

Recycling Credits

Scheme Guidance for third party groups in Devon

From: 1st April 2017

1.0 This guidance outlines the **Recycling Credits Scheme** for third parties in Devon.

Part 1 contains general guidance for those wishing to apply and operate as 'third party' collectors.

Part 2 provides supplementary information for **community composting** groups including site operation, permitting and recycling credit claims.

1.1 Note that the payment of Recycling Credits to third parties is discretionary. This guidance is subject to review.

1.2 The latest version of this guidance is available at:
<https://new.devon.gov.uk/wasteandrecycling/>

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Part 1 Recycling Credits - General Guidance

2.0 What are Recycling Credits?

- 2.1 The *Recycling Credit Scheme* was introduced by Government in 1990 through section 52 of the Environmental Protection Act (EPA).
- 2.2 Recycling Credits were intended to incentivise the collection and recycling of **household waste** for Local Authorities, but also third parties. In this guidance, the term 'recycling' also refers to composting.
- 2.3 Recycling credit payments for third parties (collector) are based on the weight of collected and recycled household waste delivered to an approved merchant (recycler).

The credit payment may include a *collection* and *disposal* 'credit' which reflects the avoided cost to the local authority of collecting and disposing of the waste.

3.0 How do Recycling Credits work?

- 3.1 Devon is a 'two tier' authority with the eight Districts of East Devon, Exeter, Mid Devon, North Devon, South Hams, Teignbridge, Torridge and West Devon, being known as Waste Collection Authorities (WCAs). The County Council is the Waste Disposal Authority (WDA).
- 3.2 In a two tier area, WCAs fund the collection costs of waste from all households within their authority area.
- 3.3 The WDA is responsible for the disposal of all waste collected by the WCAs and as a result pays the disposal costs across the entire authority area.
- 3.4 Recycling Credits payable for third parties are usually based on the avoided costs of collection and disposal;

'collection credit' + 'disposal credit' = total Recycling Credit

- 3.5 There is no legal duty for authorities to pay a recycling credit to third parties, however payments are encouraged by Government.
- 3.6 Recycling credit rates are calculated annually in accordance with DEFRA guidance. Rates are currently increased by 3% annually however this figure remains subject to review by Government.

4.0 What types of waste are credits paid for?

- 4.1 Recycling credits can be claimed for any *household waste* which is collected and recycled. In Devon, recycling credits are not paid for reused items because a separate '**Reuse Credit Scheme**' is already in operation (see 7.13).
- 4.2 'Household waste' refers to waste from a domestic property or other premises where direct collection and disposal charges are not due for the collection of that waste by the WCA.
- 4.3 Household waste, among other categories, does not include waste from a business, office or clubhouse with a bar / shop, camping / caravan sites, prisons or other premises where collection or disposal charges apply. This is because there is no saving to pass on.

If you are unsure whether the waste source you intend to collect is household waste, please check with your Recycling Officer.

- 4.4 Examples of household waste streams collected by third party groups for which Recycling Credits are usually paid include, newspapers / magazines, glass, cardboard, tins & cans, books (where recycled, not resold), plastics or garden waste. Recycling Credit payments for textiles and shoes were withdrawn in April 2015 due to the high material value of that stream.
- 4.5 The current definition and scope of household waste is based on the Environmental Protection Act 1990 and associated legislation which may be subject to change.

5.0 Who can set up as a group?

Any individual or group collecting household waste for recycling can apply to register for recycling credits subject to the conditions outlined in this guidance.

6.0 Is your scheme eligible?

The following section offers a starting point for establishing whether your scheme is appropriate for an application for third party recycling credits. Prior to submitting any application, it is advisable to contact your Recycling Officer with an outline of the proposal (see section 8.0).

- 6.1 Recycling credits will only be paid for household waste (section 4.0).
- 6.2 Groups must operate in accordance with the law, and in particular, with the requirements of 'Duty of Care'¹. Groups will also need to register as waste carriers, brokers or hold an exemption certificate (generally available for non profit making organisations) through the Environment Agency.

- 6.3 Recycling Credits are paid directly by the District Council for household waste collected within that authority area. If your group proposes to collect waste from multiple authority areas you must register with each authority individually and only claim for relevant tonnage collected within the boundaries of each authority area.
- 6.4 The group must ensure that waste collected and claimed for is suitable for recycling. Materials collected must be recycled via an approved merchant, registered with the WDA.

Documentation including weighbridge tickets or waste transfer notes must be maintained for at least two years. This information should be available for inspection by the registering authority or Environment Agency.

