



Department for
Business, Energy
& Industrial Strategy

A CHARGING SCHEME MADE UNDER REGULATION 22 OF THE OFFSHORE COMBUSTION INSTALLATIONS (POLLUTION PREVENTION AND CONTROL) REGULATIONS 2013 (AS AMENDED)

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INSTALLATIONS (POLLUTION PREVENTION AND CONTROL) REGULATIONS 2013 (AS
AMENDED)

Background

The Department for Business, Energy & Industrial Strategy's (BEIS's) Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) seeks to secure full cost recovery for all relevant regulatory transactions relating to offshore oil and gas operations, gas unloading and storage operations and carbon dioxide storage operations.

The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 makes provision for the Secretary of State to recover the costs associated with matters under those Regulations. The fees must be set out in a charging scheme. The current charging scheme has been in place since 1st July 2021.

The BEIS OPRED hourly rate costs for specialist and non-specialist staff have recently been reviewed based on revised full economic staff costs, accommodation costs, IT costs and relevant consultancy costs.

Environmental specialists are technical staff who carry out the relevant functions of the Secretary of State and non-specialists are administrative staff.

Following that review, the BEIS OPRED hourly rates are to change and will come into force the day after the date on which the Pollution Prevention and Control (Fees) (Miscellaneous Amendments) Regulations 2022 ("the Fee Regulations") are made in Parliament.

This document replaces the 2021 charging scheme. It incorporates the new hourly rates and explains the arrangements for invoicing and payment.

Guidance providing a detailed description of all the BEIS OPRED charging provisions and the cost recovery process is available at <https://www.gov.uk/guidance/oil-and-gas-fees-and-charges>.

The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (As Amended)

The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (as amended) implements the Industrial Emission Directive (Directive 2010/75/EU) and the Medium Combustion Plant Directive (Directive 2015/2193) for the offshore sector.

Regulation 22 of the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (as amended) details provisions relating to a charging scheme:

22. (1) Subject to paragraphs (2) and (5), the Secretary of State may charge a fee in respect of-
 - (a) determining-
 - (i) an application for a permit under regulation 4 or 4A;
 - (ii) an application for a variation under regulations 12 or 12B;
 - (iii) a surrender offer;
 - (iv) an application for assignment under regulation 18;
 - (b) the subsistence of a permit;
 - (c) carrying out-
 - (ai) a variation under regulation 12A;
 - (i) a variation of the conditions of a permit further to a review under regulation 13 or 15A;
 - (ii) a revocation of a permit;
 - (iii) a test or analysis of a substance;
 - (iv) a verification of the validity of, or the results of, a test or analysis of a substance;
 - (v) an assessment of the effect upon the environment of the operation of an offshore combustion installation.
 - (d) the provision of advice in respect of—
 - (i) an application or potential application for a permit under regulation 4 or 4A;
 - (ii) an application or potential application for a variation under regulation 12 or 12B;
 - (iii) a variation under regulation 12A;

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- (iv) a variation of the conditions of a permit further to a review under regulation 13 or 15A;
 - (v) a surrender offer;
 - (vi) an application or potential application for assignment under regulation 18;
 - (vii) a revocation of a permit;
 - (viii) a test or analysis of a substance;
 - (ix) a verification of the validity of, or the results of, a test or analysis of a substance;
 - (x) an assessment of the effect upon the environment of the operation of an offshore combustion installation.”;
- (2) A fee may only be charged under paragraph (1) where-
- (a) the Secretary of State has set out the fee in a charging scheme; and
 - (b) the charging scheme has been made publicly available before the scheme takes effect.
- (3) A fee is payable at the time provided in the charging scheme.
- (4) A charging scheme-
- (a) may be varied from time to time; and
 - (b) must be so framed such that the fees set out in the scheme are sufficient, taking one year with another, to meet the costs incurred by or on behalf of the Secretary of State in relation to the matters in respect of which a fee is payable.
- (5) A fee may only be charged in respect of the matters in paragraph 1(c)(iii) to (v) and paragraph (d)(viii) to (x) where those matters are carried out by the Secretary of State-
- (a) in anticipation of or in connection with an application for a permit under regulation 4 or an application for a variation under regulation 12 or 12B; or
 - (b) pursuant to the conditions in a permit.

This revised charging scheme is made under Regulation 22 of the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (as amended).

Description of the Scheme

Functions under the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (as amended) are administered on behalf of the Secretary of State by BEIS OPRED. The relevant chargeable functions are detailed above.

Specialist staff and non-specialist staff will separately record the time taken undertaking the chargeable functions.

The calculated hourly rate costs for specialist staff and non-specialist staff will be applied to the total time spent undertaking the functions and used to calculate a total fee for each offshore installation.

The separate hourly rate costs for specialist staff and non-specialist staff that will be used to calculate the total fees from the day after the date on which the Fees Regulations are made in Parliament are:

- £201 for specialist staff; and
- £104 for non-specialist staff.

This means that the fees will be sufficient, taking one year with another, to cover such expenditure as may be incurred by or on behalf of the Secretary of State in relation to the functions detailed above.

Fee Recovery

Fees will be recovered by BEIS OPRED acting on behalf of the Secretary of State.

A breakdown of the time spent by specialist and non-specialist staff on cost-recoverable activities will be provided. The breakdown will cover a specified period, but it is possible that it will contain costs relating to activities undertaken outside that period (for example, a submission received towards the end of one period, but the review not completed until the next period).

The breakdown will include information such as the name of the relevant company, installation and the location and, where appropriate, the reference number of any relevant permit issued under the legislation.

Separate entries will be provided for any relevant offshore inspections of named installations.

Separate entries will also be provided for any investigation activity, including costs relating to dealing with pollution incidents undertaken prior to the commencement of formal enforcement action, and for any cost-recoverable overseas visits.

A request can be made for separate invoices for different assets, providing representations are made to BEIS OPRED within 30 days of receipt of the breakdown clearly detailing the request.

Where a purchase order or separate purchase orders is/are required to facilitate payment of an invoice or separate invoices, the purchase order number or numbers must also be submitted to BEIS OPRED within 30 days of receipt of the breakdown.

Invoices will generally be issued within five (5) working days of receipt of a purchase order number or numbers, or confirmation that a purchase order is not required. If no response to the breakdown is received, invoices will generally be issued 30 days after submission of the breakdown. The invoices will detail the total amount(s) payable to cover fees for the period stated in the breakdown.

Payment will be due to BEIS OPRED within 30 days of the date of the invoice.

If any invoice is not paid, BEIS will actively pursue outstanding debts in accordance with its debt recovery procedures.

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