

Response form

Consultation on our charges from 2015

Your details

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Postal address (including postcode):

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When we come to analyse the results of this consultation, it would help us to know if you are responding as an individual or on behalf of an organisation or group.

Please select from the following options:

- Responding as an individual
- Responding on behalf of an organisation (*Please specify which organisation or group you are responding on behalf of and include what type it is e.g.business, environmental group*)
Membership Trade Association

- Other (*please specify*) _____

Please tell us if you would like to (tick all that apply):

- Receive an email acknowledging your response
- Receive an email to let you know that the summary of responses has been published
- Be notified of developments/events in charges, e.g. consultations, new regulations/charges by email or electronic newsletter

If you have ticked any of the boxes above, please provide us with your email address below:

jeremy@r-e-a.net

- Put a cross in this box if you are requesting non-disclosure of your response. Please provide an explanation to support your request.

How we will use your information

The Environment Agency will look to make all responses publicly available during and after the consultation, unless you have specifically requested that we keep your response confidential.

We will not publish names of individuals who respond.

We will also publish a summary of responses on our website in which we will publish the name of the organisation for those responses made on behalf of organisations.

In accordance with the Freedom of Information Act 2000, we may be required to publish your response to this consultation, but will not include any personal information. If you have requested your response to be kept confidential, we may still be required to provide a summary of it.

We welcome your views on the proposed changes for 2015/16

Review of baseline of charge levels (*Main document, section 2*)

1. Do you support our proposal to increase baseline charges for EPR Waste Facilities, EPR Installations and EPR Radioactive Substances Regulation by 2%?

Please tick the relevant box

- Yes**
- No**
- Don't know**
- Not applicable**

Your comments

An uplift in baseline charges for EPR waste facilities in line with inflation is acceptable as it is important that the EA are suitably resourced to inspect all sites and in particular deal with the rogue operators within the sector. What is not acceptable is to disproportionately target all operators in order to recover the costs of the poor performing sites.

Abstraction charges (Main document, section 3)

2. Do you support our proposal to increase the standard unit charge (SUC) for the Northumbria regional account to meet the cost of the Kielder reservoir operating agreement?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

3. Do you support our proposal to continue to raise EIUC funding from non-water companies as necessary to enable us to continue to address unsustainable abstraction?

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

Technical changes to the Environmental Permitting (EP) Scheme – waste facilities and installations (Main document, section 4)

4. Do you support our proposal to change our approach for Band D, E and F performing companies, and specifically to recover our costs through the introduction of a second tier of compliance charge multipliers for long term poor performing sites? (Section 4.1)

Please tick the relevant box

- Yes**
- No**
- Don't know**
- Not applicable**

Your comments

The REA supports the 'Polluter pays' principle for the recovery of costs, so the suggestion of charging the poorest performing sites who fail consistently to achieve above a band D, E or F rating an 'enhanced' charge to incentivise them to improve their performance would appear to be a good idea.

The REA are keen that poor performing sites are given ample opportunity to improve their performance and are given recognition when this is achieved in order that they can revert to the conventional tier of scoring. The REA **does not** support the suggestion that the mid-year review of charging is removed for band F sites which currently is in operation. A site that has shown significant progress within a short time frame as a result of capital investment and a change in management practices needs to be rewarded for making a concerted effort over a short time frame.

The REA questions the substantive fee increases proposed. Although we agree that the approach of punishing poor performing sites is a good one to take, if the fee increase is too punitive it may prove to be the 'straw that broke the camel's back' and cost the site more than it can afford, therefore acting as a disincentive. The REA suggests that a **50% increase** for each compliance band would act as a sufficient incentive to get sites to improve their performance but not break the bank.. The multipliers would look like this:

Compliance Band	Compliance Band Multiplier	
	Current value for sites in Band D,E and F	Proposed value for sites that have been in Bands D, E and F for two full years
D	125%	187%
E	150%	225%
F	300%	450%

The EPR charging scheme is designed to reflect risk, however the standard fee structure does not always do this well. A case in point is the SR2011 No 1 permit. The purpose of this Permit was to provide a low risk alternative to the T23 Exemption where the operator processes more than 60t at any one time providing for 500t at any one time but with restricted low risk inputs as specified by the T23.

The charge however is the same as for the higher risk Permits taking a wide range of inputs. In this case the principles of the EA to reflect risk in its charges are not followed.

