

**NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:**

**THIRD PARTY REUSE AND RECYCLING CREDIT REGISTRATIONS**

**REPORT OF:**

**HEAD OF WASTE STRATEGY AND CONTRACTS**

**FOR SUBMISSION TO:**

**AUTHORITY MEETING**

**DATE:**

**11<sup>th</sup> February 2009**

**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 2009/10 and makes recommendations in relation to these. The report also provides an update on third party reuse and recycling credits claimed in the second quarter of 2008/09 and advises Members of the next review point for the Authority's policy on third party reuse and recycling credits.

**RECOMMENDATIONS:**

The Authority is recommended to:

- i) approve the applications for registration for reuse and recycling credits for 2009/10 as recommended in Appendix 1 of this report;
- ii) approve the applications for registration for reuse and recycling credits for 2009/10 as recommended in Appendix 2 of this report, subject to further negotiation and agreement of eligible tonnages and appropriate terms and conditions, whilst reserving the right not to pay credits at all;
- iii) delegate authority to the Head of Waste Strategy and Contracts in consultation with the Chair and Group Leaders to renew or vary such special terms and conditions and approve that this delegation shall apply to all future claims from profit-making companies;
- iv) note the third party reuse and recycling credits paid in Quarter 2, 2008/09 and that the next formal review of the Authority's policy on paying third party reuse and recycling credits is scheduled in September 2009.

**Signed by Head of Waste Strategy**

**and Contracts**

.....

**Date:** .....

## 1.0 OVERVIEW

- 1.1 Recycling credits were introduced by Section 52 of the Environment Protection Act in 1990. The Authority commenced payments of recycling credits in 1993 and has continued to pay them since. In 1993 recycling credits were the only financial or regulatory incentive to reduce waste to landfill but today there are a number of measures designed to promote more sustainable waste management, principally the landfill tax and the landfill allowance trading scheme (LATS).
- 1.2 Recycling credits are paid to parties that remove items from the municipal waste stream for 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. The major beneficiary of recycling credits has historically been the constituent boroughs councils with a few far smaller claims paid to third parties.
- 1.3 The current system of levying each Borough in proportion to the tonnage of waste they have delivered to the Authority for disposal (the tonnage based levy) became fully operational from 1<sup>st</sup> April 2008, following a 2 year transition period. With the change to a tonnage-based levy boroughs have an incentive to reduce their levy payments by reducing the amount they send to the Authority for disposal, so there is no longer a need for the same level of alternative incentives such as the recycling credit scheme as there was in the past. During the transition period to the tonnage based levy however, the Authority agreed to make voluntary payments to the constituent borough councils in place of recycling credits on a reducing scale for waste recycled during 2006-07 and 2007-08. This arrangement ceased on 31<sup>st</sup> March 2008. The Authority retains the power to make recycling credit payments to third parties to support recycling activity.
- 1.4 The Government recognises the benefits offered by third party recycling activities and expects the Authority to be predisposed to make such payments. It introduced a new scheme through Section 49 of the Clean Neighbourhoods and Environment Act 2005 (CNEA 2005) with new guidance to encourage this.
- 1.5 Payment of credits to third parties for waste they divert from disposal for recycling, composting or reuse is consistent with implementation actions within the North London Joint Waste Strategy.
- 1.6 On 20th September 2006 the Authority approved a new system of paying reuse and recycling credits. The Authority also resolved that the Authority's policy on paying third party reuse and recycling credits should be kept under review in relation to any unforeseen issues that may arise with specific reviews in September 2007 and September 2008.
- 1.7 The September 2008 review brought about some slight changes to the Authority's policy. The new revised policy is shown in section 3 of this report.

- 1.8 This report focuses on the applications received from third party organisations for registration to receive recycling and/or reuse credits from the Authority in 2009/10. The report also provides a brief update on claims made in quarter 2 (July to September) 2008/09 by ten of the organisations which are registered with the Authority for the 2008/09 financial year.

