

Environment & Heritage Service

EHS Compliance Monitoring Plan for 2007

Northern Ireland Producer Responsibility Obligations
(Packaging Waste) Regulations



Environment &
Heritage Service
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1.0 BACKGROUND

1.1 Introduction

The Producer Responsibility Obligations (Packaging Waste) Regulations (SR/1999/115) were introduced in Northern Ireland in 1999 as part of the UK implementation of the EC Directive on Packaging and Packaging Waste (94/62/EC). The Directive seeks to reduce the impact of packaging on the environment by setting mandatory targets for the recovery and recycling of packaging waste for Member States to achieve. By placing these obligations on business, the Packaging Waste Regulations encourage minimisation and reuse of packaging, reduce landfill disposal of packaging wastes and support the development of the packaging waste recycling sector.

The Directive was amended in 2004 (2004/12/EC) to set a target of 60% recovery of packaging waste by 2008. Northern Ireland has no specific targets but the data from Northern Ireland businesses feed into the UK target as the Member State. In 2006, the total amount of UK packaging waste was reported as 10.47 million tonnes and the total amount of packaging recovered was 6.43 million tonnes (see www.defra.gov.uk/environment/waste/topics/packaging). This yields a recovery rate of 61.3% indicating that the UK is on track to meet the 2008 target of 60%. There are also Directive targets for the recycling and recovery of specific packaging materials: Paper/Cardboard; Plastic; Glass; Metal and Wood.

1.2 Obligated Businesses

The Packaging Waste Regulations in the UK place the responsibility for meeting the Member State's targets on business. To minimise bureaucracy and focus effort on those companies that handle the vast majority of packaging, the Packaging Waste Regulations only affect businesses that exceed certain thresholds. The Packaging Waste Regulations place a legal obligation on all businesses with an annual turnover of more than £2 million and who handle more than 50 tonnes of packaging each year. Companies that exceed both thresholds are known as 'producers'. Producers are required to:

- Register and submit data to Environment & Heritage Service (EHS) by the 7th April each year. An operational plan should also be submitted if the producer has a recovery obligation of more than 500 tonnes;
- Fulfil their specific recovery and recycling obligations;
- Submit a Certificate of Compliance by 31st January each year and support this with evidence that the required packaging waste recovery and recycling has been carried out; and
- Meet certain 'consumer information obligations' if the main activity of the company is 'seller'.

Alternatively, producers may join a compliance scheme that will meet their obligations on their behalf. At the start of the 2007 compliance year, there were 10 GB based and 1 Northern Ireland based compliance schemes registered with EHS. An up to date list of registered compliance schemes is maintained on the EHS website at www.ehsni.gov.uk/waste.

Compliance Schemes registered with EHS

. Biffpack	. Recycle 1 st
. Budget Pack	. Recycle-Pak
. Compliance Link	. Valpak
. Complypak	. Veolia Environmental Services
. Nipak	. Wastepack
. Paperpak	

Recycling and recovery targets on obligated producers have been progressively increasing since 1999. Because not all businesses are obligated (small businesses below the thresholds are exempt), those obligated producers above the thresholds have to recover more packaging waste to enable the Member State to meet its targets. To enable the UK to recover 60% of packaging waste in 2008, the recovery target on obligated businesses will be 68% in 2008.

Recovery and recycling of packaging waste is carried out by reprocessors and exporters of UK packaging waste. Only reprocessors and exporters that are accredited and monitored by the Environment Agencies (EA, SEPA and EHS) may generate evidence of recovery in the form of Packaging Waste Recovery Notes (PRNs) or Packaging Waste Export Recovery Notes (PERNs) for each tonne of packaging waste that is reprocessed or exported. Packaging waste reprocessors and exporters that are not accredited are not allowed to issue evidence of recovery. Currently, there are 5 accredited reprocessors and 7 accredited exporters registered with EHS. This can change over the year and an up to date list is maintained on the EHS website at www.ehsni.gov.uk/waste.

Reprocessors and Exporters accredited by EHS

Reprocessors	Exporters
<ul style="list-style-type: none"> • Quinn Glass Ltd • Kosmos Glass Recycling Ltd • Plastic Recycling Solutions • Eglinton (Timber Products) Ltd • Spanboard Products Ltd 	<ul style="list-style-type: none"> • Clearway Ltd • T-Met Ltd • Plastic Recycling Solutions • Irish Polymers Ltd • ISL Ltd • Wastebeater • Re-Gen Ltd

Obligated producers and compliance schemes can meet their

recovery and recycling obligations by buying or obtaining the correct amount of PRNs and PERNs. Reprocessors and exporters are expected to use the income for the sale PRNs and PERNs to promote packaging recycling, e.g. to improve collection systems, increase recycling capacity and develop end use markets.

