

Appendix 3:

Installations, medium combustion plant & specified generators; non-nuclear radioactive substances regulation charging schemes

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Installations

Key messages

This section applies to permits issued to activities falling into Schedule 1, Part A(1) of the Environmental Permitting Regulations (Installations).

We have used the Operational Risk Assessment tool (OPRA) charging scheme for Installations since it was introduced in 2003 where application charges were calculated using a multiplier of each site's risk score. The multipliers have only increased by about 4% in the last 10 years, and in addition to this deficit of cost recovery, our Strategic Review of Charges has determined that OPRA no longer fills the needs of a modern cost-recovery based charging scheme for permit applications.

We continuously look to make our assessment process more efficient through developing new tools, and where efficiencies are made in future there may be scope to reduce application charges.

We are proposing to introduce a less complex charging scheme which more closely matches the charge to the cost of delivery. The key differences are:

- four bands of base charge dependent on the complexity of the application
- additional charges for certain bespoke assessments
- time and materials charges where the time taken is more than 150% of that paid for
- time and materials charges for landfill-specific bespoke assessments
- we will retain 14% of the application charge where an application is returned for having insufficient information to be able to determine it
- applications for administrative only variations to permits will be charged for. We will not charge for NRW-initiated administrative variations.

Charge proposals

Standard Rules Permits

These are rule sets that the operator commits to complying with, and can demonstrate minimal environmental risk, rather than applying for a bespoke permit. The process of issuing these permits is limited to administrative checks which means that the application charge is low, between £1,669 and £1,995 currently.

A review of our standard rules permits has been carried out, and as a result of this we now only have two that can be applied for: Low Impact Part A Installation, and On-farm anaerobic digestion using farm waste only, including use of the resulting biogas.

We propose to charge the following amounts for the remaining standard rules permits:

		Low Impact Part A(1) Installation Standard Rules 2009 no2 ¹	On-farm anaerobic digestion using farm waste only including use of the resultant biogas SR2018 no10
New Application	Current	£1,669	£1,995
	Proposed	£4,300	£4,510
Normal Variation	Current	N/A	N/A
	Proposed	£595	£595
Part Transfer	Current	£388	£997
	Proposed	£2,038	£2,038
Full Transfer	Current	£388	£997
	Proposed	£2,038	£2,038
Part Surrender	Current	£388	£1,575
	Proposed	£250	£250
Full Surrender	Current	£388	£1,575
	Proposed	£250	£250

Table 1 – Proposed standard rule permit charges

Note 1 – Transfer and surrender charges will also apply to SR 2012 no 9, the superseded standard rules set for this activity.

Whilst these charges have increased significantly, they are considerably less than an applicant would pay for a bespoke permit. The scale of the increase partly reflects the higher overheads per permit issued that NRW now has, and also the fact that these charges have only increased by 5% in 10 years.

Bespoke low impact installations and directly associated activities

These lower risk activities require bespoke permits as there are elements of assessment to be carried out. The proposed charges reflect the similarity in assessment time for most of these applications, however there is considerably more work involved in determining a landfill gas engine application so the charges for this are higher.

All other directly associated activities (DAAs) will see a small rise in their charges. Bespoke low impact installation (LII) application charges will increase significantly as shown below:

		Directly associated activities	Stand-alone landfill gas engine	Bespoke low impact installation
New Application	Current	£7,547	£7,547	£2,697
	Proposed	£7,750	£12,610	£7,066
Administrative Variation	Current	No charge	No charge	No charge
	Proposed	£595	£595	£595
Minor-technical Variation	Current	N/A	N/A	N/A
	Proposed	£1,106	£1,835	£1,004
Normal Variation	Current	£2,005	£2,005	£388
	Proposed	£4,624	£7,539	£4,213
Substantial Variation	Current	£3,999	£3,999	£388
	Proposed	£6,968	£11,342	£6,353
Part Transfer	Current	£7,631	£7,631	£388

	Proposed	£3,879	£3,879	£3,879
Full Transfer	Current	£5,090	£5,090	£388
	Proposed	£2,459	£2,459	£2,459
Part Surrender	Current	£5,773	£5,773	£388
	Proposed	£2,459	£2,459	£2,459
Full Surrender	Current	£6,801	£6,801	£388
	Proposed	£1,722	£1,722	£1,722

Table 2 – Proposed bespoke LII and DAA charges

Part A(2), Part B, Medium combustion plant or specified generator activities on Installations

Where a Schedule 1 Part A(2) or Part (B) activity forms part of an installation it is included in the permit. We charge an additional amount for assessing these parts of a permit application, currently £1,669 for a new application, £997 for a substantial variation and £556 for any other variation, transfer, or surrender. We are proposing amended charges for these activities and will charge the same amount for bespoke medium combustion plant (MCP) or specified generators (SG) that are directly associated activities on Installations. MCP or SG activities that fall into Standard Rules permit categories will be charged the appropriate Standard Rules charge.