## **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. The Government expects the Authority to be predisposed to pay claims from third parties and such a policy supports the North London Joint Waste Strategy implementation actions 4.C2 in relation to rewarding effective reuse services and 8.B1 to actively encourage community sector involvement in delivery of services wherever this can be demonstrated to offer Best Value. If an application for third party credits is refused, the Authority is expected to provide reasons for the refusal.
- 2.2 The Government suggests that the sale of second-hand books or clothes, and the use of returnable or refillable bottles are 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 be eligible to receive recycling credits on goods donated to their shops (at the point of receipt by the shop). However, charity shops are eligible to claim 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 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 per tonne of third party reuse and recycling credits is calculated using the method described in the Environmental Protection (Waste Recycling Payments) (England) Regulations 2006 which provide a formula for a calculated value and a default value if data is not available for the formula. The Authority's calculated value is £55.30 per tonne for 2008/09 rising to £56.96 in 2009/10, and therefore it would not be appropriate for the Authority to apply the Regulation default figures of £70.18 and £72.28 respectively.
- 2.4 No account shall be taken of expenditure incurred in administering the scheme.

## **3.0 AUTHORITY POLICY ON THE PAYMENT OF THIRD PARTY REUSE AND RECYCLING CREDITS**

- 3.1 The Authority has agreed to pay third party reuse and recycling credits subject to the following conditions:
- i) Only household waste, including waste collected from schools and colleges that is recycled, composted or reused is eligible for a credit.

- ii) All waste must be collected within the area served by the North London Waste Authority and its constituent borough councils.
- iii) 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.
- iv) The Authority or the constituent borough councils do not already pay for the waste to be collected or recycled.
- v) 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.
- vi) 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.
- vii) 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.
- viii) 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.
- ix) 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 be considered but their applications for registration and subsequent credit claims will be assessed separately against the above criteria and even if registration is initially approved will remain subject to appropriate terms and conditions that provide additional, measurable social and economic benefits in the Authority's area to the Authority's satisfaction in accordance with its Best Value obligations and those of its constituent borough councils. The Authority reserves the right not to pay any credits at all.

- xi) Applications for registration from companies subject to any form of producer responsibility legislation or schemes and for wastes potentially falling within these will be considered but the Authority reserves the right to make special terms and/or not to pay any credits at all as at x) above.

#### **4.0 REGISTRATION OF THIRD PARTY ORGANISATIONS**

- 4.1 In order to implement the above and to budget appropriately, officers promoted the opportunity to register for 2009/10 by the following means, (the constituent borough councils were also aware of the registration timetable):
- Sending details to all previous claimants.
  - Making details available on the Authority's website.
- 4.2 Follow-up communication and liaison also occurred with several organisations throughout the application procedure, and subsequently a number of organisations have applied to be registered to receive reuse and recycling credits from the North London Waste Authority in 2009/10. The next section of the report provides the details.

#### **5.0 APPLICATIONS RECEIVED**

##### **Non-profit making organisations**

- 5.1 Sixteen non-profit/charity organisations have submitted applications to register as potential claimants for reuse and recycling credits in 2009/10. This compares with fourteen applications in 2008/09. The details of all applications are shown in Appendix 1. There is at least one applicant's collection point in all of the constituent borough councils' areas.
- 5.2 From the application forms submitted, all sixteen of the non-profit making organisations meet the eligibility criteria and accordingly their applications for registration are recommended for registration. However, registration does not mean that the applicant will automatically receive credits from the Authority. Payment of credits remains subject to in-year checks and inspections and a later scrutiny and audit process at the time of the final claim
- 5.3 The key area where some organisations struggle at the audit stage is in their ability to provide proof of tonnes diverted from disposal. The government guidance does not make it mandatory for organisations to provide weighbridge tickets showing tonnes recycled or composted and it is expected that the auditing and checks carried out are proportionate to the sums being claimed.