Periodically, the local authority may wish to audit your group. This audit would include checking the original application form against the current operation and may involve a check of sample weights or historic claims.

Advance warning of this visit will be given and frequency will be at the discretion of the relevant Recycling Officer.

Hand written weight tickets may not be acceptable so check with the registering authority on application, and where the scheme operation changes from the original application detail.

- 6.5 Once a group is registered for recycling credits, it must notify the WCA if any details on the original registration form are due to change. Claims will not be paid for new materials collected or a change of merchant(s) if this has not been agreed with the WCA in advance.
- 6.6 Local Authorities will aim to support schemes that offer value for money, protect the environment, benefit the community and support the **Waste and Resource Management Strategy for Devon²**.

7.0 Reasons why credits will not be paid.

- 7.1 Recycling Credits will not be paid where materials are sourced from non-household sources. In order to claim credits, the waste would otherwise be eligible for collection and disposal by the local authority through its household services without direct charge.
- 7.2 Credits will not be paid for Items donated to charity shops. However, where unsold donated items are subsequently recycled, credits may be paid for this waste as it may otherwise be sent for disposal.
- 7.3 Credits will not be paid where you do not collect the waste but process it on behalf of a collector.

7.4 Credits will not be paid where satisfactory evidence of the type, weight, authenticity or final destination of waste is unclear or unknown. Original weighbridge tickets (or agreed alternative) must accompany all claims for payment.

7.5 Credits will not be paid where 'approved recyclers' are not used. Credits will only be paid for waste delivered to a company that is registered on a centrally held WDA 'approved recyclers list'.

An approved recycler will have completed a registration form, provided a permit number and signed a declaration that waste is recycled. This list is maintained by Devon County Council. New companies can register for inclusion at no charge.

7.6 Credits will not be paid where the group is unable to provide an Environment Agency permit or exemption number to the registering authority (see 6.2).

7.7 Credits will not be paid where the group does not comply with procedures or timescales for registration and/or claims.

7.8 Credits will not be paid where the registering authority is not aware of a change of circumstances which could include licensing, materials collected, processes and/or merchants used.

7.9 Credits will not be paid where existing or subsequent arrangements for the recycling of that waste type by the local authority (or contractors on their behalf) occurs, or where the existing provision for recycling is considered sufficient by the authority. Credits will also not be paid where the 'collectors' are part of an existing contract with the authority.

7.10 Credits will not be paid for waste delivered to an existing third party collection system such as recycling bank, kerbside recycling service or for waste composted at home.

7.11 Credits will not be paid for waste which is collected in one WCA area but claimed in another.

7.12 Recycling Credits will not be paid for items which are exclusively 'reused' such as household 'bric a brac' or furniture. However, where recycled, credits are usually payable for books.

7.13 The Devon wide, **Reuse Credit Scheme** provides support for reuse of furniture. Further details about the Reuse Credit Scheme can be found at:
<https://new.devon.gov.uk/wasteandrecycling/>

8.0 How to register as a group?

8.1 To register for recycling credits you will need to know;

- The operational and management details of the scheme such as materials to be collected and method.
- The specific geographical area from which the waste will be collected.
- The ‘recycler’ to be used and their Environment Agency permit / exemption number.
- How weights claimed will be evidenced.
- The type of Environmental Permit / exemption required by the group.

8.2 Once you are satisfied that your scheme meets the criteria within this guidance, contact the District Recycling Officer for the authority area you wish to collect in. If you propose to collect throughout a number of authority areas, you will need to speak with the Recycling Officer in each area to register. Once your proposal is agreed in principle, you will then be able to request an application form to register. Your Recycling Officer will be able to provide you with a short application form for that authority area.

If your proposed ‘recycler’ is not held on the central approved merchant recyclers list, the WDA will need to contact the company to register. Your Recycling Officer will be able to action this request on your behalf.

8.3 Your application form should contain all relevant information and be signed and dated appropriately. This will ensure that your application can be processed swiftly.

8.4 If your application for credits is approved, you will receive a confirmation letter and permit number within 10 working days. Please note that there may be a delay if your proposed recycler also needs to register on the approved merchants list.

8.5 Credit claims can then be made for waste collected following formal receipt of your Recycling Credit Scheme permit number.

8.6 When you are ready to claim, please check that all details are entered on your claim form. This will include, permit number, date, period of claim, material, weight, reprocessor details and a signed declaration. Your claim will also need to provide original weighbridge tickets (or agreed alternative). Completed claims should be sent to the relevant District Recycling Officer.

