

**NLWA response to DETR consultation on Landfill Permits July 2001**  
**with updates from DEFRA consultation August 2003**

**Background**

The European Landfill Directive (99/31/EC) requires, amongst other things, a stepped reduction of the amount of biodegradable municipal waste that is sent to landfill sites (the purpose being to reduce the production of methane at landfill sites and thereby reduce global warming). The Directive requires the UK:

- By 2010 to reduce the amount of BMW going to landfill to 75% of that produced in 1995;
- By 2013 to 50% of the 1995 figure; and
- By 2020 to 35% of the 1995 figure.

At the end of August 2003, the Government issued a second consultation paper on the way in which Tradable Landfill Permits might operate. This followed earlier consultations in which the Government proposed alternative mechanisms to tradable permits or allowances (*Limiting Landfill* Oct. 1999); and more detailed ways in which tradable allowances might be allocated, used and traded (March 2001)

The Authority agreed a response to the last consultation at its meeting on 1 October 2003. The Government's questions are repeated below, along with the NLWA's responses, followed by the Government's most recently published views.

	<b>Government Questions and NLWA Responses October 2003</b>	<b>Government View April 2004</b>
1.	<p><b>Taking account of the measures at paragraphs 5.19 to 5.22, will WDAs be ready to participate in the Scheme by either 1 April, 1 July or 17 July 2004? If not, why not?</b></p> <p>It is the NLWA's view that it will be very difficult to start the scheme on even the latest of the proposed dates. There is at present insufficient information available to WDAs to start quantifying and arranging for the financial implications of the new tradable allowances, and preparing and introducing the necessary services and facilities.</p> <p>The NLWA suggests that if the Government wishes to press ahead and introduce the scheme in 2004, it should do so very quickly and in such a way that the financial impacts in 2004/05 are evidently absolutely minimal, otherwise WDAs are going to have to provide contingencies at the expense of other service areas in case they have to but some allowances at inflated cost. This may be achieved by announcing that no penalties will be imposed for the 2004/05 year, so that all WDAs can focus on using that first year as a learning experience without financial risk.</p>	<p>Agrees largely with NLWA.</p> <p>The scheme will start on 1<sup>st</sup> April 2005, as most local authorities said they would prefer the scheme to be delayed.</p> <p>The Government believes that a penalty-free year would not help WDAs learn about the scheme as they would just accept that they would exceed their allowances and would not trade or borrow.</p>

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2.	<p><b>Should scheme years run according to Option A (17 July to 16 July), B (1 April to 31 March) or C (1 July to 30 June)?</b></p> <p>The NLWA agrees that Option A (to harmonise directly with the Directive target dates) would be administratively impractical and that Option B (the most common financial year) effectively brings forward all Directive targets by 3½ months.</p> <p>The NLWA agrees that the best compromise is to use the standard quarters within the financial year, thereby allowing a Directive year as Option C, which with quarterly reporting remains compatible with standard financial year management and reporting needs.</p>	<p>Disagrees with NLWA.</p> <p>Scheme years will match the standard 1<sup>st</sup> April – 31<sup>st</sup> March financial year, as preferred by 71% of respondents.</p>
3.	<p><b>Taking account of views expressed in the previous consultation and subject to views on the scheme review (see below), are local authorities content that allowances will be allocated from the beginning of the scheme through to 2020?</b></p> <p>The NLWA agrees that on balance it is better for local authorities to have the certainty of a fixed allocation. This positively supports long term decision-making as it allows an unambiguous focus on future planning needs that would otherwise have been more difficult when relying on best estimates of future allocations.</p>	<p>Agrees with NLWA.</p> <p>Fixed allocations will be given to WDAs through until 2020, as local authorities want certainty in order to develop investment and trading strategies.</p>
4.	<p><b>Is the proposed timing for the first review reasonable?</b></p> <p>The Government's proposal to review the scheme and method of allowance allocation after the first two years of the scheme's operation is partially agreed by the NLWA. Whilst a review of most aspects of the scheme at this point is entirely acceptable to the NLWA, the suggestion that the method of allocating allowances might be changed completely undermines the Governments' earlier proposal that allowance allocations should be fixed until 2020.</p> <p>If injustices are identified in the allocation system at this first review point, they should be addressed through the central funding of the relevant local authorities, rather than by re-distributing permits, which could clearly undermine agreed strategies and contracts.</p>	<p>Agrees with NLWA.</p> <p>The Government will review the scheme after two years, in 2007.</p>
5.	<p><b>Should any further reviews take place, if so, when?</b></p> <p>The NLWA believes that the Environment Agency, as monitoring authority, should keep the scheme under constant review.</p> <p>Special attention will clearly have to be applied to Directive target years, so if periodic review of a more detailed nature is required by the Government, it seems appropriate to the NLWA for such reviews to take place at this time, to obtain a clear detailed picture of events in these years.</p>	<p>Agrees largely with NLWA.</p> <p>The need for and timing of future reviews will be assessed according to the findings of the first review.</p>