##### **Profit making organisations**

- 5.4 Two profit-making organisations have applied for registration for reuse and recycling credits – Tesco Stores and Chris Careys Collections as at Appendix 2. Both Tesco Stores and Chris Carey’s Collections were registered by the Authority to receive reuse and recycling credits in 2008/09. However, in neither case were terms for the payment of credits agreed and no claims have to date been made by either organisation. In the case of Tesco, this was because appropriate terms and conditions have not yet been agreed, and in the case of Chris Careys Collections it was because they did not reply to any of our communications.
- 5.5 Details of the Authority’s policy on profit-making applications are outlined in paragraphs 3.1.x) and 3.1.xi) above with further considerations included in Appendix 3 that Members might additionally like to take into account in coming to a conclusion about these applications. It is recommended that both organisations are registered to receive reuse and recycling credits, subject to further negotiation and agreement of eligible tonnages and appropriate terms and conditions, whilst reserving the right not to pay credits at all. It is therefore also recommended that authority to renew or vary such special terms and conditions is delegated to the Head of Waste Strategy and Contracts in consultation with the Chair and Group Leaders and that this delegations shall apply to all future claims from profit-making companies.

### **Summary of Applications for Registration**

- 5.6 The applicants for registration for receiving reuse and recycling credits in 2009/10 (as listed in Tables 1 and 2) estimate in total, if approved for registration, that they will claim for 3,456.00 tonnes of material diverted from the NLWA, which is equivalent to a total estimated cost of £0.257 million. The total tonnage from 2008/09 applications (provided at the time of application) was 4,239 and for 2007/08 - 2,653 tonnes. This reduction in anticipated recycling and reuse tonnages from third party organisations wishing to register for credits compared 2008/09 is due to:
- The fact that a number of organisations who applied last year have revised their tonnage estimates downwards for 2009/10 compared to their estimate for 2008/09, in the light of the 2008/09 year-to-date claims.
  - Tesco also now estimate that they will divert up to 540 tonnes of material for recycling in 2009/10, compared to an estimate of 865 tonnes in 2008/09.
  - Additionally for 2008/09, the list of applications included Freecycle UK who estimated that they would want to claim for 1,000 to 1,500 tonnes during the year. Freecycle UK has not applied for registration for reuse and recycling credits from the Authority for 2009/10.
- 5.7 With claims at the anticipated tonnages quoted in their applications and at the estimated value of the credit of £56.96/tonne for 2009/10 it has been necessary to make a budget provision of £0.200 million in 2009/10 (noting that due to the new statutory scheme, there will be an increasing gap between the credits paid and the savings made due to landfill tax increases not being passed on to third parties at the expense of local council tax payers). This has been incorporated into the budget elsewhere on this agenda.
- 5.8 As the application process for registration to receive credits for 2009/10 has now closed any subsequent applications received will be rolled forward to 2010/11.

## **6.0 AUDITING CLAIMS FOR RECYCLING CREDITS**

6.1 As agreed in February 2007, payment of credits remains subject to in-year checks and 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.

6.2 In undertaking this work, officers have regard to DEFRA recommendations that applicants for recycling credits follow the "Measure your Treasure" guidance issued by the Community Recycling Network. This guidance recommends weighing waste where possible but also describes methods of estimating the quantities of waste recycled, reused or composted where a weighbridge is not available. Officers have agreed in advance of any service for which a third party intends to claim how the amounts of waste collected are to be measured to ensure that the methods employed are appropriate and commensurate with the scale of the operation and the size of any claim that may arise. The key issue however is that the Authority must be satisfied from an audit perspective that if public money is being paid to an organisation on the basis of a return detailing tonnes recycled or composted that it is confident that the information is as reasonably correct as possible.

## 7.0 THIRD PARTY RECYCLING CREDIT CLAIMS IN 2008/09

7.1 In accordance with the present scheme for third party recycling credits in the current financial year (which requires quarterly claims and payments) the following tonnage claims have been submitted in relation to the second quarter July – September 2008 (the claims for the previous quarter are also shown for comparison).