9.0 How often should I claim?

9.1 Local Authorities operate within financial years (April – March). Claims made on a quarterly basis enable better financial and performance monitoring and therefore quarterly claims are encouraged.

Quarter	Period	Claim by end;
1	April - June	July
2	July - September	October
3	October - December	January
4	January - March	April

9.2 It is recognised that small groups may not have the volume to claim as the preferred timescales above. Where tonnages are comparatively low (less than 20 tonnes per year) six monthly or annual claims are acceptable and considered appropriate considering the value of these claims. Schemes recovering greater quantities of waste should claim quarterly to enable authorities to budget efficiently.

Where a small number of weighbridge tickets (or agreed alternatives) are not available within each claim period, they should be added to the following claim, clearly identifying the collection period so that the correct credit rate is applied. This is particularly important where claims are made within different financial years e.g. March and April.

9.3 It is important that all groups claim for the previous financial year (April to March) by the end of April.

9.4 Claims will not be accepted for claims / tickets beyond the previous financial year.

10.0 Estimating weights?

10.1 In the first instance, all groups should ensure that claims are accurate, valid, relevant, reliable, consistent, complete, timely, and documented. These requirements ensure the high quality of data submitted and appropriate use of public money through credit payments.

10.2 In most cases, groups will have access to weight tickets where waste is delivered to, or collected by, a reprocessor. This is the preferred option and enables accurate recording of waste data.

10.3 In some cases, an agreed average weight per container or sack may be used. Groups who are unable to weigh materials should identify a reliable method of estimating and agree this with the registering authority. The Recycling Officer may wish to visit the site to gather sample weights.

Part 2 Community Composting

11.0 Introduction to Community Composting

This section contains supplementary guidance for community composting groups. It should be read in conjunction with **Recycling Credits (general guidance)** (sections 1 – 10).

11.1 This guidance refers to Recycling Credit claims for Community Composting Schemes in Devon. It is intended for those wishing to set up a new group, and existing schemes.

11.2 Community Composting in Devon is based on the following broad intent:

Community Composting in Devon

A community composting group typically brings locally produced garden clippings to a central point for composting prior to local use.

The community composting sector is very diverse; projects could include individuals or groups working on allotment sites, groups operating household garden waste bring sites or social enterprises providing a kerbside collection service.

The common theme is that the local community is involved in the management of the organic waste they are producing, are not-for-profit and locally accountable organisations who contribute positively to the local area.

This intent illustrates the ethos of the scheme and groups claiming recycling credits are encouraged to work toward this model to benefit the environment and community.

12.0 Registration and permitting

12.1 Section 8 details the processes involved in registering for recycling credits. This process also applies for Community Composting groups.

12.2 Groups should ensure that they have their exemption or Environmental Permit (EP) in place.

A community composting group would typically require registration under a T23 (aerobic composting & associated prior treatment) exemption.

Where compost is spread on land (agricultural or non-agricultural), the landowner must hold a U10 or U11 exemption.

Further information about Environmental Permits can be obtained at: www.gov.uk

- 12.3 Existing, and new groups, must ensure that they hold the relevant Environment Agency exemption or EP to compost waste on the site. Groups must also supply a copy of this exemption or EP reference to the Recycling Officer in the area where credits are claimed.
- 12.4 Groups are responsible for informing their Recycling Officer if any details or conditions on their recycling credits registration form, exemption or EP change.

13.0 Site operation

- 13.1 Groups must ensure that all composted waste, for which recycling credits are claimed, is from household sources.

‘Trade’ or ‘commercial’ waste includes any garden waste accumulated as the result of paid work, or arising as a result of a commercial operation; regardless of the source of the waste. These categories would include ‘jobbing’ gardeners. Waste from agricultural or commercial horticultural sources is not classed as household waste and therefore should not form part of any recycling credit claim.

- 13.2 For the purposes of recycling credits, a community group providing a chargeable household garden waste collection service is not considered a ‘trade’ activity.
- 13.3 To reduce the likelihood of unauthorised dumping of waste (fly-tipping), it is recommended that composting sites are locked outside staffed hours.

Fly-tipping

If your site is located on private land, the landowner is responsible for any costs associated with the clearance of fly-tipped waste. It is therefore important to ensure your site only deals with waste you are licensed to accept and to take preventative measures which protect you from this crime.

Further Information: <http://www.tacklingflytipping.com/home>

Note: Fly-tipped waste from private land is not accepted at County Council Recycling Centres.