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6.	<p><b>Should any changes to allocations arising from the 2006 review be made before the first target year in 2010, or not?</b></p> <p>As at Q4, the NLWA believes no such changes to allowance allocations should be made; rather that additional funding is given to any WDAs that are identified as having significantly too few allowances.</p>	<p>Agrees with NLWA.</p> <p>Allocations will only be reviewed in exceptional circumstances.</p>
7.	<p><b>Is it reasonable for all WDAs to have to make the same level of contribution by 2010, or should this convergence be targeted later in 2013 or 2020?</b></p> <p>The NLWA agrees that it is reasonable to require all WDAs to divert a similar proportion of their BMW by 2010, the first Directive target year. Convergence at a later time will confuse earlier allocations</p>	<p>Agrees with NLWA.</p> <p>Convergence will be targeted on 2010, the fairest option according to 76% of respondents.</p>
8.	<p><b>Is option A (increasing allowances) or option B (capping allowances) preferable in terms of meeting the criteria of the allocation method?</b></p> <p>The NLWA agrees with the Government's preference for Option A, that such WDAs' (of which we believe we may be one) previous efforts to divert waste from landfill is recognised. The NLWA believes that the increasing level of the landfill tax and the increasing prices of landfill tipping charges resulting from higher monitoring and enforcement standards will be a sufficient disincentive for such WDAs to landfill any more than they absolutely have to.</p>	<p>Agrees with NLWA.</p> <p>WDAs will be allowed to retain an increasing profile of allowances to 2010, to reward the efforts they have already made to divert waste from landfill.</p>
9.	<p><b>If option B is preferred, how should un-allocated allowances be dealt with?</b></p> <p>If the Government decides it prefers Option B and proceeds to cap the allocations of WDAs that have previously succeeded in diverting the most waste from landfill, the NLWA believes that these allowances should remain unissued at least until after the first scheme review.</p> <p>At this time the Government could decide to use them to give assistance to any WDAs that have either experienced particularly high growth (for example that resulting from Government policy on brownfield site development for housing, or something like the Olympic Games) or have been unexpectedly poorly served by the initial allowance allocation system.</p>	<p>No longer relevant, as option B is not preferred by the Government.</p>