The charges for these activities will be:

	Application	Variation	Transfer	Surrender
Part A(2) or Part B activity on an installation	£1,578	£947	No additional charge	£947
Bespoke medium combustion plant or Specified generator on an installation	£1,578	£947	No additional charge	£947

Table 3 – Proposed Part A(2), Part B or MCP/SG activity charges

Intensive rearing of pigs and poultry (farming installations)

These Installations have never been charged under the Tier 3 OPRA scheme and have always had their own fixed charges. In 2017 NRW carried out a review of the application charges and as a result, introduced a two-tier scheme for poultry units based on the farm size as shown in Table 4.

We have looked again at the application charges for farming installations, examining whether it would be appropriate to charge for them in the same way as for other bespoke Part A(1) Installations that are currently under the OPRA scheme. We concluded that this would not be appropriate and propose continuing to charge a fixed charge. We do however propose returning to a single rate for all farms.

We also propose charging time and materials for those applications which take more than 150% of the time covered by the charge. This will ensure that we recover the determination costs for those applications which are more complex and time-consuming to assess.

We currently only have charges for normal and substantial variations for farming installations. The normal variation charge has always been very low and was not reviewed in 2017. We propose to replace it with a charge to cover the cost of this type of variation. We will also add charges for administrative and minor technical variations which will be the same as for all Part A(1) installations.

The proposed charges for applications for intensive rearing of pigs and poultry are:

	Application	Minor Technical Variation	Normal Variation	Substantial Variation	Transfer	Surrender
Current	£7,322 / £10,240 (for >80,000 poultry places)	£388	£388	£3,584 / £5,120 (for >80,000 poultry places)	£388	£388
Proposed	£9,270	£2,614	£5,562	£7,416	£2,601	£5,642

Table 4 – Intensive rearing of pigs and poultry charges

The application charge for an administrative variation will be £595.

Bespoke Installation permit applications

These charges are currently based on OPRA multipliers. We are proposing to replace this scheme with charges that directly reflect the amount of work needed to determine the permit. Evidence from analysis of the determination process shows that there is a wide range of time taken depending on the complexity of the application. For this reason, we are proposing four charge bands to replace the site specific OPRA score.

We will provide a tool using known factors which align with the information and assessments provided in the application to determine which band an application will fall into. The key factors in determining activities within these bands will be:

- the number of different Part A(1) listed activities on the site
- the multiples of the threshold that brings the main Part A(1) listed activity into regulation
- whether there are any Large Combustion Plant or Waste Incineration activities on site
- whether the site treats hazardous waste
- whether the installation is a landfill, and
- whether there is no applicable Best Available techniques guidance for the activity.

For substantial and normal variations, the charge will only apply to the parts of the installation that are affected by the variation. This aligns the charge with the work needed to determine the variation rather than the entire operation at the installation as is the current situation with the OPRA based charge.

Where an installation also carries out Part A(2) or Part B activities, or where there is a medium combustion plant or specified generator activity (MCP or SG), a fixed amount will be charged for each activity, as described above.

In addition to the base charge from the appropriate band, as shown in Table 5, and where appropriate the 'Part A(2), Part B or MCP or SG' charge, supplementary charges for specific additional assessments will be added. These are for location or activity-specific assessments that are not relevant for every application, but which take a significant amount of time to assess, as shown in Table 6.

The core charges we propose are:

	Band 1 bespoke	Band 2 bespoke	Band 3 bespoke	Band 4 bespoke
New Application	£13,212	£19,873	£31,765	£43,543
Administrative Variation	£595	£595	£595	£595
Minor-technical Variation	£2,614	£2,614	£2,614	£2,614
Normal Variation	£8,705	£11,080	£19,009	£34,108
Substantial Variation	£12,655	£19,063	£30,480	£41,443
Part Transfer	£5,085	£7,032	£11,497	£14,211
Full Transfer	£2,601	£2,601	£2,601	£2,601
Part Surrender	£6,497	£8,899	£17,814	£23,589
Full Surrender	£5,642	£8,125	£14,301	£19,960
Low risk surrender	£2,614	£2,614	£2,614	£2,614
Surrender of a site that has never operated	£1,182	£1,182	£1,182	£1,182

Table 5 – Bespoke permit application charges

The proposed charges for additional assessments are:

Additional assessments	Proposed charge
Full air quality modelling assessment	£2,613
Fugitive emissions assessment (where not part of air quality modelling)	£1,608
Odour assessment (where not part of air quality modelling)	£1,571
Bioaerosol modelling assessment	£3,281
Full noise modelling impact assessment	£2,354
Fire prevention and mitigation plan	£2,274
Deposit for recovery assessment	£1,683
Water Framework Directive assessment of process effluent	£3,128

Table 6 – Charges for additional assessments

Pre-application advice

NRW provides a basic pre-application advice service to assist with the application process and help applicants understand what they need to do. This advice is provided free of charge. Any subsequent advice is provided through our Discretionary Advice Service charged at a rate of £125 per hour plus VAT and is provided at NRW's discretion. We offer basic advice on:

- confirmation of the type of permit required
- the correct application forms to use
- what guidance must be followed
- how to work out the application charge.

