

Appendix 11:

Annual subsistence charges review for 2023/24

Contents

Key messages	2
Our charge proposals	2
Inflation-based increases to a number of our schemes in deficit	2
Consultation questions – See Appendix 9	3

Key messages

These proposals are in addition to our Strategic Review of Charges (SRoC) Permitting charge proposals for 2023/24.

Our regulatory charges cover both permitting and compliance activity. Our 2023/24 charges consultation can be split into 2 distinct areas, namely:

1. our detailed permitting proposals for 2023/24 which are being covered by our Strategic Review of Charging (SRoC) Programme
2. our annual review of subsistence (compliance) charges.

This appendix specifically covers point 2, the annual review of subsistence charges.

We have conducted a high-level assessment of our subsistence charges in terms of inflationary pressures and the forecasted surplus/deficit position. The next section of this appendix details the changes we propose to implement for 2023/24.

All regulatory approaches, principles and policies are applied in the same way for subsistence charges as they have been for our detailed permitting proposals.

For the period from 1st April 2023, we are proposing to maintain as far as possible our existing annual subsistence charges. However, we do need to make adjustments to some charges to ensure we are mitigating against deficit positions.

Our charge proposals

Inflation-based increases to a number of our schemes in deficit

We have identified deficits within a number of regimes and propose a 6% increase in the subsistence charges of following regimes so that they can be sustainably managed. The +6.0% increase is based on HM Treasury's quarterly long-term CPI forecast in August 2022.

- Water Resources subsistence charges
- Water Quality subsistence charges
- Non-Nuclear Radioactive Substances Regulation subsistence charges
- Reservoir Compliance subsistence charges
- Flood Risk Activity Permit application and subsistence charges
- UK Emissions Trading Scheme subsistence charges
- Control of Major Accident Hazards (COMAH)
- Materials Recycling Facilities

All other subsistence charge areas remain frozen for 2023/24

If HM Treasury's CPI forecast reduces during the consultation period or before implementation, NRW will consider reducing the rate of increase as appropriate.

Consultation questions – See Appendix 9