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10.	<p><b>Should interim targets in England between 2004 and 2010 reduce according to a straight line or back-end loaded trajectory?</b></p> <p>The NLWA believes that a straight line trajectory is the simplest, and the best against which to measure national progress towards the first target year, <u>so long as</u> the Secretary of State is given the power to permit individual WDAs to depart significantly from this if they are able to present a sufficiently robust case (for example by showing that a new facility for the diversion of waste is under construction, but cannot be brought forwards).</p> <p>Such an approach would mean that pro-active, forward-thinking WDAs would have an opportunity to avoid large-scale allowance trading and, more importantly, avoid the risk of receiving an automatic penalty.</p>	<p>Disagrees partly with NLWA.</p> <p>Interim targets will be set according to a back-end loaded trajectory, in line with the majority response.</p>
11.	<p><b>If a back-end loaded trajectory is preferred what percentage diversion should take place in each of the 5 interim scheme years? (For example: 15%, 20%, 20%, 20%, 25%; or 10%, 20%, 20%, 20%, 30%)</b></p> <p>If the Secretary of State is not given the power identified above at Q10, the NLWA agrees that, given the known lead times in developing new waste facilities, a back-end loaded trajectory is less likely to lead to significant shortages of allowances in the early years and consequent price volatility.</p> <p>The NLWA has no particular view on the precise shape of this trajectory, but recommends that the Government has full regard of the ability of the current land-use planning regime to deliver the necessary new facilities when the Government makes its final decision.</p>	<p>NLWA expressed no view.</p> <p>The percentage diversion will be 10/15/20/25/30%.</p>
12.	<p><b>Should the landfill rate for each WDA be calculated using a mass balance approach, or should it be assumed that 68% of the waste that each authority landfills is biodegradable?</b></p> <p>The NLWA suggested a mass balance approach in its response to the Government's previous consultation paper two years ago. We proposed that the BVPIs, as audited by or for the Government, should form the basis of this system. We continue to support this approach.</p>	<p>Agrees partly with NLWA.</p> <p>NLWA advocated the mass balance approach for using allowances over time.</p> <p>The Government will use it for the purposes of calculating initial allocations, the landfill rate of each WDA, which may reduce the Authority's initial allocation.</p>
13.	<p><b>Is it reasonable to allow WDAs to borrow up to 5% of their next years allowances? If not, what percentage should they be allowed to borrow?</b></p> <p>The NLWA acknowledges that 5% represents a prudent cap on the level of borrowing a WDA may use in any one year, so long as flexibility is possible via the Secretary of State as at Q10.</p>	<p>Agrees partly with NLWA.</p> <p>5% of the next year's allocation will be the limit, but the Secretary of State may not have great flexibility.</p> <p>The back-end loaded trajectory should reduce the need to borrow anyway.</p>

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14.	<p><b>What information should brokers be required to pass on to the EA?</b></p> <p>Whilst the Government has suggested that brokers might have to supply only a name and address, it is unclear to the NLWA how this will apply to a company, organisation or local authority that wishes to be a broker.</p> <p>The NLWA believes that brokers ought to be required to pass a form of "fit and proper person" test by the Environment Agency, such test to include a declaration of any relevant past convictions. If there is no such test, the NLWA believes the whole scheme becomes exposed to an unnecessary risk of inadequately regulated brokers damaging the scheme.</p>	<p>The Government does not mention local authorities being brokers, but notes there is no compulsion for WDAs to use brokers.</p> <p>They have said WDAs will have to set their own contract conditions and DEFRA will not establish a register of brokers.</p> <p>DEFRA will issue guidance on the use of brokers and FSA authorisation later in 2004.</p>
15.	<p><b>Under what circumstances the Secretary of State consider suspending trading for individual WDAs/for all WDAs?</b></p> <p>The Secretary of State should consider suspending trading for individual WDAs if the Environment Agency or District Auditor so recommends.</p> <ul style="list-style-type: none"> <li>- The Secretary of State should consider suspending trading for all WDAs only in the case of extreme under-supply of allowances. Excessive prices may be paid for allowances in this circumstance without the funds necessarily being used to develop any additional capacity, which would be contrary to the objective of the tradable allowance scheme.</li> </ul>	<p>Trading will only be suspended (for one or all WDAs) in the most exceptional circumstances, such as there being a risk of England not meeting its relevant target, a WDA has failed to reconcile its account or an unauthorised person tries to trade as a WDA.</p> <p>DEFRA will issue guidance.</p>
16.	<p><b>Should WDAs be required to register futures trading in the year in which the contract is made, or not?</b></p> <p>The NLWA believes that trades should be registered when they are made, whether future trades or not. This will facilitate maximum knowledge of the market for all participants, which can only improve the functioning of the scheme.</p>	<p>Agrees with NLWA.</p> <p>Trades must be registered in the year during which they are made.</p>
17.	<p><b>Should Government permit non-monetary trading?</b></p> <p>The Government will no doubt recognise that local authorities often find creative ways structuring transactions. It is the NLWA's view however that in any non-monetary transaction the participants will have assigned a notional value to all aspects of the transaction in order to satisfy themselves (and their auditors) that they have achieved best value. This notional value should be reported to the Environment Agency register, with a note pointing out that it is indeed a notional value and not a cash sum.</p>	<p>Agrees with NLWA.</p> <p>Non-monetary trading will be permitted.</p>

