

NORTH LONDON WASTE AUTHORITY

REPORT TITLE:

THIRD PARTY RE-USE AND RECYCLING CREDIT REGISTRATIONS

REPORT OF:

HEAD OF WASTE STRATEGY AND CONTRACTS

FOR SUBMISSION TO:

AUTHORITY MEETING

DATE:

10th February 2012

SUMMARY OF REPORT:

This report advises Members of the third party organisations that have applied to be registered for third party reuse and recycling credits for 2012/13 and recommends their approval.

RECOMMENDATION

The Authority is recommended to approve the applications for registration for reuse and recycling credits payments from all twenty-one organisations listed at Appendix 2 of this report.

**Signed by Head of Waste Strategy
and Contracts**

Date: 1st February 2012

1.0 OVERVIEW

- 1.1 Reuse and recycling credits are paid to parties that remove items from the municipal waste stream for reuse or recycling that would otherwise have been sent for disposal at the Authority's expense. The value of the credit recognises the saving to the Authority made by this recycling activity.
- 1.2 The Government recognises the benefits offered by third party recycling activities and expects the Authority to be predisposed to make such payments and introduced a new scheme through Section 49 of the Clean Neighbourhoods and Environment Act 2005 (CNEA 2005) with new guidance to encourage this.
- 1.3 Payment of credits to third parties for waste they divert from landfill for recycling, composting or reuse is consistent with implementation actions (4.C2 and 8.B1) within the North London Joint Waste Strategy.
- 1.4 The Authority's current scheme for third party reuse and recycling credits commenced in 2007/08. The eligibility criteria for 2012/13 applications were agreed in April 2009 and are set out in Appendix 1 of this report.

2.0 CALCULATION AND PAYMENT OF REUSE AND RECYCLING CREDITS TO THIRD PARTIES

- 2.1 Since 1st April 2006, the Authority has had the power under the Clean Neighbourhoods and Environment Act to make recycling credit payments to third parties according to the amount of waste that is diverted from the Authority's waste stream. Government guidance expects the Authority to be predisposed to pay claims from third parties. If an application for third party credits is refused, the Authority is expected to provide reasons for the refusal.
- 2.2 Government guidance suggests that the sale of second-hand books or clothes and the use of returnable or refillable bottles is not eligible for credit payments and that goods donated to charity shops are not classified as waste at the point of donation, so charity shops are not eligible to receive recycling credits on goods as they are donated to their shops. However, charity shops can claim reuse and recycling credits for items that cannot be sold and are then recycled or exported for reuse. Both the Environment Agency and community waste sector have produced guidance notes on reuse that contain advice for local authorities and third parties, but difficult uncertain instances of reuse in particular will inevitably arise and judgments will have to be formed on whether the reuse activity proposed is genuinely reducing the Authority's waste stream.
- 2.3 The value of third party reuse and recycling credits is calculated using the method described in the Environmental Protection (Waste Recycling Payments) (England) Regulations 2006¹.

¹ The credit is to be calculated as the average cost per tonne of waste disposal for similar waste in 2005/06, using the Authority's most expensive form of disposal in each WCA area as of 31 March 2006 and then calculating an average of these WCA values across a whole WDA area to create a single credit value across a WDA area. The calculation methodology then required the WDA 'average' credit value to be increased by 3% on 1st April 2007 with subsequent increases of 3% of the compounded figure on 1st April each year thereafter. The 3% per annum increase in the value of credits means that the value of the credit reflects increasing avoided disposal costs but not the increasing costs of landfill tax.

- 2.4 The method of credit calculation is open to review by Government for example if there were circumstances where inflation was to rise substantially over 3%. However, following current guidance for 2012/13 the reuse and recycling credit value for the Authority area is budgeted as £62.24 per tonne, a figure that is not permitted to take account of expenditure incurred in administering the scheme.

3.0 APPLICATION PROCESS FOR REGISTRATION

- 3.1 In order to budget appropriately, organisations wishing to claim credits are asked to complete an application form by 31st December for registration to claim credits in the subsequent financial year. The application form requires applicants to estimate the number of tonnes for which they expect to claim credits in the forthcoming year, should their application be successful. Only organisations that have been successful in registering for credits with the Authority are then able to make tonnage claims throughout the year. The registration of applicants is renewed annually.
- 3.2 Between September and December 2011 Authority officers contacted all third party organisations that had previously expressed an interest or been registered for the receipt of reuse and recycling credits from the Authority to remind them² about the deadline for receipt of applications.

4.0 APPLICATIONS RECEIVED AND FUTURE DECISIONS

- 4.1 Twenty-one organisations have submitted applications to register as potential claimants for recycling and reuse credits in 2012-13 as shown at Appendix 2. From the application forms submitted, all of the organisations meet the applicable eligibility criteria and are recommended for registration. All of the constituent borough councils have applicants working in their areas.
- 4.2 Members may wish to note that the total tonnage for which the 2012/13 applicant organisations anticipate they will want to claim (3,471 tonnes) represents a 4.1% increase on the 3,335 tonnes anticipated by the eighteen non-profit making applicants for 2011/12. The Authority's 2012/13 draft budget presented elsewhere on this Authority agenda allows for this increase and includes a budget provision of £216,035.