### Validated Third Party Recycling Credit Claims, April – September 2008

Recycling credits claimed in 2008 by:	Tonnes April - June	Value April - June	Tonnes July - September	Value April - September
Age Concern	No claim received		No claim received	
Barnardos	13.28	£734.38	17.89	£989.32
British Heart Foundation	33.33	£1,843.15	45.18	£2,498.45
Freecycle UK*	No claim received		No claim received	
Help the Aged	27.06	£1,496.42	21.89	£1,210.52
Minds Matter	36.62	£2,025.09	43.69	£2,416.06
North London Hospice	49.38	£2,730.71	52.90	£2,925.37
Oxfam	265.39	£14,676.07	268.25	£14,834.23
PDSA	24.65	£1,363.15	25.45	£1,407.39
QSA Homestore	7.50	£414.75	4.04	£223.41
Restore Community Projects	50.91	£2,815.32	48.86	£2,701.96
Scope	13.93	£770.33	26.98	£1,491.99
<b>Total</b>	<b>522.05</b>	<b>£28,869.37</b>	<b>555.13</b>	<b>£30,698.69</b>

\* Note that Freecycle is only registered to claim for material that is actually collected by Freecycle. Claims cannot be made for material simply advertised on the Freecycle website.

7.2 The above claims have been fully audited and paid at the rate of £55.30 per tonne. The claims for October to December 2008 are not yet due to have been submitted to the Authority.

## **8.0 RECOMMENDATIONS**

8.1 The Authority is recommended to:

- i) approve the applications for registration for reuse and recycling credits for 2009/10 as recommended in Appendix 1 of this report;
- ii) approve the applications for registration for reuse and recycling credits for 2009/10 as recommended in Appendix 2 of this report, subject to further negotiation and agreement of eligible tonnages and appropriate terms and conditions, whilst reserving the right not to pay credits at all;
- iii) delegate authority to the Head of Waste Strategy and Contracts in consultation with the Chair and Group Leaders to renew or vary such special terms and conditions, and that this delegation shall apply to all future claims from profit-making companies;
- iv) note the third party reuse and recycling credits paid in Quarter 2, 2008/09, and that the next formal review of the Authority's policy on paying third party reuse and recycling credits is scheduled in September 2009.

## **9.0 COMMENTS OF THE LEGAL ADVISER**

9.1 The Legal Adviser has reviewed this report and all comments are incorporated within the body of the report.

## **10.0 COMMENTS OF THE FINANCIAL ADVISER**

10.1 The Financial Adviser has reviewed this report and all comments are incorporated within the body of the report.

### **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>)

Section 49 of the Clean Neighbourhoods and Environment Act 2005 (CNEA 2005)

North London Joint Waste Strategy, June 2008

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

Environmental Protection (Waste Recycling Payments) (England) Regulations 2006.

Third Party Reuse and Recycling Credit Registrations, North  
London Waste Authority Report, 6<sup>th</sup> February 2008

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**NON-PROFIT MAKING ORGANISATIONS THAT HAVE APPLIED TO REGISTER FOR THIRD PARTY  
REUSE AND RECYCLING CREDITS  
FROM THE NORTH LONDON WASTE AUTHORITY FOR 2009/10**

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<b>Barnardos Children's Charity</b> Linney House, Tanners Lane, Barkingside, Essex IG6 1QG	Charity shops Barnardos is a charity running almost 400 children's' projects	Yes	Yes	Barnet Waltham Forest	Textiles	65	Approve for registration
<b>British Heart Foundation</b> Crown House, Church Road, Claygate, Esher, Surrey KT10 0BF	Charity shops BHF is a charity fighting heart and circulatory disease	Yes	Yes	Barnet Camden Enfield Waltham Forest	Textiles Shoes	160	Approve for registration
<b>Freightliners City Farm</b> Sheringham Road, Islington, London N7 8PF	City farm with community composting	Yes	No		Organic garden waste	5	Approve for registration

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<b>Help the Aged</b> Retail Division, 207-221 Pentonville Road, London N1 9UE	Charity shops	Yes	Yes	Barnet Camden Waltham Forest	Textiles Paper Cardboard Books Plastic Metals	95	Approve for registration
	Help the Aged is an international charity fighting to free older people from poverty, isolation and neglect.						
<b>Homestore (QSA)</b> Unit 2, Maryland Industrial Estate, 26 Maryland Road, Stratford E15 1JW	Furniture collections	Yes	Yes	Hackney Islington Waltham Forest	Furniture	40	Approve for registration
	QSA - Quaker Social Action is a UK charity that has been working to tackle poverty and social exclusion in East London since 1867.						

