

**INFORMATION ON THE NEW ARRANGEMENTS BROUGHT ABOUT BY THE INTRODUCTION OF THE PETROLEUM (CONSOLIDATION) REGULATIONS 2014**



**Overview of the changes:**

<b>ARRANGEMENTS UNDER THE Petroleum (Consolidation) Act 1928</b>	<b>ARRANGEMENTS UNDER THE Petroleum (Consolidation) Regulations 2014</b>	<b>IMPACT OF THE CHANGE IN ARRANGEMENTS</b>
A Petroleum Licence is issued for the storage of petrol to an individual or company for a specified premises.	A Petroleum Storage Certificate (a 'PSC') issued against a premises only.	There will no longer be a licensee therefore there is no need to transfer a licence between incoming and outgoing site operators.
The licensee is obliged to adhere to any conditions that are attached to the licence as well as the requirements in other relevant legislation.	A registered keeper of petrol (the 'keeper') will be responsible for complying with all relevant legislation. The keeper has to be registered with the Petroleum Enforcing Authority (a 'PEA'). There is a requirement for both an outgoing keeper and incoming keeper to notify the PEA of the change in responsibility.	Where the keeper intends to pass the premises on to a new keeper they are only required to notify the PEA, there are no forms to be submitted, or statutory fees to be paid.
Special conditions of licence can be imposed by the Petroleum Licensing Authority (the 'PLA') in relation to the storage of petrol at the licensed premises.	Additional conditions will not be added by the PEA. Instead fire and explosion risks associated with the storage and dispensing of petrol must be risk assessed by the keeper (this is an existing requirement under the <i>Dangerous Substances and Explosive Atmospheres Regulations 2002</i> ).	Special conditions of licence will no longer be imposed.
Licences are subject to regular renewal (up to 3 year intervals at the discretion of the PLA).	The issued PSC remains valid indefinitely until a prescribed material change occurs (as defined in the regulations) or the premises cease to be used for the keeping of petrol for a continuous period exceeding 12 months.	A reduction in bureaucracy especially if the site is to remain unchanged for an extended period.
PLA approval must be sought for changes to be made to the approved arrangements at a licensed premises.	The regulations define what types of works (known as 'Prescribed Material Changes') require advance notification. Works that are not Prescribed Material Changes can be undertaken without notification to the PEA.	The responsibility to provide notification for certain activities at the certified premises is now clearly defined. There is a slight reduction in the type of works that require prior PEA approval.
A new licence would be issued following major works and significant changes to the approved arrangements. This may have incurred a new licence fee.	Where prescribed material changes are made to the site, the certificate would be replaced with an updated PSC detailing the new arrangements.	A revision to a PSC will not invalidate the payment period already paid for.
A licence fee is paid on the application for the granting, renewal or transfer of licence. Failure to apply for a licence or renew a licence constitutes a criminal offence for unlicensed storage.	The keeper can choose the number of years for which they would like to pay, which may be up to 10 years. Fees paid are not refunded if the premises ceases to store and dispense petrol. Keeping petrol on dispensing premises without a valid PSC constitutes an offence.	The administrative burden is reduced and there is a possibility of paying a reduced rate in advance should fees increase during the period for which the fee has already been paid.

## Statutory Fees

Fees remain consistent with the previous licensing regime. The statutory fee for a PSC is as follows:

### **Total quantity of petrol stored:**

Not exceeding 2,500 litres...	£42 for each year of certificate
Exceeding 2,500 litres but not exceeding 50,000 litres...	£58 for each year of certificate
Exceeding 50,000 litres...	£120 for each year of certificate

These fees are set by the *Health and Safety (Fees) Regulations 2012*, as amended. The fees are subject to regular review and site operators should be aware that statutory fees could increase in the future. You should note that:

- The fee band will be determined as the sum of the maximum working capacities [MWC] of the tanks that contain petrol at the time of application. The MWC being defined in HSE Approved Code of Practice L133 and determined using Energy Institute guidance for calculating tank capacities.
- The option to pay the fee for any period (in whole years) up to 10 years means that the keeper will not be subject to any increase in fees during the period for which they have paid. This may also reduce the administrative burden on the keeper with a lower frequency of fee payments.
- The keeper should indicate on the application form the period for which they wish to pay. Once this period has ended a new payment period of up to 10 years can be initiated. A failure to pay this fee will result in a debt being levied upon the premises and keeper.

## Keeper Responsibilities

### **During the transition period:**

A key purpose of the new legislation is to remove some of the existing administrative burdens on industry and enforcing authorities. For existing licensed premises with an expiring licence we will grant a PSC based on records that are held for that premises. Therefore, keepers are not required to present any supporting documentation during this transition; however it is important to become familiar with the new legal framework and the new/amended legal duties.

Once issued a PSC will schedule the tank compartments which the PEA determines are suitable to safely store petrol. A tank compartment not listed in the schedule may not be used to store petrol.

Typically only tank compartments currently used to store petrol will be listed in the schedule; however, in certain circumstances the schedule may list tank compartments that are currently used to store a fuel other than petrol, which may be switched to store petrol at some future point without prior notification to the PEA. You are reminded that the provisions of the *Dangerous Substances & Explosive Atmosphere Regulations 2002* will still apply when you switch between fuels and this process needs to be carefully managed.