5.0 RECOMMENDATION

- 5.1 The Authority is recommended to approve the applications for registration for reuse and recycling credits payments from all twenty one organisations listed at Appendix 2 of this report.

6.0 COMMENTS OF THE LEGAL ADVISER

- 6.1 The Legal Adviser has been consulted in the preparation of this report and has no comments to add.

² Information about registering for credits including application forms for registration is also available throughout the year on the Authority website at www.nlwa.gov.uk/waste-resources/businesses/reuse-and-recycling-credits

7.0 COMMENTS OF THE FINANCIAL ADVISER

7.1 The comments of the Financial Adviser have been incorporated into this report and he has no further comments to add.

Local Government Act 1972 – Access to information

Documents used: “Guidance on the Recycling Credit Scheme”, DEFRA, April 2006 (<http://www.defra.gov.uk/environment/waste/localauth/pdf/recyclingcreditscheme-guidance.pdf>)

Community Recycling Network “Measure your treasure” guidelines, available on the Community Recycling Network website <http://www.crn.org.uk/projects/myt/contents.shtml>, originally published as a report from a data collection project of the same name, by the Community Recycling Network, 2001

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**NORTH LONDON WASTE AUTHORITY POLICY
ON THE PAYMENT OF
THIRD PARTY REUSE AND RECYCLING CREDITS**

(Approved at the Authority meeting on 22nd April 2009)

The Authority has agreed to pay third party reuse and recycling credits subject to a range of conditions:

- i) Only household waste, including waste collected from schools and colleges that is recycled, composted or reused is eligible for a credit.
- i) All waste must be collected within the area served by the North London Waste Authority and its constituent borough councils.
- ii) The collection of waste for recycling (or reuse) does not conflict with existing Borough collection schemes and is consistent with the North London Joint Municipal Waste Strategy.
- iii) The Authority or the constituent borough councils do not already pay for the waste to be collected or recycled.
- iv) All claimants and reprocessors that will collect and recycle waste must be registered and approved at the February Authority meeting for the subsequent financial year. Registrations must be renewed annually.
- v) Applicants must advise the Authority of such details as are required to budget adequately and verify the claims made. These details may be amended or added to in future but are currently:
 - Organisation name and address
 - Description of recycling or reuse activity
 - Whether the organisation is a not-for-profit, profit-making or charity
 - Location by borough of waste collection points
 - Types and estimated quantities of materials to be collected for recycling or reuse.
- vi) Claims are to be made quarterly during the financial year. Quarterly claims are to be submitted to the Authority within eight weeks of the quarter end.
- vii) The waste collector and subsequent holders of the waste must be fully compliant with the waste Duty of Care and other relevant waste management regulations and evidence to support this compliance must be made available to the Authority.
- viii) All claims are to be submitted in writing to the Authority and must be supported by sufficient evidence to allow the Authority and the constituent borough councils to include the waste in the calculation of National Indicators and to satisfy all our external auditors.

- x) Applications for registration for third party reuse and recycling credits from profit-making companies or associated organisations (such as non-profit making trusts or foundations associated with a private, profit-making company or a company such as a charity trading company, which covenants 100% of its profits to a charity or other non-profit-making organisation) will not be considered.

- xi) Applications for registration from companies subject to any form of producer responsibility legislation or schemes and for wastes potentially falling within these will similarly not be considered.

**ORGANISATIONS THAT HAVE APPLIED TO REGISTER FOR THIRD PARTY
REUSE AND RECYCLING CREDITS
FROM THE NORTH LONDON WASTE AUTHORITY FOR 2012/13**

Contact and address of Organisations	Description	Registered in 2011/12?	Location of Collection Points	Materials	Estimated Annual Tonnage
Age UK 44 Hardwick Grange, Woolston, Warrington WA1 4RF Charity Number 1128267	Charity Shops	Yes	Barnet, Camden, Waltham Forest	Textiles, Shoes, Books, Paper,	162
				Cardboard, Metals, Plastics	
Barnardos Children's Charity Linney House, Tanners Lane, Barkingside, Essex IG6 1QG Charity Number 216250	Charity Shops	Yes	Barnet, Enfield, Haringey, Waltham Forest	Textiles, Shoes, Paper, Books	140
Barnet Furniture Centre 4 Queens Parade Close N11 3FY Charity Number 1140541	Charity	No	Barnet	Furniture	100
Battersea Dogs & Cats Home 4 Battersea Park Road, London SW8 4AA Charity Number 206394	Charity Shops	Yes	Barnet, Camden, Enfield, Hackney Haringey, Islington, Waltham Forest	Textiles, Books	40

