

OPEN AGENDA

Copy No:

No: 79/2017

Memorandum for Executive Council

SUBJECT

Petroleum (Amendment) Regulations, 2017

Memorandum by Chairman, Public Health Committee

ADVICE SOUGHT 1. Council is asked to advise whether the attached Petroleum (Amendment) Regulations, 2017 should be enacted and come into effect from 31 December 2017.

BACKGROUND & CONSIDERATIONS

2. The Petroleum Ordinance and Regulations regulate the importation, storage and handling of petroleum and also provides for the Public Health Committee to issue licenses to deal and sell in petroleum.

3. The licence fees payable by applicants are contained in the first schedule to the Petroleum Regulations and have been recently reviewed by the Health Directorate and Public Health Committee.

4. It has been determined that the current fees do not cover the administration cost for the Health Directorate and Public Health Committee to assess and process petroleum licenses. It was also noted that these licence fees have not been reviewed or changed in more than 10 years.

5. It should also be noted that the current and proposed licence fees do not cover the cost of the Fire & Rescue Section of the Police Directorate to carry out their safety checks as part of the licensing process.

6. The petroleum licence fees proposed in the following table reflects the administration cost of processing petroleum licenses.

	Licence	Current Fee	Proposed Fee	Increase
1	To store petroleum—	£5.50	£20.00	£14.50
2	To sell petroleum from a fixed pump—	£33.00	£60.00	£27.00
3	To sell petroleum from a moveable pump—	£2.20	£20.00	£17.80
4	To deal in and sell paraffin— for each premises where paraffin is dealt in and sold—	£1.10	£20.00	£18.90

7. Petroleum licences are for one year from 1 January to 31 December each year. Applications from current licence holders are now being made. It is recommended that these licence fees

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are made effective from 31 December 2017 to ensure that the new fees apply to any licences granted from 1 January 2018.

FINANCIAL IMPLICATIONS

8. There will be no financial implications on the current expenditure budget or future budgets of increasing petroleum licence fees. There is an administrative process that is currently in place for the charging and collection of fees.
9. The rate of increase in fees is significant however it will now reflect the true cost of providing this service.
10. Currently there are 32 petroleum licence holders and this currently generates £260. If this increase is agreed an additional £520 in revenue will be generated.

ECONOMIC IMPLICATIONS

11. The increase in the Petroleum Licence fees is marginal and therefore it is not anticipated to have a significant economic impact.

PUBLIC/SOCIAL IMPACT

12. It is not anticipated that this increase in licence fees will have a significant public/social impact. It is petroleum licence holders or applicants that will be affected by this change.

ENVIRONMENTAL IMPACT

13. Although the dealing and selling in petroleum has environmental risks, the decision being made in this paper to increase petroleum licence fees has no direct environmental implications.

PREVIOUS CONSULTATION / COMMITTEE INPUT

14. The proposal to increase petroleum licence fees was discussed and endorsed by the Public Health Committee at the meeting held on 4 October 2017.

PUBLIC REACTION

15. It is anticipated that there will be minimal public reaction to these increases as the increases only affects petroleum licence holders.

PUBLICITY

16. The amendment Regulations will be published via a Legal Notice and be published in the *Gazette*.

SUPPORT TO STRATEGIC OBJECTIVES

17. This paper supports “Altogether Wealthier” as it seeks to ensure that the true cost of providing services is charged and SHG recovers those costs.

OPEN AGENDA ITEM

18. This item is recommended for the open agenda.

Corporate Services
The Castle
Jamestown

DFT
06.12.2017