

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

***Comments by***

**Northern Ireland Environment Link**

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Northern Ireland Environment Link (NIEL) is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 58 Full Members represent over 90,000 individuals, 262 subsidiary groups, have an annual turnover of £70 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment.

These comments are agreed by Members, but some members may be providing independent comments as well. If you would like to discuss these comments we would be delighted to do so.

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## **Introduction**

Northern Ireland Environment Link (NIEL) is fully committed to the protection of all components of the environment in Northern Ireland, including the atmosphere, and to the polluter pays principle. The Department of the Environment is required to have in place a charging scheme that, as far as practicable, ensures that 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. Clearly, there is a need to revise the Regulations because the charges have not been revised since 2005. NIEL welcomes this opportunity to comment on the proposed new charging scheme. The Sections below refer to those in the Consultation Paper issued by the Planning and Environmental Policy Group, Department of the Environment, in November 2009.

## **Response to the proposed new charging scheme**

### Section 2 . The Charging scheme

According to Section 2.3.1 the Department proposes to increase existing fees by 7% to account for the increased costs of regulation of the sector. However, in Section 2.4.1 it is stated that "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 2009/10q The proposed increase is therefore clearly inadequate to meet the stated requirement that fees and charges must be sufficient to recover the costs incurred by district councils. The fees should therefore be increased by at least 12% instead of 7% in 2010.

### Section 2.5 Charging Review Options

Option C: Apply an increase based on the rate of inflation. We agree that this would be a satisfactory option. However, inflation has risen by almost 12% since fees were last increased in 2005 and by almost 7% since the last review of charges in 2007. It is obvious that increasing the fees by 7% will not make the scheme fit for purpose and that the Department must make a 12% increase to ensure that those responsible for these sources of atmospheric pollution are not subsidised by the general public.

Option E: Increase fees for 2010 by 7% and move to a risk based scheme in 2011. We agree with an increase for 2010 but it should be revised from 7% to 12% to meet the stated requirements of the scheme. We also approve of the move to a risk based scheme from 2011 because this will ensure that the most polluting industries will pay more and is consistent with the polluter pays principle. However, the actual charges made to different industries under the proposed new risk based scheme must also be set to ensure that the costs of the scheme are recovered. From the Table in Annex IV of the Consultation Paper the medium charges per activity under the proposed risk based charges for 2011/12 are higher than the proposed charges per activity for 2010/2011. However, most of the industrial facilities concerned are less polluting (as documented in the Consultation Paper) and this will skew the statistical distribution of the fees down. It is therefore unlikely that the proposed total charges in 2011/12 will exceed those in 2010 and may actually be lower.

In summary, we welcome the intention to revise the charges with a view to making the charging system pay for the operation of the regulatory system. However, we are surprised and disappointed that the Department does not even attempt to meet the costs in 2010 with the result that the taxpayer will continue to subsidise the scheme. We will be delighted to see a risk based scheme introduced from 2011 because this will be consistent with the polluter pays principle. However, the current proposal does not appear to make adequate charges to avoid further subsidy by the taxpayer. Table 5 in the Consultation Paper shows that all of the proposed Northern Ireland charges in 2011/12 are below the fees in England and Wales for 2010/11. What kind of message does this send out? It seems to indicate that Northern Ireland's environment deserves a lower level of protection than the environment of England and Wales. The intention to introduce a scheme that, by definition, seeks to fail to meet the requirements of the scheme would seem to open the Department to potential ridicule.