1.3 Recent changes to the legislation

The original Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 1999 have been amended several times to introduce various technical changes and progressively increase the recovery targets. The most recent regulations came into operation on 5 April 2007 and are referred to as the Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 2007 (SR/2007/198).

Recent changes to the packaging waste regulatory system include:

- The Allocation method. A 'small producer' which is defined in the regulations as a business with a turnover in the range £2 million to £5 million can elect to calculate their obligation by a simple calculation based on their turnover, rather than the actual amount of packaging handled by the business.
- Franchisors and other 'licensors', pub operating companies and companies operating under similar business models. These businesses are now obligated for packaging bearing their trade mark or associated with goods that bear their trade mark or provided by agreement between themselves and their non-obligated licensees (i.e. those below the thresholds).
- Lessors, which are businesses that lease or hire out packaging, such as wooden or plastic pallets, to other companies. Lessors will pick up a new 'service provision' obligation (85%) for all leased packaging on its first trip. The remaining 15% obligation should be picked up by the businesses manufacturing the packaging raw materials (6%) and converting these materials into packaging (9%).
- Direct registrants operational plans. The requirement for an operational plan has been amended from businesses that handle over 500 tonnes of packaging to businesses with a recovery obligation of over 500 tonnes.
- National Packaging Waste Database and ePRNs. A new on-line system has been introduced to enable quick and simple registration and submission of data by producers, schemes, reprocessors and exporters (www.npwd.org.uk). The previous system of paper PRNs and PERNs has been replaced by a system where the evidence notes are in an electronic format.

- Accredited reprocessors and exporters independent audit. The requirement for an independent audit now applies to reprocessors and exporters that issue PRNs/PERNs for more than 5000 tonnes, while the previous threshold was more than 400 tonnes.

1.4 The Duty to Monitor Compliance

Regulation 31 of the Packaging Waste Regulations places a duty on EHS to monitor compliance in Northern Ireland. This duty covers:

- obligated producers (direct registrants and members of schemes);
- non-obligated businesses who may exceed the thresholds (potential 'free riders');
- compliance schemes; and
- accredited reprocessors and exporters

The monitoring duty covers compliance with the legal obligations of all the businesses affected by the Regulations. A key issue to check is that all the information and data provided to EHS are 'as accurate as reasonably possible'. Monitoring activities are discussed in more detail in Section 2.

1.5 The Duty to Provide a Monitoring Plan

The Packaging Waste Regulations include a requirement for EHS to publish an annual compliance monitoring plan.

Regulation 32 states that the Department shall take such steps as seem to it appropriate to publish, in relation to each year, the following details of the monitoring carried out under regulation 31 –

- a) the Department's policy in relation to the monitoring it is required to carry out under regulation 31; and
- b) an indication of the minimum number of persons which it proposes to monitor in the course of that year.

To date the publication date for the EHS monitoring plan has been the beginning of May each year as this enables us to take account of the number of producers who registered by the April 7th registration deadline. The new Packaging Waste Regulations 2007 require the monitoring plan to be published by 1 December for the forthcoming year and this will be implemented for the first time on in December 2007 for the compliance year 2008.

2.0 MONITORING ACTIVITIES

2.1 Registered Producers

Registered producers include those businesses that register directly with EHS and those that register via a compliance scheme. There are two main components to compliance monitoring of obligated producers: office based data checks and site audits.

Site visits are a key aspect of effective compliance monitoring as they enable the regulator to observe business processes first hand, investigate packaging flows (inputs and outputs) and ascertain in detail how the data submitted to EHS have been derived. Based on hundreds of visits to many different businesses, the EHS compliance team have built up valuable experience on packaging data issues. Site visits can often result in additional packaging materials being identified for inclusion in future data submissions (e.g. unaccounted pallets, bespoke or 'home-made' packaging used for transit, etc). The site visit will investigate how data on packaging weights are extrapolated to derive figures for the total amount of packaging handled by the business, e.g. based on purchasing data, production data, sales data, etc. The site audit will also investigate and confirm the role of the business in terms of packaging flows between manufacturer, converter, pack filler and seller. For example, many manufacturing companies do not realise they are the seller of transit packaging to their customers.