- 13.4 Where it is not possible to lock a composting site and the scheme is intended for household ‘drop off’ only; a notice deterring trade use of the site should be clearly displayed.
- 13.5 Where a site is suspected of unauthorised trade use, a percentage ‘trade deduction’ may be applied to subsequent claims. This percentage deduction will be agreed between the group and the Recycling Officer.

- 13.6 Should a group wish to collect household and trade waste, there must be clear segregation and recording of composting streams to ensure that only the household element forms part of a recycling credit claim.
- 13.7 Groups should be able to supply reliable documentation to support recycling credit claims. Periodic site visits may be made by the local Recycling Officer. Groups will be advised of a visit before it occurs.
- 13.8 Groups can allow unlimited amounts of household garden waste to be dropped at their site subject to permitting or other restrictions. Groups may however wish to impose limits to support home composting or to prevent the site becoming over-burdened with material.

14.0 Scheme operation

- 14.1 Recycling credits may be paid for community composting groups processing household waste via a local bring scheme or household collection service. However, groups should be aware, where their collection duplicates an existing or subsequent service operated through the local authority; credits may not be payable.
- 14.2 Recycling credits are not payable for waste composted at home or an allotment site producing and using green waste directly on site. However, an allotment site accepting local resident's green waste for composting (and subsequent distribution back to the community) would be eligible for recycling credits.
- 14.3 Recycling credit payments to community groups are discretionary; therefore, all groups are advised to source as many funding streams as possible to ensure the scheme is sustainable in the long term. Groups could charge members to (1) join the scheme (2) deposit green waste for composting or (3) receive or collect compost.
- 14.4 The Recycling Credit Scheme aims to benefit the environment and community. Schemes with close community links through provision of compost or mulch to householders and / or funding to local schemes represent the intention of the scheme.
- 14.5 Ideally, the majority of compost produced should be returned to the local community. Compost supplied to agriculture or horticultural industries should only occur where there is limited scope for local community use.
- 14.6 Schools composting is outside the scope of this guidance, however, further information is available at: <http://zone.recycledevon.org/>

Groups must check that any site accepting compost from them is licensed accordingly.

Groups can check sites using the Environment Agency Public registers³;

Groups must comply with 'Duty of Care'¹;

15.0 Definition and Weight

- 15.1 Groups need to establish whether the output from their composting process is 'compost' or 'mulch'.
- 15.2 The following descriptions are intended to help groups establish whether their output is compost or mulch. Where an agreement cannot be made, the local Recycling Officer will have the final decision as to the output definition which may be subject to review on an annual basis.

Compost

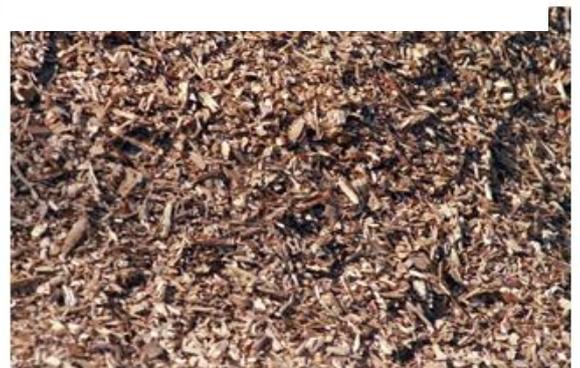
Organic matter, which through aerobic micro-organisms (bacteria and fungi), has been sanitised and stabilised and used to enhance the quality of soil.



Mulch

Chipped or shredded garden waste that does not meet the definition of compost.

Mulch is typically applied as a top dressing to beds to reduce weeds and control moisture loss.



- 15.3 Groups should agree the most suitable system for estimating weights with their Recycling Officer. This system will be based on the methodology in 15.4 and 15.5.

The Recycling Officer may also wish to visit the site periodically to gather sample weights to ensure consistency between groups.

- 15.4 Payment of recycling credits for finished compost is based on the 'green waste equivalent' (GWE) of garden waste entering the process. The most straight forward administrative method is to weigh green waste on receipt at the composting site. Where weighing is not possible see 15.5.

- 15.5 Where it is not possible to weigh green waste directly on receipt, the GWE claim weight of compost can be estimated using the amount of finished product. This calculation adds the 'water lost during the composting process' back in.

The following guide should be used to estimate container weights of finished compost and mulch.

Recycling credit claims for **compost**, should be based on the GWE tonnage.

Recycling credit claims for **mulch** should be based on the actual weight produced.