This inconsistent approach does little to support the 'Polluter pays' principle penalising low risk operations

5. Do you support the introduction of this permit commencement charge to enable us to provide a higher level of initial scrutiny to new EPR waste facilities and installations? (Section 4.2)

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

The REA is strongly opposed to this approach, many of our members are in new and developing sectors and this would impact REA members disproportionately as well as providing an disincentive to bring forward new project and new technologies. This appears to be a 'stealth tax' for imposing an additional burden on new sites which will by nature be very likely to be under extreme financial pressure already

The EA has not provided any real evidence to support that new sites underperform, in fact the opposite would be expected. Operators already pay substantial application fees, for larger sites this can be tens or even hundreds of thousands of pounds. This means operators are facing thousands or even tens of thousands of pounds in additional unbudgeted costs for projects already in the pipeline

Whilst reduced fees are payable to maintain the permit up to construction. Full fees start before the projects are operational and operators already pay for the Agency when often the Agency does nothing during this period.

It has been noted by the REA that no such change has been proposed in Wales and Scotland

Is there an assumption that the site will require additional scrutiny as they will be performing poorly? Will the EA therefore reimburse sites that are performing better than average? This may not be the case and underlines the case for an unjustified extra charge. Will 'repeat' or standard sites get a reduced fee?

The EA will as part of the due diligence process when the site makes its original application to operate, carry out a stringent scrutiny of the operator's site plan and operating procedure and for this it charges an application fee. If there are any concerns at this stage, then the EA has the opportunity to raise these with the operator in advance of the site going 'live'. This is preferable to imposing retrospective scrutiny on the site post construction.

To charge all operators a 'scrutiny' charge does little to engender trust or build a relationship between the customer and the regulator at a time when it is crucial to do so at the commencement of the site's operation.

If the EA really think such a change is justified then a more detailed consultation must be carried out and evidence brought forward to see the changes matched with the effort during the period after the permit is obtained and before operation (which can be several years for some projects) 6 months is not sufficient to introduce such a fundamental change.

6. Do you support the move to align the approaches for Water Quality with the rest of the EPR regime? (Section 4.3)

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

Changes to the Opra Scheme (Main document, section 5)

7. Do you support the inclusion of the Regulation 60 notice as part of the operator compliance assessment under the Opra Scheme? (Section 5.1)

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

The REA does not see any reason why an operator would not wish to comply with a Regulation 60 Notice unless they had something untoward to hide. We are happy that as part of the assessment process of operator compliance under the OPRA scheme this information should be included by the operator.

8. Do you support the revision to the Activity Schedule Reference codes in the Opra installation table to include the Band B classification for solvent reclamation or regeneration and oil re-refining or other uses of oil? (Section 5.2)

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

9. Do you support the changes to the production scale and associated complexity bands under the Opra Scheme? (Section 5.3)

Please tick the relevant box

- Yes
- No
- Don't know
- Not applicable

Your comments

There needs to be clear differentiation for activities that are exempt from Chapter IV of the IED, and for this reason the REA support the provision of a new Opra Band C under Part A(1) 5.1 for any incineration activity that is exempt from Chapter IV.

10. Do you support the introduction of the Band C for exempt incinerators under the Opra Scheme? (Section 5.4)

Please tick the relevant box

- Yes**
- No**
- Don't know**
- Not applicable**

Your comments

Clearly a new band will be necessary to introduce the change required as a result of the IED. It is important the requirements for each type of scheme are clear and treated in the right way, therefore we support this proposed change.

The remainder of this response form seeks your comments on the communication of our charges.

11. If you wanted to find out something about charges where would be the first place you would go or who would you contact?

- Environment Agency website:**
- National Customer Contact Centre**

- Site inspector
- Area office
- Trade association
- Other (please specify)

12. What information on charges are you interested in? (please select all that apply)

- Charging scheme
- Charging scheme guidance
- Leaflet explaining any changes to the scheme
- Details of how we calculate our charges for a particular scheme
- Other (please specify)

14. Please tell us how you found out about our charges consultation:

- From the Environment Agency
- From another organisation
- Through an organisation you're a member of
- Advert
- Press article
- Social media e.g. Facebook, Twitter
- Through a meeting you attended
- Other (please specify)

Returning your response

Your response to this consultation needs to be returned by **20 November 2014**.

We would like you to use this form if you are not submitting your response online. You can return it by email to eacharges_consultations@environment-agency.gov.uk. Please use this email address if you have any questions regarding this consultation.

Or you can return it by post to:

Alan Day
Finance Directorate
Environment Agency
Horizon House
Deanery Road
Bristol BS1 5AH

Other comments

This form is to be used when responding to the charges consultation. If you have any queries or

comments in relation to other issues you would like to raise with us, please contact our National Customer Contact Centre on:

Tel: 03708 506 506 (Mon-Fri, 8am - 6pm)

Email: enquiries@environment-agency.gov.uk

Post: National Customer Contact Centre
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Bowbridge Close
Bradmarsh Business Park
Templeborough
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