As a general rule, if a discrepancy of less than 10% of the packaging handled is identified, the business is advised to take on board the recommendations of EHS in their submission for the next compliance year. If the discrepancy is greater than 10%, the business is required to provide a re-submission and pay an additional fee. A compliance visit can also result in a decrease in obligated packaging, for example, where a business has neglected to subtract packaging which is exported and does not enter the UK waste stream. The objective of EHS is to make sure that the packaging data submitted are as accurate as reasonably possible.

It is the aim of EHS that a producer will be routinely audited about once every three years. There are a number of reasons why more frequent audits may be required, listed below:

- Erroneous data was submitted in the previous year requiring a re-submission and there are still concerns about the accuracy of the data;
- The producer has failed to take account of previous audit recommendations from EHS in their data submission;
- The producer has provided an inadequate certificate of compliance, as failure to comply with this basic requirement suggests an inadequate understanding of the

- regulations or a casual attitude towards compliance;
- The producer is a new registered business and is still uncertain about the requirements of the regulations;
 - There are significant and unexplained differences from the previous year's data;
 - There have been significant changes to the business (e.g. takeover of another business) indicating that a new baseline for the amount of packaging handled by the business needs to be established;
 - The producer requests a compliance visit to help them improve the accuracy of their data submission.

Taking account of the reasons listed above, the overall outcome will be that producers that provide an accurate, soundly based and well explained data submission will receive less frequent audits than businesses that don't. Normally site visits are pre-arranged with the registered producer. This enables relevant information to be made available for the visit. However there may be occasions when unannounced compliance monitoring visits are deemed to be necessary.

The second main component of compliance monitoring is office based checks. It is noted that up to 2006 EHS only have routine access to the data submission of each direct registrant. Compliance schemes provide a composite data submission for all their members (see Section 2.3). EHS normally only request the data for an individual member from a scheme in preparation for a site audit. (This has changed for Compliance year 2007 as the obligation data for each scheme member is now available to the regulators through the National Packaging Waste Database.)

For direct registrants, the process of monitoring starts with the receipt of the annual registration form in April each year. The EHS Producer Responsibility Unit is responsible for processing the registration forms and updating the EHS PR database. The process of data review includes logic checking to ensure that data in the various tables in the form are not contradictory and also that the recovery and recycling obligations have been calculated correctly, based on the data provided. In addition business type and description are cross-referenced to declared activities to ensure that the appropriate packaging handling roles have been identified. Data are compared with previous years' submissions to note any trends, e.g. has an increase in turnover resulted in an increase in packaging handled. Previous site audit reports will also be consulted to check that the producer has taken on board any recommendations from EHS to improve the quality of the data. There may also be comparisons with similar sized businesses within the same industrial sector as a broad check on the scale of the figures. Any errors or concerns with the registration data are noted and the producer will either be asked to revise their application or they will be included in the list of producers requiring a compliance monitoring site visit

that year.

Visits to both direct registrants and scheme members are preceded by preparatory work, which includes EHS compliance officers reviewing current and previous registration data forms, any previous requests for re-submissions and any advisory guidance given in previous communications.

All direct registrants must submit an annual Certificate of Compliance (CoC) by 31st January each year. This states whether or not the business has met its recovery and recycling obligations for the previous registration year.

Direct registrants are monitored to check that CoCs have been submitted on time, that they contain the correct information and that there is appropriate evidence of compliance to back up the CoC. The CoC is also checked to ensure that it has been signed by the approved signatory. Any queries are followed up fully either by telephone or letter.

Each year, 25% of all direct registrant CoCs are audited during site visits to ensure that the producer has acquired the original PRNs and PERNs and is holding these for the requisite 4 year period as required by the Regulations.

Compliance monitoring of obligated businesses generally results in one of three outcomes:

- EHS is broadly satisfied, based on the aspects monitored, the producer is compliant, at the time of monitoring;
- The source of potential errors has been identified and a data re-submission is required; and
- The source of errors has not been fully revealed, further investigation is required, which may lead to enforcement action.

2.2 Non-obligated businesses - potential free riders

Since the commencement of the Packaging Waste Regulations in 1999, EHS has built up a database of over 1700 businesses that may be producers as defined in the regulations. This database has been assembled from a range of different sources such as business directories and databases; liaison with other government bodies and official organisations; local intelligence; feedback from compliance schemes and businesses.

While around 400 businesses are registered as obligated producers, this leaves about 1300 companies that are not obligated. Non-obligated businesses can be divided into two groups:

- Businesses that have provided relevant and accurate information to EHS and are legitimately under one of the

two thresholds tests: less than £2 million turnover or less than 50 tonnes of packaging handled; and

- Businesses that exceed the two thresholds defined in the Packaging Waste Regulations. Only this latter group are free riders.