For applications for Installation permits this means that we will provide advice on aspects such as the most apt Schedule 1 Activity, or whether an activity is incineration or co-incineration. We will also advise on the level of detail that is required in the supporting information in your application. Where the applicant requests more detailed help with the

interpretation of guidance, or how to undertake the various impact assessments required for the application we may charge.

Returning applications that cannot be ‘duly made’

All applications must include information to allow us to determine the permit conditions. Where an application is submitted that does not contain sufficient information at the initial ‘duly making’ assessment, we will return it to the applicant. Currently, we return the entire charge to the applicant, but we are proposing to keep 14% to cover the cost of the assessment work done.

Applications are only returned after the applicant has been given an opportunity to supply missing information.

Time and materials charges for outliers

Analysis of the time taken to determine permits shows that a small number of applications take a disproportionately long time to determine. This may be for reasons that are not evident at the time of application and is not necessarily related to the level of public interest in the site. We do not believe it would be fair to include those cost ‘outliers’ in calculating the average time taken and the resulting application charge set for most straightforward applications. Therefore, where the time taken to determine the permit exceeds 150% of the average time on which we have set our charges, we are proposing to charge time and materials at our standard rate of £125 per hour.

NRW-initiated variations

Where NRW decides that a permit needs to be varied we will charge the appropriate amount from the tables above.

Withdrawn applications

Where an application is withdrawn or deemed withdrawn, we will continue to use our judgement on whether to return part of the application charge, depending on how much time has been spent on the determination work up to that point.

Landfill

The disposal of waste in a landfill where the site receives more than 10 tonnes of waste in a day, or with a total capacity of more than 25,000 tonnes is now a Part A(1) Installation activity. However, prior to 1999 these activities were regulated under Waste Management Licences (WML). Other landfills are now classified as waste operations, and details of the charge proposals for these sites are contained in Appendix 5 – Site-based waste.

A landfill which accepts biodegradable or inert waste can remain a hazard to the environment for many years after it has ceased accepting waste. Many of these sites, which ceased operating whilst under a Waste Management Licence, continue to be regulated. We refer to these as ‘closed landfills’. There are also closed landfills which ceased operating whilst regulated under the Environmental Permitting Regulations (EPR).

We are proposing a consistent approach to charging for all types of landfill site permit applications across both Waste and Installations permitting. The charge will consist of the appropriate base charge and amounts for the relevant additional assessments from the standard list in the Waste or Installations charge scheme. In addition to this, the assessment of any landfill-specific reports, for example a hydrogeological risk assessment, stability risk assessment or landfill gas risk assessment, will be charged on a time and materials basis at our standard rate of £125/hour. This is to reflect the highly variable nature of landfill environmental risk assessment.

Medium combustion plant and specified generators

Key messages

The medium combustion plant (MCP) and specified generators (SG) regime is relatively new to Environmental Permitting having been introduced in 2018. It regulates combustion and generation plant that is lower environmental risk than Schedule 1 Part A(1) installation plant. A number of Standard Rules permits were developed to cover most of the types of application, with bespoke permits for the most complex where we need to carry out an impact assessment of emissions to air.

We propose adding a charge to cover the additional assessment needed where a MCP or SG activity is also a Schedule 1 Part B activity; and as with other Industry Regulation regimes we are proposing to introduce a charge for administrative variations.

Pre-application advice

NRW provides a basic pre-application advice service to assist with the application process and help applicants understand what they need to do. This advice is provided free of charge. Any subsequent advice is provided through our Discretionary Advice Service charged at a rate of £125 per hour plus VAT and is provided at NRW's discretion. We offer basic advice on:

- confirmation of the type of permit required
- the correct application forms to use
- what guidance must be followed
- how to work out the application charge.