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18.	<p><b>Do you have views on the further measures outlined in paragraph 5.21 and are there any other measures that you would consider useful in order to encourage trading?</b></p> <p>The NLWA notes that the Chartered Institution of Wastes Management and WAMITAB appear to have no role in the Government's plans at present, whereas these organisations have much to offer in terms of disseminating waste information and training,</p> <p>The Government states it is considering regular regional fora for WDAs, by which the NLWA assumes the Government is proposing support at existing fora, rather than establishing a new set of meetings for waste managers.</p> <p>The NLWA requests also that the Government is pro-active in giving full guidance to WDAs on whether they need to be authorised by the Financial Services Authority to use brokers or to trade in their own right, rather than the Government's current approach in the consultation paper where a footnote recommends that each WDA seeks this advice separately.</p>	<p>Agrees with NLWA.</p> <p>The Government will introduce a full communications strategy leading up to and following on from the launch of the scheme.</p>
19.	<p><b>Should the public have access to all the information on the register? If not, why not?</b></p> <p>The NLWA believes that it is reasonable for the public to have read-only access to the register, except for information on actual individual transactions. Thus it would be reasonable for the public to be able to see trading volumes and average prices perhaps as a monthly or weekly aggregate, or perhaps after every statistically significant number of trades have been registered.</p>	<p>Agrees with NLWA.</p> <p>The public will have read-only access to all details on the Register, except the prices paid in individual trades.</p>
20.	<p><b>How many people in each WDA should be authorised to register trading and borrowing? What position within the local authority should this person(s) have?</b></p> <p>The NLWA would expect to have only one person who is authorised to register trading and borrowing, but would make its own arrangements for internal delegation in the case of that person's absence. It should be for each WDA to decide the most appropriate post to assign this duty to.</p>	<p>Agrees with NLWA.</p> <p>WDAs should make their own decision about who should be authorised to trade.</p>
21.	<p><b>Would either a) (predicted outturn) or b) (preliminary reconciliation) be useful to WDAs?</b></p> <p>The NLWA would welcome both a predicted outturn based on the first months' figures <u>and</u> a preliminary reconciliation after the initial returns for the final quarter have been received by the Environment Agency, but before the Agency reports to the Secretary of State.</p>	<p>Agrees with NLWA.</p> <p>Both will be available to WDAs.</p>
22.	<p><b>Is option A (Load Monitoring), B (Global BMW percentage) or C (Mass Balance) for the proposed monitoring system preferable in terms of equity, cost and accuracy?</b></p> <p>As stated previously, the NLWA supports the mass balance approach (Option C).</p>	<p>Agrees with NLWA.</p> <p>Mass balance offers the best balance between accuracy and cost.</p>