Free riders may have provided inaccurate or incomplete information to EHS either deliberately to avoid their legal obligations or through a misunderstanding of the requirements of the regulations. For example a common error is that businesses provide a data submission based on the amount of waste packaging they produce rather than the amount of packaging material they handle as a business. Some free riders have ignored requests for information from EHS. Finally some free riders will not have been identified by EHS and so will not be listed in our database.

EHS's free rider monitoring strategy is a combination of written requests for information and site visits.

- Every year EHS sends out a data questionnaire to non-obligated businesses on our database seeking information on turnover and packaging handled. This is normally sent out in December or January and if the information returned indicates that the business is above the thresholds, they are advised to join a compliance scheme or register direct with EHS by the 7th April deadline.
- EHS carries out a programme of follow up checks and site visits on businesses that are potential free riders. This will include businesses that have not responded to a request for data; businesses that appear to have provided a very erroneous data return; businesses that appear close to the thresholds; businesses that have been identified by local intelligence or feedback from third parties. Currently EHS's target is to carry out a level of non-obligated business checks 3 times higher than the level of audits of registered producers.

Once a free rider is identified, they are required to register immediately for the current compliance year.

Some of the businesses legitimately below the thresholds also need regular monitoring as past data trends on turnover or packaging handled indicate that they are projected to exceed the thresholds in the near future. Other businesses have no prospect of exceeding the thresholds, and their details are archived so that they are not subjected to routine monitoring. About 400 of the 1300 non-obligated businesses have been archived in this manner, leaving approximately 900 businesses as the key target group for free rider monitoring.

2.3 Compliance Schemes

Monitoring of compliance schemes consists of two main components: analysis of submitted information and site audits. Analysis of submitted information includes:

- Review of their annual application to be a compliance scheme registered with EHS;
- Review of changes in membership;
- Review of any significant changes in the scheme's recovery and recycling obligations and the underlying reasons for these changes;
- Review of individual member's data if required;
- Review of the scheme's operational plan.

EHS has a particular interest in how GB based schemes communicate with their NI based members and how they check their data and update them on any changes to the regulations. EHS strongly encourages schemes to conduct a thorough site audit when they sign up new members and also to take appropriate action to rectify weaknesses in their systems when a member is required to provide a re-submission.

The strategy for site visits to monitor compliance schemes needs to balance resources against the risk and potential impact of failure to comply, because most of the schemes are GB based and therefore it is more expensive and time consuming for EHS to conduct a monitoring visit. For example, in 2006 one scheme had only 2 members and a recovery obligation of less than 500 tonnes, which has to be prioritised on a risk basis against other schemes which may have 50 – 100 members and obligations in the range 20,000 to 40,000 tonnes.

Key issues that are investigated during site visits include:

- the scheme's data management systems;
- the systems the scheme uses to check the accuracy of their members data;
- progress against the actions in their operational plan;
- the certificate of compliance for the previous year and the original copies of PRNs and PERNs that support this.

2.4 Compliance with consumer information obligations

These obligations affect companies whose main activity is 'seller' of packed products. These companies must, either individually or through a compliance scheme acting on their behalf, inform EHS of the methodology they are using to notify their customers about:

- the return, collection and recovery systems available to consumers - for example a list of local recycling facilities and initiatives;
- the consumers' role in contributing to reuse, recovery and recycling of packaging and packaging waste - for example encouraging customers to reuse plastic bags;
- the meaning of markings on packaging existing on the market - for example provision of a list of relevant symbols which may aid the purchase of recycled or recyclable goods; and
- the appropriate elements dealing with the management of packaging and packaging waste in the Waste Management Strategy for Northern Ireland.

Each year, EHS will monitor all compliance schemes and 25% of direct registrants, whose main activity is that of seller, to determine the methodology used by them to comply with these obligations.

2.5 Accredited Reprocessors and Exporters

EHS monitors accredited reprocessors and exporters to ensure that PRNs and PERNs are only issued in accordance with the requirements of the regulations. As these evidence notes have a monetary value as a result of the packaging regulatory system, effective monitoring is key to minimise the risk of fraudulent issue of PRNs and PERNs. Monitoring is focused on the following key issues:

- the material accepted for reprocessing or export is packaging material;
- the packaging is UK waste only;
- the recording of inputs and outputs weights are accurate; and
- the operator has accurate data and management systems for tracking material through the process.