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<p><b>Make-A-Wish Foundation</b> 329-331 London Road Camberley, Surrey, GU15 3HQ</p>	<p>Door to door collections of textiles.</p> <p>Make-A-Wish Foundation grants 'magical wishes' to children and young people fighting life-threatening illnesses</p>	Yes	No	All 7 boroughs	Textiles	200	Approve for registration
<p><b>Minds Matter</b> 15-19 Broadway, Stratford, London E15 4BQ</p>	<p>Charity Shops</p> <p>'Minds Matter' is the trading arm of the charity Mind. Mind is the National Association for Mental Health in the UK which campaigns on behalf of those with mental illness.</p>	Yes	Yes	Haringey Islington Enfield Hackney	Textiles Shoes	16	Approve for registration

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<b>North London Hospice</b> 47 Woodside Avenue, London N12 8TF	Charity shops	Yes	Yes	Barnet Enfield Haringey	Textiles Books	140	Approve for registration
	Multi-faith hospice providing specialist palliative care in North London for those with advanced progressive disease						
<b>Oxfam</b> 76-78 High Street, Shirley, Southampton SO15 3NE	Charity shops Clothing banks	Yes	Yes	All seven boroughs	Textiles Books	1,100	Approve for registration
	International charity working towards putting an end to poverty world-wide.						

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<p><b>PDSA</b> Whitechapel Way, Priorslee, Telford TF2 9PQ</p>	<p>Charity shops Clothing collections</p> <p>PDSA is a leading UK veterinary charity caring for sick pets belonging to people in need. They provide free veterinary treatment and promote responsible pet ownership.</p>	Yes	Yes	Barnet Waltham Forest	Textiles Shoes Books	93	Approve for registration

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<b>Restore Community Projects</b> 18 Ashley Road, Tottenham, London N17 9LJ	Furniture collections and Shop	Yes	Yes	Barnet, Camden, Enfield Haringey, Islington Waltham Forest	Furniture, Fridges, Large Domestic Appliances	200	Approve for registration
	ReStore Community Projects is a registered charity which recycles and reuses domestic furniture and appliances for the benefit of people in need						
<b>Scope</b> 6 Market Road, London, N7 9PW	Charity shops	Yes	Yes	Hackney Waltham Forest	Textiles	82	Approve for registration
Scope is a UK disability organisation whose focus is people with cerebral palsy							

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<p><b>Sense</b> Trading Division, Unit 4 Bourne Industrial Park Bourne Road Clayford, Kent, DA1 4BZ</p>	<p>Door to door collections of textiles</p> <hr/> <p>Sense is the leading national charity that supports and campaigns for children and adults who are deaf-blind</p>	Yes	No	<p>Enfield Hackney Haringey Islington Waltham Forest</p>	Textiles	120	Approve for registration

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<p><b>Traid</b> (Textile Recycling for Aid and International Development) 5 Second Way, Wembley, London, HA9 OYJ</p>	<p>Banks</p> <hr/> <p>TRAID is an environmental protection charity fighting world poverty. Funds raised by TRAID through the collection and sale of reclaimed clothing and shoes in the UK are used to fund sustainable development projects in some of the poorest regions of the world.</p>	Yes	No	All 7 boroughs	Textiles	<p>294</p> <p>(based on '07/'08 estimate plus 5% increase)</p>	Approve for registration

Contact and address of Organisations	Description of the service and organisation	Non-profit or Charity	Registered in 2008/09?	Location of collection points	Materials	Estimate Annual tonnage	Recommendation
<b>Wellchild</b> 16 Royal Crescent Cheltenham Gloucestershire GL50 3DA	Door to door collections of textiles			All 7 boroughs	Textiles	50	
	WellChild is a national charity dedicated to helping sick children and their families across the UK.						
<b>The Woodland Trust</b> Autumn Park, Dysart Road, Grantham, Lincolnshire NG31 6LL	Charity Christmas card Recycling points	Yes	Yes	Barnet Camden Enfield Hackney Haringey Waltham Forest	Christmas cards	16	Approve for registration
	The Woodland Trust is the UK's leading woodland conservation charity dedicated solely to the protection of our native woodland heritage						
					<b>TOTAL</b>	<b>2,676.00</b>	