Charge proposals for medium combustion plant and specified generators

Our proposed charges are shown in the tables below:

Standard Rules Permit number	Application	Permit schedule change	Transfer	Surrender
Specified generator Standard Rules SR2018 no.1 SR2018 no.2 SR2018 no.3 SR2018 no. 4 SR2018 no.5 SR2018 no.6	£229	£396	£280	£257
MCP Standard Rules SR2018 no.7 1 MCP only	£653	£396	£280	£257
MCP Standard Rules SR2018 no.7 up to 3 MCPs	£746	£396	£280	£257
MCP Standard Rules SR2018 no.7 up to 5 MCPs	£885	£396	£280	£257
MCP Standard Rules SR2018 no.7 up to 8 MCPs	£1,070	£396	£280	£257
MCP Standard Rules SR2018 no.7 up to 10 MCPs	£1,163	£396	£280	£257
MCP Standard Rules SR2018 no.7 up to 15 MCPs	£1,256	£396	£280	£257
specified generator mobile plant Standard Rules SR2018 no.8	£229	£396	£280	£257

Table 7 – Proposed Standard Rules MCP/SG charges

Note – A permit schedule change is a variation to add or remove MCPs or SGs from a standard rules permit

Bespoke Permit type	Application	Minor Variation	Normal Variation	Substantial Variation	Full Transfer	Part Transfer	Full Surrender	Part Surrender
Complex bespoke MCP/SG	£9,687	£1,339	£5,618	£8,907	£2,015	£3,225	£1,367	£1,973
Simple bespoke MCP/SG	£3,792	£1,339	£2,272	£3,069	£2,015	£3,225	£1,367	£1,973

Table 8 – Proposed bespoke MCP/SG charges

In addition to the tables above:

- Where an operator requests an Administrative Variation, the charge will be £560. There is no charge for NRW-initiated Administrative Variations.
- Where a medium combustion plant is also a Part B activity under Schedule 1 of the Environmental Permitting Regulations, we will add £880 to the application charge.
- Where a medium combustion plant or specified generator is a Directly Associated Activity to a Part A(1) activity on an Installation, additional amounts will be added:
 - For a new Installation including one or more Standard Rules equivalent MCP/ SG – the appropriate Standard Rules charge
 - For a new Installation including a bespoke MCP/SG – £1,578
 - For a Variation to an Installation Permit to add an MCP/SG with no other changes – the appropriate stand-alone MCP/SG charge from the tables above
 - For a Variation to an Installation Permit which includes changes to the MCP/SG along with other changes – add £947 to the Installation Variation charge
 - For a Variation to an Installation Permit where only the MCP/SG conditions are varied – the appropriate variation charge from the tables above
 - There will be no charge for non-technical changes to MCP/SG conditions as part of a Variation to an Installation permit.

For any scenario not listed above we will charge the most appropriate charge based on the above.

Non-nuclear radioactive substances

Key messages

Our charges for non-nuclear radioactive substances (nn-RSR) permit applications have not changed since before NRW was created. They fall into Tier 2 of the Unified Charging Scheme (UCS) and are fixed charges based on the type of permit being applied for.

The tasks involved in determining nn-RSR permits have increased in recent years. Our charges need to reflect these increased costs in addition to increased staff and business costs.

Pre-application advice

NRW provides a basic pre-application advice service to assist with the application process and help applicants understand what they need to do. This advice is provided free of charge. Any subsequent advice is provided through our Discretionary Advice Service charged at a rate of £125 per hour plus VAT and is provided at NRW's discretion. We offer basic advice on:

- confirmation of the type of permit required
- the correct application forms to use
- what guidance must be followed
- how to work out the application charge.

Charge proposals

We propose to continue charging fixed charges for the different types of nn-RSR permits. Based on analysis of time recording data and expert input from the Permitting team we propose the following:

Non-nuclear radioactive substances activities	Application	Variation	Transfer	Surrender
Standard facility for source category 5 SR2010 no.1	£2,133	£1,985	£399	£369
Keeping and use of one or more sealed sources where each source, and all sources taken together, fall within source category 5 and/or accumulation and/or disposal of waste sealed sources	£2,440	£2,421	£2,950	£2,090
Keeping and use of one or more similar sources and/or accumulation and/or disposal of waste sealed sources	£5,476	£5,218	£2,950	£3,503
Keeping and use of one or more high activity sealed source and/or accumulation and/or disposal	£7,191	£6,883	£3,442	£3,503
Keeping and use of open radioactive sources only	£4,515	£3,618	£2,950	£2,090
Keeping and use of open radioactive sources and/or accumulation and/or disposal of radioactive waste – low quantity	£5,850	£4,953	£2,950	£6,760 (£2,090 low risk)
Keeping and use of open radioactive sources and/or accumulation and/or disposal of radioactive waste – not being low quantity or high complexity	£7,835	£7,006	£2,950	£6,760 (£2,090 low risk)
Keeping and use of open radioactive sources and/or accumulation and/or disposal of radioactive waste – high complexity	£9,100	£7,651	£2,950	£9,833 (£2,090 low risk)

Table 9 – Proposed non-nuclear RSR charges

- Where an operator requests an Administrative Variation, the charge will be £860.
- A low risk surrender charge is charged where there is no likelihood of ongoing contamination after the permitted activities have ceased.

Consultation questions - See Appendix 9