how well the operator manages the potential environmental impact of the installation.
- Only the second category applies to the six sectors added to the LAPPC method in 2009.**

**Each of these aspects is evaluated by scoring the process against a number of different components, which are listed in the methodology. The methodology includes guidance on the criteria which comprise each component, and what scores amount to high, medium and low risk. (Note:**

**additional advice on component 5 can be found at the end of Annex X of the Manual.)**

27.17 The four main steps involved in the method are:

- STEP 1 - desk-based scoring of processes

All relevant installations should be scored using the risk assessment method, based on information held on file, together with officers' knowledge of the processes concerned. The output will be a series of scores for different attributes and allocation of the process to a risk category, which is linked to the regulatory effort required by the process.

- STEP 2 - use the score sheets during inspection visits

Where scheduled visits to processes are undertaken, the scoring should be used as a basis for discussion with operators, and should incentivise performance improvements where needed by the link to the amount paid in subsistence charges. Where possible, a copy of the methodology and draft completed score sheet should be provided to the operator prior to the visit. The completed score sheet should be shown to the operator and the scores discussed with them, together with any action that could be taken to reduce their scores and risk category. It is envisaged that this should not add significantly to the length of an inspection visit but should provide a focus for discussion.

- STEP 3 - use the scoring to determine regulatory effort and charges

The methodology provides guidance on how the results of the risk assessment method should normally be used in determining the level of resources to be devoted to the subsistence activities of processes. All LA-IPPC charges and most LAPPC charges are based on risk rating.

- STEP 4 - review scores on a regular basis

Scores for each process should be reviewed on a regular basis, and at least annually. In particular, scores should be reviewed following visits, any changes to the permit, receipt of complaints, or when enforcement action is taken. A separate assessment should be carried out for every activity which attracts a separate subsistence charge. Where scores change during the course of a financial year, affecting the charging band, no change should be made to the charges until the next financial year.

27.18 Local authorities must use the risk-based method for all LA-IPPC and LAPPC activities. The LA-IPPC and LAPPC risk methods form part of the charging scheme, and the annual subsistence charge cannot be calculated without using the methods to calculate the risk rating (see **Chapter 23**).

27.19 Under the methods, each installation is rated as as 'high', 'medium' or 'low' risk. This classification relates to the regulatory effort necessary to devote to each process according to their relative risks. "Regulatory effort" refers to the full range of activities needed to regulate the process: not just inspection, but time spent at the office preparing for inspections, writing reports and reviewing data supplied by operators. According to the report of the consultants who drew up the methodology, the average regulatory time spent per process each year is likely to vary from 18 – 30 hours for LAPPC (except for the six sectors added in 2009).

27.20 It is not intended that the application of the risk-based method should lead to a significant reduction in overall regulatory effort, rather effort should be prioritised towards those installations which pose the greatest risk of environmental pollution.

27.21 The following are the minimum levels of inspection Defra/WAG would expect for all except the six sectors added in 2009:

**HIGH** - two "full" inspections a year, during which the local authority officer must examine full compliance with all authorisation conditions and look at any process or other relevant (eg management) changes. In addition, there must be at least one "check" inspection to follow up any areas of concern or other matters arising from the full inspection. "Extra" inspections may be needed in response to complaints, adverse monitoring results etc. (LAPPC regulatory effort : 27 – 45 hours per year.)

**MEDIUM** - one "full" inspection, plus one "check" inspection, together with "extra" inspections as required. (LAPPC regulatory effort :18 – 30 hours per year.)

**LOW** - one "full" inspection, together with "extra" inspections as required. (LAPPC regulatory effort : 9 - 15 hours per year.)

27.21A The following are the minimum levels of inspection Defra/WAG would expect for the six sectors added in 2009:

*Petrol stations, dry cleaners, small waste oil burners, and gas odorisers*

As in paragraph 27.21, except **LOW** risk = one "full" inspection every three years, together with "extra" inspections as required (LAPPC regulatory effort: 1,5 hours per year averaged over three years, or 2.2 hours for petrol stations with PVRII [petrol vapour recovery stage II] fitted).

*Vehicle refinishing*

As in paragraph 27.21, except **LOW** risk = one "full" inspection every two years, together with "extra" inspections as required (LAPPC regulatory effort: 4.4 hours per year averaged over three years).

*Mobile plant*

As in paragraph 27.21, except **LOW** risk = one "full" inspection every two years, together with "extra" inspections as required (LAPPC regulatory effort: 12.5 hours per permit held per year averaged over two years for the 1<sup>st</sup> and 2nd permits held)<sup>2</sup>. Defra and WAG expect the authority where the plant operator has his or her principal place of business to ensure that the periodic inspections are carried out, whether by themselves or by another authority.

27.22 In all three categories:

- a) it is acceptable to combine an extra inspection with a full or check inspection;
- b) it is acceptable to combine a full inspection with an inspection associated with a formal periodic review;
- c) where appropriate, it may be best to carry out a full inspection when emissions monitoring (in line with permit conditions) is being undertaken by or on behalf of the operator.

27.23 Local authorities should be alert to opportunities for combining inspections, where they will serve to make more effective use of their own resources and minimise disruption to businesses.

27.24 The risk methodology can be found <http://www.defra.gov.uk/environment/ppc/localauth/fees-risk/risk.htm>.

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<sup>2</sup> For subsequent permits the regulatory effort reduces in line with the sliding scale of charges. For 3 to 7 permits this amounts to 7.5 hours per permit per year, for 8 or more permits, 3.8 hours per permit per year