
**DELEGATED POWERS -
LANDFILL ALLOWANCE TRADING SCHEME**

**Responsible Cabinet Member - Councillor Nick Wallis,
Sustainable Environment and Climate Change Portfolio**

Responsible Director - Cliff Brown, Director of Community Services

SUMMARY REPORT

Purpose of the Report

1. To request delegated powers for the Assistant Director – Environmental Services to trade landfill allowance permits.

Summary

2. The Waste Emissions and Trading Act 2003 provides a legal framework for the Landfill Allowance Trading Scheme which allocates tradable landfill allowances to each waste disposal authority in England. These allowances allow for the disposal to landfill of biodegradable municipal waste in a specific scheme year.
3. Each waste disposal authority can determine how to use its allocation of allowances in the most effective way. Where an individual authority has spare allowances, they can trade these allowances to other authorities within the rules of the scheme.
4. Once the new waste management contract commences, it is anticipated that the Council will have spare permits to trade therefore the Scheme of Delegation needs to be amended to allow trading to take place.

Recommendation

5. It is recommended that the Scheme of Delegation be amended to include new powers for the Assistant Director – Environmental Services to be included under the powers of the Director of Community Services as follows:

The Assistant Director – Environmental Services has delegated powers to:

Exercise the duties and responsibilities of the Trading Officer under the Waste Emissions and Trading Act 2003 in relation to the Landfill Allowance Trading Scheme.

Reasons

6. The recommendation is supported to allow the Council to trade landfill allowance permits.

Cliff Brown
Director of Community Services

Background Papers

No Background papers were used in the preparation of this report.

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CLD

S17 Crime and Disorder	There is no impact on crime and disorder as a result of this report.
Health and Well Being	There is no impact on health and well being as a result of this report.
Sustainability	The management of waste has a significant impact on sustainability and by treating and disposing of waste responsibly, the Council will have permits to trade under the Landfill Allowance Trading Scheme.
Diversity	There is no impact on individuals.
Wards Affected	There is no impact on any individual Ward greater than any other.
Groups Affected	There is no impact on individual groups.
Budget and Policy Framework	There is no impact on the Budget and Policy Framework.
Key Decision	It is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	Safe treatment and disposal of waste impacts on the Greener theme of the Sustainable Community Strategy.

MAIN REPORT

Information and Analysis

7. The Waste Emissions Trading Act 2003 places a duty on waste disposal authorities to reduce the amount of biodegradable municipal waste (BMW) disposed of to landfill but also provides the legal framework for the trading scheme. The scheme allocates tradable landfill allowances to each authority in England. Landfill allowances have been allocated to the authorities at a level that will allow England to meet its contribution to the UK targets under the Landfill Directive. Within each scheme year, 1 April to 31 March, authorities are able to landfill BMW up to the level of allowances held. A single landfill allowance permits an authority to landfill one tonne of BMW.
8. Authorities need to ensure that they hold sufficient allowances to cover the actual amount of BMW they intend to landfill over a given period. Should an authority not need or expect not to need all its allowances in one or more scheme years because of actual or planned diversion of waste away from landfill, the authority can sell them or bank them into the following year, subject to certain restrictions.
9. Equally, an authority which does not hold enough allowances to cover the amount of BMW it intends to landfill would need to increase its rate of diversion, purchase additional allowances or borrow forward up to 5% of its following year's allocation, again subject to certain restrictions.
10. An electronic register of landfill allowances was developed by DEFRA, managed and monitored by the Environment Agency. It records all allowances allocated to individual authorities and any banking, borrowing or trading activity that has taken place. The register is an online computerised data system, which tracks each allowance from issue through to its eventual utilisation.
11. Each authority needs to nominate a Trading Officer, who can trade allowances with other local authorities through the scheme.
12. As we move into the new waste management contract, it is anticipated that the Council will have spare permits available to trade, therefore it is necessary to nominate a Trading Officer and it is proposed that delegation for this function should be with the Assistant Director – Environmental Services.
13. Any authority that landfills more BMW than is permitted, could face a fine of £150 per tonne imposed by the Government therefore the value of an individual permit is subject to the market and could range from zero up to £150.

14. The new waste management contract starts in April 2009 and it is anticipated that in the early years of the contract, there is the potential to have approximately 10,000 spare permits available for sale, decreasing to approximately 500 spare permits in the last year of the contract, 2019/2020. Currently the value of landfill trading permits is towards zero value as there are plenty available in the market place. As the amount of BMW permitted to be landfilled significantly reduces, the availability of permits will also reduce and at that time no doubt the value of permits will increase. It is anticipated that over the duration of the contract there will be the opportunity to gain income from the sale of permits.
15. The new waste contract incentivises the contractor to ensure that they meet and exceed the Council's BMW allowance, generating spare permits by splitting any income received from the sale of permits on a 50/50 basis. However, should the contractor fail to divert the required amount of BMW from landfill, then they would be required to 100% fund the purchase of any landfill permits required by the Council.

Outcome of Consultation

16. No consultation has been carried out for the production of this report.