

**NORTH LINCOLNSHIRE COUNCIL**

**CABINET MEMBER FOR HIGHWAYS AND  
NEIGHBOURHOODS**

**THIRD PARTY REUSE & RECYCLING CREDIT PAYMENTS**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To review the eligibility criteria for payment of reuse and recycling credits to third sector organisations involved in this activity.
- 1.2 The key points in this report are:
- The payments scheme was first introduced in 1990. Adopted by the Council in 1996, it has never been reviewed.
  - Payments are discretionary.
  - The legislative framework and associated guidance governing the payments has changed. A review is now required.

**2. BACKGROUND INFORMATION**

- 2.1 The Recycling Credit Payments Scheme ('the Scheme') was introduced by the Environmental Protection Act 1990 to encourage greater resource recovery by rewarding third parties engaged in recycling activity.
- 2.2 Payments made should be of a value equivalent to the avoided cost of landfill disposal, including tax. This was capped, by the Environmental Protection (Waste Recycling Payments) Regulations, at 2005/6 levels (£41.62/tonne), subject to an annual inflationary increase of 3% per annum.
- 2.3 Payments are discretionary, but HM Government has stated that it expects Waste Collection & Disposal Authorities to consider all applications, including those that deliver economic and social benefits as well as environmental ones.
- 2.4 The scheme currently in operation was inherited from the former constituent District Councils and has never been reviewed. Fourteen third party organisations are currently registered. In the previous 12

months these each received annual payments of between £38 and £3200. A total of 321 tonnes of material was recovered for recycling.

- 2.5 Revised scheme guidance has been issued by Defra. The Secretary of State considers it reasonable for Waste Disposal Authorities not to make payments to third parties where arrangements already exist for recycling the waste in the area or where the proposed re-use/recycling scheme is not in compliance with the Municipal Waste Management Strategy.
- 2.6 Under the revised arrangements only one of the existing registered organisations will still qualify for payment, but the amount per tonne (£51.19) would be higher. The extension of the scheme to include re-use activity would capture a number of new organisations not previously eligible.
- 2.7 Payments can only be made in respect of household waste. The sale of second hand books, clothes, etc. and use of refillable/returnable containers are not eligible. The rate per tonne can also be reduced if staff or other council resources are provided to assist the re-use/recycling activity. Payments will not be made where a contract exists.
- 2.8 In order to receive payment, registered organisations must:
  - Provide appropriate evidence that the waste has been reused and/or recycled
  - Comply in all respects with the requirements of the waste Duty of Care
  - Recycle or reuse a minimum of 5 tonnes in a six month period
  - Submit claims no more than 6 months in retrospect.

### **3. OPTIONS FOR CONSIDERATION**

- 3.1 Option 1 – the council reviews the scheme as detailed in this report and makes payments to those third parties who register and who meet all of the revised eligibility criteria.
- 3.2 Option 2 – the council resolves not to make any discretionary awards under the scheme.

### **4. ANALYSIS OF OPTIONS**

- 4.1 Option 1, the preferred option, will see the removal of all but two of the existing payment recipients from a revised scheme. These include two schools and a number of Village Hall Committees who historically agreed to 'adopt' bring recycling facilities located on land under their control. Most of these sites have now been removed or will be removed in the near future. The average value of these annual payments is below £125 per organisation.

- 4.2 The largest payments made currently are to the Lindsey Lodge Hospice and Winterton Parochial Church Council. Under the revised scheme arrangements, the former will continue to benefit and receive a higher sum. The latter currently collect paper door to door. This replicates the kerbside paper collection scheme operated by the council and would no longer be eligible for payments.
- 4.3 Several voluntary and community groups are now actively engaged in furniture, etc., re-use schemes. The material recovered is refurbished and sold to fund their charitable ambition. In a number of cases these schemes also have an element of social enterprise and seek to provide employment and training opportunities. None of these schemes are currently registered with the council. Some or all of these would be captured by Option 1.
- 4.4 Option 2 – not to make any discretionary awards is contrary to HM Government advice. If all payments cease, this will achieve a financial saving of £7720, the approved budget for 2012/13.

**5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

- 5.1 The value of third party recycling and re-use payments made between February 2011 and January 2012 was £5514. If option 1 is adopted and in weight terms, the recovery of material from those remaining eligible organisations remains the same, the estimated spend in 2012/13, at the revised rate of £51.19 per tonne, will be £8318.
- 5.2 If additional materials are recovered or other previously ineligible organisations join the scheme in future, any further expenditure above budget will be offset by compensatory savings in landfill disposal. Additional waste volumes, if any, are expected to be relatively small.

**6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

- 6.1 As discussed in 4.3 above, in addition to environmental benefits, re-use schemes may also deliver economic and social benefits. There are examples of furniture re-use schemes operating elsewhere that provide employment and training opportunities for vulnerable adults.
- 6.2 The Waste Hierarchy places re-use above recycling in the sustainable management of waste. This is a priority order to which the council must have regard when planning and implementing waste management policy and strategy.

## **7. OUTCOMES OF CONSULTATION**

7.1 The voluntary and community sector have been widely consulted at a national level by HM Government in the design of the payment scheme rules and eligibility criteria. Some organisations may find these overly burdensome, but these are necessary for probity and audit purposes

## **8. RECOMMENDATIONS**

8.1 That the proposed revisions to the scheme for the payment of re-use and recycling credits detailed in this report are approved.

8.2 That the revised scheme will take effect from 1 April 2012.

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**Background Papers used in the preparation of this report - None**