**PROFIT MAKING ORGANISATIONS THAT HAVE APPLIED TO REGISTER FOR THIRD PARTY  
REUSE AND RECYCLING CREDITS  
FROM THE NORTH LONDON WASTE AUTHORITY FOR 2009/10**

<b>Contact and address of Organisations</b>	<b>Description of the service and organisation</b>	<b>Non-profit or Charity</b>	<b>Registered in 2008/09?</b>	<b>Location of collection points</b>	<b>Materials</b>	<b>Estimate Annual tonnage</b>	<b>Recommendation</b>
<b>Chris Carey's Collections</b> Unit 14, Titan Business Estate, Finch Street, Deptford, London SE8 5QA	Recycling banks	No	Yes	All 7 boroughs	Textiles Shoes Books Plastics	240	Approve for registration – subject to further conditions
	Chris Carey's Collections is a family run textile recycling business based in Kent and South East London						
<b>Tesco Stores Limited</b> Old Tesco House, Delamare Road, Chestnut, Herts EN8 9SL	Car park Recycling banks	No	Yes	Barnet Enfield	Plastic, Glass, Aluminium and Steel	540	Approve for registration – subject to further conditions
	Tesco Stores is a leading worldwide retailer with stores with recycling banks in Barnet and Enfield						
<b>TOTAL</b>						<b>780.00</b>	
<b>GRAND TOTAL</b>						<b>3,456.00</b>	

**Taken from the North London Waste Authority Report  
“THIRD PARTY REUSE AND RECYCLING CREDIT REGISTRATIONS”  
6<sup>th</sup> February 2008**

**Chris Carey Collections**

- 5.15 Chris Carey Collections is a profit making textile recycling business operating across North London. The company estimates that it is diverting 240 tonnes of waste from disposal in North London and has accordingly applied for registration. In line with the Authority's policy, this application should be considered as follows:
- 5.16 In assessing the application, Members will wish to note that the company is not subject to producer responsibility legislation and is not providing a service which was previously arranged by waste collection authorities and therefore paragraph 5.13 above applies. Additionally Members may wish to consider that some of the other textile recycling companies who operate across North London provide additional support services to promote textile recycling. For example LMB Textile Recycling provides chargeable waste education sessions and is a long time financial supporter and member of the steering group of the North London Recycling Forum.
- 5.17 In the light of the above, it is recommended that Chris Carey's application for registration to receive reuse and recycling credits is approved, but that this is subject to further negotiation and subsequent Member approval of eligible tonnages and appropriate alternative support and that the Authority reserves the right not to pay credits at all. It is therefore also recommended that any terms relating to proposed payments would be brought back to Members for approval prior to any possible payments being made. This may be a commercially sensitive matter.

**Tesco Stores Ltd**

- 5.18 Since the application last year by Tesco, two further developments have taken place:
- 1) Tesco has installed two new recycling facilities on supermarket car parks, (at Tesco in Brent Cross and Colney Hatch, Barnet). A further two recycling banks are proposed to be installed between February and April 2008 (at Tesco, Lee Valley and Ponders End, in Enfield).
  - 2) Part way through the year Tesco ceased providing tonnage information from the new banks to the London Borough of Barnet. They have indicated that tonnage data is now only provided to those authorities that agree to support their project through recycling credits. This means that the tonnage collected at these banks can no longer be counted by the borough council or the Authority towards statutory recycling targets, and similarly it is no longer included in the Authority's overall tonnage waste figures and declarations to WasteDataFlow.

5.19 As much of the recyclable waste collected by Tesco is packaging waste and Tesco has significant national obligations under the Producer Responsibility (Packaging Waste) Regulations, the Authority's policy condition outlined in 5.13 applies. However, as the facilities installed by Tesco at both Brent Cross and Colney Hatch have replaced previously existing local authority facilities, the policy condition at 5.14 is also applicable.