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23.	<p><b>Will the data collection and reporting process under a mass balance system represent a significant extra burden on WDAs? If so what are the likely additional annual costs?</b></p> <p>The reporting of data on the residual waste stream will be a straight forward matter for the NLWA and probably all WDAs, but lines of communication become somewhat stretched for recycling information when it is, for example, a WCA's contractor who takes title to recyclable materials and who holds all the relevant data (once the reprocessor has issued it). The NLWA does not believe there will be any additional costs associated with this, other than officer time which would need to be spent on this anyway.</p>	<p>Agrees with NLWA.</p> <p>The Government believes the costs will be minimal and has produced some software called WasteDataFlow to assist WDAs.</p>
24.	<p><b>Will the data collection and reporting process under a mass balance system represent a significant extra burden to landfill site operators? If so what are the likely additional annual costs?</b></p> <p>The verification details the Government is suggesting will be required of landfill operators seem reasonable, although it is not clear what the "code uniquely identifying the type of waste" will be for general mixed municipal waste.</p> <p>The monitoring systems will also have to be sufficiently sophisticated and comprehensive to capture the mixture at transfer stations of two or more WDA's wastes and non-municipal wastes too.</p> <p>The NLWA would also like clarification on the effect of various treatment processes on the biodegradability of municipal waste. This is particularly an issue for the variants of Mechanical and Biological Treatment that are being offered to WDAs increasingly. WDAs need certainty from the Environment Agency on this subject as soon as possible so that they can make the appropriate strategic or contractual choices in the short term.</p>	<p>Regulations will exempt landfill operators from providing complete data where waste comes from a transfer station.</p> <p>The Environment Agency is running a project to determine the remaining biodegradable content from each type of MBT operation, with results known later in 2004.</p>
25.	<p><b>Is it reasonable to require WDAs to provide this information within one month of the end of the quarter?</b></p> <p>As noted above at Q23, the NLWA believes it is impractical to demand all the relevant information within one month of the end of each three-month annual quarter. Three months would be more reasonable.</p> <p>The NLWA also notes that the Government has not proposed a mechanism by which a WDA can recover its £1,000 automatic fine from an "offending" WCA, although it is clear that the WCA could recover costs from its contractor(s) through defaults in its contracts. Such a mechanism is needed.</p>	<p>Agrees with NLWA.</p> <p>The Government recognises that it may be difficult for WDAs to provide accurate data within one month of the end of each quarter, so three months will be allowed for all quarterly reconciliations.</p> <p>The Government prefers WDAs to be responsible. See other comments below.</p>
26.	<p><b>Is it reasonable to require landfill site operators to provide this information within one month of the end of the scheme year?</b></p> <p>The NLWA cannot speak for any landfill operator here, but would be surprised if they could not submit the proposed data within one month of the end of the scheme year.</p>	<p>Landfill operators will be given three months, like WDAs.</p>

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27.	<p><b>Does the level of the penalty reflect the principles? Will it act as a sufficient disincentive to prevent WDAs from breaching allowances?</b></p> <p>The Government's proposal, that for each tonne of waste which a WDA landfills in excess of its allowances it will have to pay twice the cost per tonne of the most costly established method of diversion from landfill, appears very robust and of a sufficient magnitude to encourage the required level of landfill diversion. It is not clear however if these are to be national reference costs produced by the Environment Agency, locally available alternative waste treatment facilities or a combination of the two.</p>	<p>The Government proposes to fix the level of financial penalty at £200 per tonne of BMW, which it believes to be around four times the average cost of landfill.</p>
28.	<p><b>Should the whole of any EU fine for breach of targets be passed on to the authorities responsible for the breach, or only a proportion of the fine?</b></p> <p>The Government should only consider passing on the full costs from Europe for failing to hit the Landfill Directive if the Government has provided the full necessary legislative framework, has provided appropriate planning guidance, has run high-quality television awareness campaigns on this subject, etc. It appears unlikely to the NLWA that a failure to divert sufficient BMW from landfill would be exclusively the fault of one or more WDAs.</p>	<p>The Government asserts that there is no reason why any WDA should incur penalties, and it will therefore reserve the right to pass some or all of any ECJ fine on to the WDA(s) responsible for the breach.</p>
29.	<p><b>What would be the justification for not passing on the whole of a WDA's share of the fine?</b></p> <p>See Q28.</p>	<p>See above.</p>
30.	<p><b>Is this level of penalty (£1000) appropriate?</b></p> <p>The NLWA believes the fine is sufficient, as the real force of this power lies in the fact that a WDA might be fined at all.</p>	<p>Agrees with NLWA about the level of the fine, but on the grounds that WDAs need this as an incentive</p>
31.	<p><b>Should the Government make use of the power in the WET Bill to impose penalties on WDAs which fail to provide information in relation to banking or borrowing?</b></p> <p>The Government rightly says that it should not be necessary to use this power as it is in WDAs' interests to provide the data to be able to trade. Consequently the NLWA believes such regulations do not need preparing at this early stage.</p>	<p>Agrees with NLWA that the Government will not need to use this power, but will re-examine the matter as part of the first review of the scheme.</p>

