

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: THIRD PARTY RECYCLING CREDIT REGISTRATIONS

REPORT OF HEAD OF STRATEGY AND SERVICES

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 7 FEBRUARY 2019

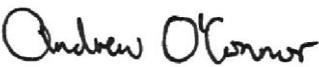
SUMMARY OF REPORT:

This report advises Members of the third party organisations that have applied to be registered for third party re-use and recycling credits for 2018/19 and recommends their approval

RECOMMENDATIONS:

The Authority is recommended to:

- A. Approve the applications from all the organisations listed at Appendix 2 for registration for re-use and recycling credits payments during the financial year 2019/20
- B. Approve the addition of this report to the Services and Strategy update.

SIGNED:  **HEAD OF STRATEGY & SERVICES**

DATE: 28 January 2019

1. OVERVIEW

- 1.1. Re-use and recycling credits are paid to parties that remove items from the municipal waste stream for re-use 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 re-use or recycling activity.
- 1.2. The Government recognises the benefits offered by third party re-use and recycling activities and expects the Authority to be predisposed to make such payments. It introduced a scheme through Section 49 of the Clean Neighbourhoods and Environment Act 2005 (making an amendment to section 52 of the Environmental Protection Act 1990) with guidance to encourage this.
- 1.3. Payment of credits to third parties for waste they divert from landfill for recycling, composting or re-use 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 re-use and recycling credits commenced in 2007/08. The eligibility criteria for 2019/20 applications remain as agreed in April 2009 and are set out at Appendix 1 of this report. The organisations recommended for registration to receive credits in 2018/19 are as listed at Appendix 2. In future years Officers propose to add the Third Party Recycling Credit Registrations to the Strategy and Services report each February.

2. CALCULATION AND PAYMENT OF RE-USE AND RECYCLING CREDITS TO THIRD PARTIES

- 2.1. Since 1st April 2006, the Authority has had the power 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 re-use and recycling credits for items that cannot be sold and are then recycled or exported for re-use. Both the Environment Agency and community waste sector have produced guidance notes on re-use that contain advice for local authorities and third parties, but difficult uncertain instances of re-use in particular will inevitably arise and judgments will have to be formed, with the Authority acting reasonably on whether the re-use activity proposed is genuinely reducing the Authority's waste stream.
- 2.3. The value of third party re-use and recycling credits is calculated using the method described in the Environmental Protection (Waste Recycling Payments) (England) Regulations 2006.
- 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, the 2019/20 re-use and recycling credit value

for the Authority area is budgeted as £76.54 per tonne, a figure that does not take account of expenditure incurred in administering the scheme and is inflated, both in accordance with 2006 regulations and guidance.

3. APPLICATION PROCESS FOR REGISTRATION

- 3.1. In order to budget appropriately, organisations wishing to claim credits are asked to complete an application form by the first half of 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. Information about registering for credits, including application forms for registration, is available throughout the year on the Authority website at www.nlwa.gov.uk/waste-resources/businesses/reuse-and-recycling-credits. Between September and December 2018 Authority officers also contacted all third party organisations that had previously expressed an interest or had been registered for the receipt of re-use and recycling credits from the Authority to remind them about the deadline for receipt of applications.
- 3.3. Increasingly the quality of the submissions received differ between third party organisations and the time taking to validate the tonnages claimed and calculate the amounts due to be paid is increasing. Officers will look at ways of making all claims consistent in format and streamlining the validation processes. An update on this work will be provided at a future Authority meeting.

4. APPLICATIONS RECEIVED AND FUTURE DECISIONS

- 4.1. Fifteen organisations have submitted applications to register as potential claimants for re-use and recycling credits in 2019/20 as shown at Appendix 2. Relative to the current year, Cancer Support UK, Make-A-Wish Foundation and the NSPCC have not re-registered for the upcoming year due to staffing and process changes. 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 2019/20 applicant organisations anticipate they will want to claim is 3,116.5 tonnes and the Authority's 2019/20 draft budget presented elsewhere on this Authority agenda includes a budget provision of £238,537. As a comparison 3,159 tonnes were collected in the previous year at a cost of £234,760.
- 4.3. Claims subsequently received from successfully registered organisations are verified against the Authority's payment criteria to ensure their accuracy and final eligibility. The payment criteria are at Appendix 3.