5.20 In support of this application, Members may wish to consider that Tesco advises:

- i) Tesco wish to claim credits for material recycled from the range of new 'front of store' recycling banks that they have or intend to install.
- ii) These banks are 'high tech' in design. A range of materials can be placed in a single recycling bank and the material is automatically recognised and granulated on site to reduce the volume of the waste and therefore the number of times that the bank has to be emptied, thus saving on transport costs and impacts.
- iii) The banks can potentially take HDPE, PET, other plastics, glass, paper, cardboard and waxed composite drinks cartons as made by Tetrapak, i.e. a wider range of materials than generally provided by the local authority. The banks can also be configured so that the mix of materials accepted is complementary to the local authority kerbside recycling collection system.
- iv) The banks are internet linked to a control centre by which sensors identify when the bank needs to be emptied, so that they should never overflow.
- v) The banks incorporate 6 poster display panels front and back and are branded with the national campaign Recycle Now iconography. A support package of in-store advertising and promotion to residents can also be provided to encourage more recycling.
- vi) The tonnage of material being generated varies – with an average monthly tonnage of 18.03 tonnes or 216.36 tonnes each per annum (from the current two North London sites). Previous budget assumptions were based upon trials of the banks in Hampshire and Hertfordshire that showed that the new style recycling banks typically generated 416 tonnes of recyclable material per annum, (although with promotion this was anticipated to rise to 624 tonnes per annum). The performance from the new North London sites is therefore approximately half of the trial tonnages.
- vii) The tonnage of material collected will be able to be counted towards the boroughs' recycling targets if recycling credits are paid (and the tonnage information obtained). Data can be provided to the Authority on a regular and electronic basis.
- viii) According to Tesco, the banks do not displace existing recyclables from local kerbside recycling schemes, particularly if the banks are configured to accept complementary materials.
- ix) Tesco has advised that Hampshire, Hertfordshire, Essex and Gloucestershire county councils are already paying recycling credits to them.
- x) In the future there is an opportunity as a result of the design of the banks for residents to potentially be rewarded for recycling. A Tesco clubcard can be inserted at the front of the bank prior to any materials being put into the bank. This registers the type and amount of material being recycled. Tesco green clubcard points can be credited to the card for the materials recycled. However, at present this facility is not available locally.

- xi) Tesco will be diverting material from the waste stream and saving the constituent borough councils the cost of servicing the facilities, but also keeping the materials income.

5.21 Additional considerations that Members may wish to take into account are that:

- i) These new banks are replacing existing local authority facilities on Tesco sites and are potentially competing with local authority kerbside services. Currently they also take away the local authority recycling, given that Tesco is refusing to provide data.
- ii) The only additional new material being offered for recycling at these facilities is waxed composite drink cartons as made by 'Tetrapak'.
- iii) Although Tesco has said that the front-of-store recycling operation will not be operated for profit, there are no social benefits associated with the operation itself other than via separately serviced on-site charity textile banks, which Tesco has said that it is committed to retaining.
- iv) Paying credits to Tesco could lead to claims from other retailers in subsequent years although at present no other obligated companies are asking for third party credits, e.g. other supermarkets or electrical and electronic retailers. Sainsbury's has also been trialing a similar front of store system, but has not asked for credits.
- v) Retailers are already benefiting from the income from sales of the material as well as the avoided cost of purchasing packaging recovery notes (tradable notes that act as evidence that a certain tonnage of material has been recycled or recovered - these are used to provide evidence of compliance with the recycling and recovery targets within the packaging waste legislation and can be traded if there is an imbalance in the market place).
- vi) Tesco also has the potential of advertising income from the on-bank billboard spaces.
- vii) Finally Members may wish to weigh up the benefits to residents of the new facilities against the costs of providing financial support.
- viii) Affected constituent borough will no longer have to pay servicing costs, but will no longer receive any income for the materials either.

5.22 On the basis of the above the Authority is recommended to approve the application for registration from Tesco subject to further negotiation and subsequent Member approval of eligible tonnages and appropriate alternative support, whilst reserving the right not to pay credits at all. It is therefore also recommended that any terms relating to proposed payments would be brought back to Members for approval prior to any possible payments being made. This may be a commercially sensitive matter.

**Report Ends**