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<p>32.</p>	<p><b>Under what circumstances should the Secretary of State consider extending the time for paying penalties or relieving WDAs from liability to penalties?</b></p> <p>If there is a genuine shortage of allowances being offered for sale, then it would be unreasonable of the Government to impose penalties on any WDAs left without sufficient allowances, other than to impose a charge on them equivalent to the cost of the few allowances others had been able to buy.</p> <p>A more day-to-day example might be if a waste diversion facility required substantial maintenance or up-grading, then a WDA that might be expected to sell allowances actually needed to buy them, causing an imbalance in the market and driving costs up.</p> <p>Alternatively, if a waste diversion facility had been granted full planning permission locally, but was blocked by the Government, then it would be unreasonable of the Government to impose penalties on that WDA for landfilling excessive BMW.</p> <p>Additionally, in the case of facility failure at the end of a scheme year, a WDA may be left with insufficient allowances, particularly if there is a general shortage.</p>	<p>Agrees with NLWA, but not explicitly.</p> <p>The Government will issue publicly available guidelines on which any decision to suspend or waive penalties will be based.</p> <p>This will hopefully reduce the number of potential cases and provide a defence in any legal challenge.</p>
	<p><b>OTHER ISSUES ARISING BUT NOT QUESTIONED BY THE GOVERNMENT</b></p>	
	<p><b>DEFINITION OF BMW</b></p> <p>The NLWA remains uneasy that the definition of Municipal Waste under the Landfill Directive is “waste from households and other waste that, because of its nature or composition, is similar to waste from households”, whereas the UK Government’s tradable allowance scheme is being applied to all wastes under the control of a WDA. There appears to be a risk that we may be required to suddenly broaden the scope of our Directive compliance activities and/or that we may be including some municipal wastes that need not be specially managed.</p> <p>It is also essential to know when/if municipal waste ceases to be municipal (i.e. process residues).</p> <p>The NLWA would like certainty of definitions, ideally in the form of guidance from DEFRA, as to what wastes are to be included within the scope of this Directive, as enacted in UK law.</p>	<p>The Government is still to fully reconcile this difference.</p>