The application form will list all tank compartments at the premises (including those currently used to store fuels other than petrol). We intend only to schedule tanks on the PSC that are currently configured to store petrol. If you believe that additional tank compartments are suitable for the safe storage of petrol then you should contact us with evidence to demonstrate this. If this evidence is accepted then the PSC Schedule will be revised at no charge.

For keepers with multiple sites, depending on the circumstances, the issuing of certificates is to be done on a rolling basis by utilising the previous licence renewal date as the initiator for issuing the storage certificate.

## Ongoing Responsibilities:

Once the PSC is issued you need to:

- Notify the PEA if a prescribed material change is to occur at the certificated premises
- Notify the PEA if you intend to cease or transfer operations as a keeper at a certified premises

Note that the incoming operator must also notify the PEA prior to becoming the keeper at a certified premises. The regulations specify the period for such notifications to be no less than 28 days.

For site incidents you should follow nationally accepted guidance and best practice for reporting incidents including: spills (above notifiable thresholds); leaks or suspected leaks, and; damage to petrol storage and dispensing structures/equipment. You should keep drawings of the certified premises readily available to ensure that contractors working at the certified premises are fully aware of the layout of underground structures, drainage systems and tank to pump arrangements. These drawings are also necessary to form part of your emergency plan.

Finally, you continue to have responsibilities under other legislation relevant to the safe operation of such premises; including the *Health & Safety at Work act 1974*, the *Management of Health & Safety at Work Regulations 1999* and the *Dangerous Substances and Explosive Atmosphere Regulations 2002*.

## Frequently Asked Questions

### Licence/storage certificate:

#### ***Do I need to confirm the details on the PSC application form?***

If you do not highlight any discrepancies in the pre-completed application form then incorrect information will be entered onto the PSC which would effectively invalidate the certificate.

#### ***I have more than one site but I have not received a PSC application form for my other premises, what happens to the licences on those sites?***

Due to the high volume of certificates to process they are being done on a rolling programme based on the existing licence renewal date. Whilst the licence will no longer be valid your site will be deemed to be compliant until the PSC is issued.

#### ***What should I do with the certificate if I hand the site over to a new occupier?***

The PSC should be handed over to the new occupier as soon as they become responsible for the site.

#### ***Do I need to provide any evidence to the PEA before I can have the PSC issued?***

There is no obligation for an operator of an existing licensed premises to provide further information for the PSC to be granted. Evidence would be required if you would like additional tank compartments to be added to the PSC schedule (these compartments being currently used to store fuels other than petrol).

#### ***I have not received a PSC for my site yet, I still have a licence, but I wish to transfer the site to a new occupier, do I still need to use a transfer form?***

No, after October 2014 the new requirements apply therefore you are required to notify us no later than 28 days prior to your departure. After the specified date a storage certificate will be issued in place of the licence. Please note the incoming occupier is also duty bound to notify the authority of their intention to take over the site no later than 28 days beforehand.

## **Keeper of petrol (keeper):**

### ***What is a 'keeper'?***

A keeper is a person who keeps petrol on the certified dispensing premises; the keeper has responsibility for the safe operation of the site and will be legally obliged to ensure the site is compliant with legislative requirements.

### ***Is this the same as a licensee?***

In most cases yes, this term will be replaced with 'keeper'. As licences will be removed there will no longer be the need for a licensee; typically the current licensee will become the keeper.

### ***What happens if I sell the site to somebody else?***

There will no longer be a transfer procedure in place, the PSC is based on a premises rather than a person (formerly the licensee). Instead the current keeper is required to notify us no later than 28 days prior to their departure.

### ***What actions should the new occupier take?***

The new occupier is also required to notify the PEA of their intention to occupy the premises. They must do so 28 days prior to commencing occupation.

### ***Why do I need to tell the PEA if I am vacating the premises, my name will not be on the certificate?***

The keeper has responsibility for the premises and therefore is duty bound to notify the PEA if they are vacating a premises.

### ***What are my responsibilities if I am closing and vacating the site?***

In the first instance the PEA must be informed. Where the site is to no longer operate as a dispensing premises the petroleum installation must be made safe. We are happy to provide guidance on the safe decommissioning of the installation. Relevant publications are *PELG-PETEL 12* [Energy Institute] and the *Guidance for Design, Construction, Modification, Maintenance and Decommissioning of Filling Stations* [Association for Petroleum and Explosive Administration].

## **Statutory Fees:**

### ***What happens at the end of the period I have selected?***

Shortly before the end of the designated period we will ask you how many years for which you wish to pay the statutory fee (the 'payment period'). After this has been agreed an invoice will be issued.

### ***Can I obtain a refund if I vacate the premises before the end of the specified period?***

This fee is non-refundable. The fee payment that has been made will continue to remain valid for the new occupier until the end of the specified period.

### ***What happens if a new occupier takes over the premises before the end of the period?***

The premises will be covered until the end of the designated payment period. After such date the new occupier will be asked to pay the next payment period. Please note that the correct notification procedures outlined above must be followed.

### ***How do I pay the fee?***

An invoice will be issued shortly after the initial PSC has been issued. You will be asked to provide a purchase order number and invoice address. The same process will occur at the expiry of each payment period. If you wish, you can reduce the administrative burden on yourself by electing a longer payment period.

***I have more than one site, do I have to choose the same payment period for all the sites or can I decide on a case by case basis?***

There is no requirement for an occupier with multiple sites to have a uniform payment period; each site can have its own designated payment period, which can be re-evaluated at the end of the allotted timeframe.

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