

ADDENDUM TO ITEM 12 – THIRD PARTY REUSE AND RECYCLING CREDIT REGISTRATIONS

ADDITIONAL RECOMMENDATIONS

The Authority is recommended to:

- i) note that the circumstances of Freecycle's application to register for receipt of third party reuse credits have changed since the dispatch of the agenda papers for this Authority meeting, and that officers are therefore withdrawing the originally published recommendation relating to Freecycle; and
- ii) approve the registration of Freecycle for reuse credits for the financial year 2008-09 subject to further checks and agreement on an auditable system to monitor transfers and therefore tonnes reused.

1. NEW SITUATION

- 1.1 On 4th February 2008, Freecycle advised that it has been awarded some funding by London Councils to further promote and develop its reuse service across London. Verbally they advised Authority officers that part of the funding will be used to run a vehicle which can collect and deliver goods advertised on the Freecycle website, thus allowing residents without access to transport to participate in the reuse service. The London Councils Policy and Grants Manager has also confirmed verbally that this would be an acceptable use of the funding to meet London Council's requirement of enabling under-represented groups to participate in reuse. The result of this new information means that Freecycle will be 'retaining' a proportion of the material advertised on the website and that therefore Section 52 of the Environmental Protection Act 1990 as amended by section 49 of the Clean Neighbourhoods and Environment Act 2005 applies. This means that Freecycle is now eligible to apply to the Authority for registration to receive reuse credits for the goods that they collect and deliver for reuse using the vehicle. Accordingly officers are withdrawing the recommendation relating to Freecycle, outlined in Table 1 of the Authority report, and replacing it with the recommendation below.
- 1.2 If registration of Freecycle is approved this does not mean it will necessarily receive credits. Approval for payment will be subject to further checks and agreement of an auditable system to monitor transfers and ensure that all claims for reuse are verifiable. Section 52 of the EPA 1990 makes it clear that the credit is payable to the person collecting the waste for recycling (or reuse) and DEFRA guidance states that 'authorities will need to satisfy themselves that the waste is being recycled or reused and not simply collected.' DEFRA also advises that 'it is important for waste authorities to have in place their own controls over the payment of credits that are sufficient to prevent error or fraud'. This should also include sufficient controls to ensure that the same item is not repeatedly reused and credit claimed repeatedly for multiple diversions of waste from landfill within the year. Freecycle has indicated that it will seek advice and support from the Furniture Reuse Network on how best to establish a system which meets these requirements.

- 1.3 Although Freecycle estimates that only 25% the 1,000 to 1,500 tonnes of material that they advertise for reuse in North London each year (i.e. 250 to 375 tonnes), will be collected and redistributed using the vehicle and therefore be eligible for payments, because of the late nature of this addendum this expenditure has not been budgeted. The comments of the Financial Adviser outlined below provide further clarification.

3. COMMENTS OF THE FINANCIAL ADVISER

- 3.1 The Financial Adviser has been consulted in the preparation of this addendum and advises that the detailed budget elsewhere on this agenda makes no specific provision for the cost of recycling payments to Freecycle. If, however, Members are minded to support this registration it is recommended that to the extent that the actual cost of payments, estimated to be in the range of £13,825 to £20,737 in 2008/09, cannot be contained within the specific approved budget for third party recycling credits that any excess cost is met from the Authority's contingency.

4. COMMENTS OF THE LEGAL ADVISER

- 4.1 The Legal Advisor has been consulted on this addendum and has no further comments to add.

Addendum Ends