British Heart Foundation Crown House, Church Road, Claygate, Esher, Surrey KT10 0BF Charity Number 225971	Charity Shops	Yes	Barnet, Camden, Enfield, Waltham Forest	Textiles, Shoes	182
British Red Cross South Area 8 Retail Office 26 Burleigh Street Cambridge CB1 1DG Charity Number 220949	Charity Shops	Yes	Barnet, Camden, Enfield	Textiles, Books	80
Homestore (QSA) Unit 2, Maryland Industrial Estate, 26 Maryland Road, Stratford E15 1JW Charity Number 1069157	Charity	Yes	Waltham Forest	Furniture	10
Make-A-Wish Foundation 329-331 London Road, Camberley, Surrey GU15 3HQ Charity Number 295672	Charity	Yes	Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest	Textiles, Books	90
Minds Matter 15-19 Broadway, Stratford, London E15 4BQ Charity Number 219830	Charity Shops	Yes	Enfield, Hackney, Haringey	Textiles, Shoes	20
North London Hospice 47 Woodside Avenue, London N12 8TF Charity Number 285300	Charity Shops	Yes	Barnet, Enfield, Haringey	Textiles, Shoes, Books	178

NSPCC Weston House 42 Curtain Road London EC2A 3NH Charity Number 216401 & SC037717	Charity	Yes	Barnet, Camden, Enfield, Hackney	Textiles, Books	150
			Haringey, Islington, Waltham Forest		
Oxfam 76-78 High Street, Shirley, Southampton SO15 3NE Charity Number 202918 & 039042	Charity Shops	Yes	Barnet, Camden, Enfield, Haringey,	Textiles, Books, Cardboard, Paper,	1,277
			Islington, Waltham Forest	Metal	
PDSA Whitechapel Way, Priorslee, Telford TF2 9PQ Charity Number 208217	Charity	Yes	Barnet, Waltham Forest	Textiles, Shoes	75
Pro Cancer Research Fund 127 Green Lanes N13 4ST Charity Number 1090822	Charity Shops	No	Enfield	Textiles, Shoes, Books, Cardboard,	100
				Metal	
RICI (Re-use in Camden and Islington) c/o LCRN 28 Charles Square London N1 6HT	Charity	No	Camden, Islington	Furniture	134
Restore Community Projects 18 Ashley Road, Tottenham, London N17 9LJ Charity Number 1054645	Charity	Yes	Barnet, Camden, Enfield, Hackney	Furniture	110
			Haringey, Islington, Waltham Forest		

Scope Stock & Recycling Dept. 6 Market Road Londno N7 9PW Charity Number 208231	Charity Shops	Yes	Barnet, Camden, Enfield, Hackney	Textiles, Shoes, Books	175
			Haringey, Islington, Waltham Forest		
Sense Trading division, Unit 4 Bourne Industrial Park Bourne Road Crayford, Kent DA1 4BZ	Charity	Yes	Enfield, Hackney, Haringey, Islington, Waltham Forest	Textiles, Shoes, Books	100
Sue Ryder First Floor Kings House King Street Sudbury CO10 2ED	Charity Shops	No	Camden, Enfield, Haringey, Islington, Waltham Forest	Textiles, Shoes, Books	20
Traid 65 Leonard Street London EC2A 4QS Charity Number 297489	Charity	Yes	Barnet, Camden, Enfield, Hackney	Textiles, Shoes	314
			Haringey, Islington, Waltham Forest		
UHURU (Peaceful) Trust Kestrel Road Mansfield NG18 5FT Charity Number: 1130978	Charity	Yes	Barnet, Enfield	Textiles, Shoes	14
TOTAL ESTIMATED TONNAGE					3,471

**NORTH LONDON WASTE AUTHORITY
PAYMENT CRITERIA FOR
THIRD PARTY REUSE AND RECYCLING CREDITS**

A successful registration does not mean that an applicant will automatically receive credits from the Authority – payment of credits remains subject to an initial inspection or audit visit to carry out waste management licences and/or exemption checks and see reporting systems; in-year inspections and a later scrutiny and audit process at the time of the final claim. The payment criteria for applicants claiming third party credits from the North London Waste Authority are that organisations:

- i) Must be formally registered by the Authority.
- ii) Must provide evidence of a collection and reuse or recycling system and tonnages, or other agreed measurements, including the source of the waste acceptable to the Authority and must submit quarterly data to the Authority in an agreed form no later than eight weeks after the end of the Authority's relevant quarter and financial year-end.
- iii) Must provide evidence of Environment Agency issued Waste Carrier Registration(s) (if applicable).
- iv) Must provide evidence of Environment Agency issued Waste Management Licence or exemption (if applicable).
- v) Must co-operate fully with Authority officers in their inspections and auditing of the above.
- vi) Must accept that the Authority will make quarterly payments in line with quarterly claims submitted by the registered organisations subject to in-year inspections and a final year-end audit at the close of the Authority's financial year.

Report Ends