5. RECOMMENDATION

- 5.1. The Authority is recommended to approve the applications from all the organisations listed at Appendix 2 for registration for re-use and recycling credits payments during the financial year 2019/20.

6. 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.

7. COMMENTS OF THE FINANCIAL ADVISER

- 7.1. The Financial Adviser has been consulted in the preparation of this report and has no 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 RE-USE AND RECYCLING CREDITS**

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

The Authority has agreed to pay third party re-use 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.
- 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 re-use) 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 re-use 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 re-use.
- 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 re-use 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 2018/19**

THIRD PARTY RECYCLING CREDIT SCHEME - APPLICATIONS TO REGISTER 2019/20					
Contact and address of Organisations	Description	Registered in 17/18?	Location of Collection Points	Materials	Estimate Annual tonnage
Age UK 44 Hardwick Grange, Woolston, Warrington WA1 4RF Charity Number 1128267	Charity Shops	Yes	Barnet, Camden, Waltham Forest	Textiles, Shoes, Glass, Paper Cardboard, Metals, Plastics	162
All Aboard Shops Ltd Stella Lucas House, Unit 10, Colne Way Court, Colne Way, Watford, WD24 7NE Charity Number 1125462	Charity Shops	Yes	Barnet, Camden, Hackney	Textiles, Shoes, Glass, Paper Cardboard, Metals, Plastics Wood	200

Barnardo's Children's Charity Tanners Lane, Barkingside, Essex IG6 1QG Charity Number 216250	Charity Shops	Yes	Barnet, Haringey	Textiles, Shoes	60
Barnet Furniture Centre 4 Queen's Parade Close, Friern Barnet N11 3FY Charity Number 1140541	Charity	Yes	Barnet, Camden, Enfield, Haringey Hackney, Islington, Waltham Forest	Furniture	100
British Heart Foundation Crown House, Church Road, Claygate, Surrey, KT10 0BF Charity Number 225971	Charity Shops	Yes	Barnet, Camden, Enfield, Haringey, Islington, Waltham Forest	Textiles, Shoes, Books	395
British Red Cross 9 Village Way, Greenmeadow Springs Business Park, Tongwynlais, Cardiff, CF15 7NE Charity Number 220949	Charity Shops	Yes	Barnet, Camden, Enfield	Textiles	80
Digibridge C.I.C. (Bright Sparks) 176 Seven Sisters Road, Finsbury Park, London, N7 7PX	Social Enterprise	Yes	Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest	Furniture	100

Minds Matter Granta House, 15-19 Broadway Stratford, London E15 4BQ Charity Number 219830	Charity Shops	Yes	Enfield, Hackney, Haringey	Textiles, Shoes	130
North London Hospice 47 Woodside Avenue, London N12 8TT Charity Number 285300	Charity Shops	Yes	Barnet, Enfield, Haringey	Textiles, Shoes, Books	350
Oxfam John Smith Drive, Cowley, Oxford OX42JY Charity Number 202918	Charity Shops / Textile Banks	Yes	Barnet, Camden, Enfield, Haringey, Islington, Waltham Forest	Textiles, Books, Paper Cardboard, Metals	750
PDSA Whitechapel Way, Priorslee, Telford TF2 9PQ Charity Number 208217	Charity	Yes	Barnet, Waltham Forest	Textiles	45

QSA Homestore Unit 2 Maryland Industrial Estate, 26 Maryland Road, Stratford, London E15 1JW Charity Number 1069157	Charity	Yes	Islington, Waltham Forest	Furniture	15
Save The Children 1 St. John's Lane London EC1M 4AR Charity Number 213890	Charity Shops	Yes	Barnet, Camden, Haringey, Islington	Textiles, Shoes, Books	19.5
Scope Here East Press Centre 14 East bay Lane, London E15 RGW Charity Number 208231	Charity Shops	Yes	Camden, Enfield, Hackney, Islington Waltham Forest	Textiles, Books, Shoes	150
Traid 51-53 High Road, Wood Green London N22 6BH Charity Number 297489	Charity	Yes	Barnet, Camden, Enfield, Hackney Haringey, Islington, Waltham Forest	Textiles, Shoes	530
TOTAL ESTIMATED TONNAGE					3,116.5t

**NORTH LONDON WASTE AUTHORITY
PAYMENT CRITERIA FOR
THIRD PARTY RE-USE 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 re-use 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.