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	<p><u>COMMERCIAL WASTE</u></p> <p>The above point leads to the continuing anomaly that commercial waste collected by a WCA is subject to all the requirements of the Directive, but the precise same waste if collected by an independent waste contractor is free from these requirements and the cost of them.</p> <p>The NLWA sees this as either causing WCAs to actively reduce their involvement in commercial waste collection services (an important local service), or making WCAs collect only recyclable or non-biodegradable commercial wastes. The effective reduction in service that WCAs will be able to offer to local businesses is seen by the NLWA as most unfortunate, and the Government is therefore requested to examine any means of overcoming this.</p>	<p>The Government notes that some WDAs may price themselves out of the market, but that the European Commission may look closely at any significant falls. The Government believes that the escalating landfill tax and technical requirements of the Landfill Directive mean that landfill is unlikely to remain the cheapest option, so private contractors should not have a substantial price advantage.</p>
	<p><u>WCA ROLE</u></p> <p>Within the consultation paper the Government makes various proposals about the role of WCAs, but asks no direct questions on the subject.</p> <p>The NLWA agrees that close co-operation between WDAs and WCAs is essential, and welcomes the proposed power to direct a WCA to deliver waste in a separated form, subject to it being necessary to comply with statute and the WCA having been consulted in accordance with statutory guidance.</p> <p>The NLWA is concerned however that it will have to compensate a WCA in this circumstance to ensure it is not financially worse off as a result of complying with such a direction. In the case of a statutory joint waste disposal authority such as the NLWA, the cost of compensating a WCA will then fall to our levy on all seven of our constituent boroughs, i.e. the other six boroughs will have to fund the compensation payment to the one borough that we are having to direct. This cannot be fair.</p> <p>The NLWA recognises that we will have a power to make similar payments to WCAs that are delivering wastes in separated form without a formal direction, but we will be forced to make such payments in order to return some form of balance if ever we use our power of direction in one or more WCAs.</p> <p>In the consultation paper it is said that formal guidance on these powers will be issued in autumn 2003. The NLWA requests that this is issued immediately, so that we can understand our position.</p>	<p>The Government noted the NLWA's views, and the great depth to which this subject had been covered during the passage of the WET Act through Parliament.</p> <p>It is important from the Government's point of view that there is an identifiable body that is responsible for meeting the obligations of the WET Act, and that all interested parties work together, hence the provisions for Joint Municipal Waste management Strategies. DEFRA says it will be consulting on the implementation of such strategies early in 2004.</p>

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	<p><b>RECONCILIATION PERIOD</b></p> <p>The section of the consultation paper on the electronic register identifies a three month reconciliation period at the end of each scheme year.</p> <p>The NLWA believes that in practice this may prove to be too short, and recommends that the Government reviews this point and makes any contingency plans it needs to.</p> <p>It also appears that trading is to be allowed right up to the end of the reconciliation period. It is difficult to imagine in this case how the register will be fully reconciled at the end of the reconciliation period.</p>	<p>The Government is continuing with a three month reconciliation period.</p>
	<p><b>CROSS BORDER TRADING – INTERNATIONALLY</b></p> <p>The Government notes that it is keeping open the option of trading between the countries of the UK. No mention is made of the possibility of trading with other European countries. Whilst the NLWA recognises this is because no other country is yet choosing to use similar systems to the UK's, if this circumstance changes, it might be useful if the Government was able to keep this option open in a manner similar to that employed for international carbon trading.</p>	<p>The Government does not mention this point in its response.</p>
	<p><b>HOME COMPOSTING</b></p> <p>The NLWA understands that the Government is still looking at ways of incorporating the full benefits of home composting into the mass balance model. The NLWA supports this.</p>	<p>Agrees with NLWA.</p> <p>The Government is looking at ways to correct this shortcoming.</p>
	<p><b>PRICE RESTRICTIONS</b></p> <p>The NLWA proposes that there should be a price floor for tradable allowances, exercisable only at the end of the reconciliation period, in order to provide a final minimum guarantee of their worth to assist finance investment.</p>	<p>The Government does not mention this point in its response</p>
	<p><b>POOLING OF TARGETS</b></p> <p>Mechanisms should be allowed to permit WDAs to pool their targets at a regional level, if they so wish.</p>	<p>The Government believes that trading directly between WDAs can achieve the same general outcome.</p>
	<p><b>SEPARATION OF BIODEGRADABLE FRACTION AT LANDFILL SITES</b></p> <p>An administrative means must be found to facilitate the separation of the biodegradable fraction of municipal waste at landfill sites. A WDA such as NLWA with a rail transfer station in a relatively urban area should be able to ask the landfill operator to install a process to separate the biodegradable fraction of the municipal waste at its landfill sites, to compost it there and then, maybe, to use it as landfill cover or sell it as a compost if they can.</p>	<p>The Government notes this possibility in general terms, but does not address it any detail.</p>
	<p><b>Response Ends</b></p>	