Sacks



Compost

Target weight per sack (compost) = 25kg

Claim weight (GWE) = weight of compost x 1.6

Example: 25kg (1 sack) x 1.6 = 40kg

25 sacks ~ 1 tonne GWE

Mulch

Target weight per sack = 20kg

Claim weight = 20kg

50 sacks ~ 1 tonne

Trailers / bulk loads



Establish volume

Length x width x height = M³

Compost

(Sieved or unsieved)

Claim weight = M³ divided by 0.7

Example: 1m³ / 0.7 = 1.43 tonnes

Mulch

Claim weight = M³ divided by 0.7 divided by 2

Example: 1m³ / 0.7 / 2 = 0.714 tonnes

- 15.6 Where a group intends to remove larger quantities of compost in a single batch - over 5 tonnes - they must contact their Recycling Officer before the material is removed from site in order to agree the most appropriate means of measuring and evidencing the load. Credits may not be paid where an agreement is not in place before the load is removed.

A useful calculation tool for bulk quantities can be found on the Community Composting Network website⁴.

- 15.7 If the group wish to use a local weighbridge facility to satisfy 15.6, any associated costs must be funded by the group.

16.0 Recycling Credit claims (compost)

- 16.1 Groups should claim in accordance with section 9. All claims must be supported by completed weighbridge tickets or agreed equivalent and only made for the GWE of compost, or actual weight of mulch, leaving the site.

- 16.2 Recycling credit payments for community composting groups are subject to maximum tonnage limits.

On registration, or where a group changes its operational arrangements, community composting groups will be allocated one of two categories for credit claim purposes;

(1) **Open site** (between 0 – 250 tonnes) - Where unrestricted site access is possible and the group is unable to satisfy the registering authority that sufficiently reliable controls and systems operate to comply with all aspects of the Recycling Credits Guidance. Open site groups will be able to claim up to 250 tonnes (GWE) annually.

(2) **Compliant site** (between 0 – 500 tonnes) - Generally closed sites where the group can satisfy the registering authority that clear and effective controls are in place to monitor inputs and outputs. Compliant sites will meet all the relevant requirements of the Recycling Credits Guidance. Compliant sites will be able to claim up to 500 tonnes (GWE) annually.

Groups wishing to process over 500 tonnes annually may require a specific permit. In Devon, Recycling credits will not be paid for more than 500 tonnes (GWE) annually.

- 16.3 Classification of groups - *Open* or *Compliant* - will be made by the relevant Recycling Officer. This decision may be reviewed annually on request by the group.

- 16.4 Groups must indicate the date that the compost was removed from site for credit claim purposes. Claims are paid in financial years based on April – March. Where compost is removed from site within different financial years, differing rates will apply. Payment will only be made for compost produced within the previous or current or year. Compost over two years old will not be eligible for credit payments.
- 16.5 Between April 2017 and March 2020, a phased reduction in Recycling Credit Rate for compost has been approved by Devon County Council as below;

Scheme Year	Credit Rate (compost) per tonne (£)
2017/18	£50.00
2018/19	£42.00
2019/20	£34.00
2020/21	Contract Rate*

*From April 2020, the credit rate will reflect the Contract Rate paid by the County Council for the treatment of organic waste.

- 16.6 Subject to tonnage limits (16.2), the above rates would apply to all tonnage for groups operating a ‘bring’ or ‘collection’ scheme.
- 16.7 Where a third party scheme operates in partnership with the local authority, separate arrangements may exist for the claiming and payment of Recycling Credits.
- 16.8 Supporting evidence must clearly identify the date the material was removed from site, material (compost or mulch), quantity (weight or estimated weight) and destination of compost including the name, address and contact details (or alternative arrangement see 16.9).
- 16.9 Where a group regularly provides compost to members of the community it may wish to develop a ‘membership scheme’. These schemes typically operate via a central register where residents supply initial contact details and are subsequently issued with a member’s number. This number is then used for each receipt for compost for that address and signed accordingly.
- 16.10 For further information about community composting in Devon, visit Devon Community Composting Network - www.dccn.org.uk or the Devon Authorities Partnership website www.recycledevon.org.

¹ Environment Agency - Duty of Care
<https://www.gov.uk/government/publications/waste-duty-of-care-code-of-practice>

² Waste & Resource Management Strategy for Devon
<https://new.devon.gov.uk/wasteandrecycling/waste-management-strategy-for-devon/>

³ Environment Agency – Public Registers

<https://www.gov.uk/access-the-public-register-for-environmental-information>

⁴ Community Composting Network – Tonnage calculator

http://www.communitycompost.org/CCN_documents/legislation/CCN_T23_tonnage_calculator.xls