Compliance monitoring is a combination of office based checks and site audits, and includes the following activities:

- review of the annual application to be an accredited reprocessor or exporter;
- review of the sampling and inspection plan;
- review of the three year business plan for investment of PRN and PERN income;
- review of quarterly and end of year data returns on amount of packaging waste received and PRNs and PERNs issued;
- for exporters of packaging waste, review of evidence that overseas reprocessing will be carried out under conditions

'broadly equivalent' to the environmental standards that apply in the European Union;

- review of the independent audit provided by the operator (if applicable);
- pre-application site visit (for operators that have not been accredited before);
- pre-arranged annual audit with detailed review of on-site processes and data management systems; and
- periodic, unannounced spot check visits during the year to check data accuracy and ongoing compliance with the conditions of accreditation.

2.6 Provision of advice and guidance

Although this report is focused primarily on monitoring activities, it is noted that EHS continues to provide advice and guidance to businesses which contributes to the level of compliance with the Packaging Waste Regulations.

This includes a range of activities such as: responses to telephone and e-mail queries; advisory visits; website updates; guidance documents and leaflets; workshops and seminars. Guidance is provided to existing registered producers, non-obligated businesses, trade bodies, consultants, compliance schemes, accredited reprocessors and exporters and other waste management operators that are potential reprocessors and exporters.

In 2006/07, EHS organised two training seminars for businesses to introduce new aspects of the packaging regulatory system: the allocation method for small producers and the new National Packaging Waste Database (on-line registration; ePRNs, etc). In addition, presentations were provided at seminars organised by the local compliance scheme Nipak & Business in the Community (Arena Network) and the local CBI to raise general business awareness of the Packaging Waste Regulations.

3.0 REPORT ON MONITORING ACTIVITIES FOR 2006/07

3.1 Monitoring visits

The number of monitoring site visits and audits conducted by EHS in 2006/07 to the different businesses affected by the Packaging Waste Regulations are summarised in the table below.

Type of visit	Number of visits
Registered producer audits	102
Potential free rider audits	315
Compliance scheme audits	3 (2 joint audits with EA)
Accredited reprocessors/exporters annual audits	12
Accredited reprocessors/exporters mid year spot checks	9
Potential reprocessors/exporters advisory visits	3 + 9 visits to businesses that did not pursue accreditation

The following points are noted:

- At the start of the compliance year in April 2006, the number of registered producers was 384 and this had increased to 402 by December 2006. Therefore approximately one quarter of the total number of registered producers was audited. This was a representative selection of direct registrants and scheme members. The total recovery obligation for producers registered with EHS was 136,619 tonnes.
- As a result of EHS checks and auditing, 17 producers were required to provide a re-submission for compliance year 2006. Three of these were direct registrants and the other 14 were members of schemes.
- The level of compliance monitoring of potential free riders was three times that of the level of producer monitoring. This demonstrates EHS's commitment to ensuring a level playing field for those businesses that are registered. This monitoring identified 29 new businesses.
- The success of EHS's monitoring strategy is demonstrated by the fact that although Northern Ireland's share (136,619 tonnes) of the total UK recovery obligation of 5,871,132 tonnes represents 2.3% (which closely matches Northern Ireland's share of UK GDP), the number of producers registered with EHS represents 6.2% of the UK total of 6,500 producers.
- In 2005/06, six schemes received audit visits. For 2006/07, it was decided to conduct 2 joint audits with the Environment Agency of GB based schemes and also

to audit the NI based scheme. In addition, copies of the audit reports for the other nine compliance schemes were obtained from EA or SEPA.

- All 12 accredited reprocessors and exporters received a full annual audit during 2006/07. In addition, nine of these accredited businesses received a spot check visit during the year. Three businesses only became accredited relatively late in the year and had received advisory visits as part of the process of reviewing their application, so in these cases spot checks were not carried out.
- At the end of 2006, reprocessors and exporters registered with EHS reported that they had accepted over 70,000 tonnes of packaging waste and had issued PRNs or PERNs for 52,218 tonnes.

3.2 Office based monitoring

Although site visits are a key component of an effective compliance monitoring strategy, a number of valuable monitoring activities can be carried out in the office based on the data submitted by the different businesses affected by the Packaging Waste Regulations. These activities are summarised in the table below.

Activity	Number
Producers data questionnaire issued to non-obligated businesses	935
Producers data questionnaires returned and reviewed	200
Direct registrants registration data review	91
Compliance schemes registration data & operational plan review	12
Direct registrants certificate of compliance review	86 (5 outstanding)
Compliance schemes certificate of compliance review	12
Accredited reprocessors/exporters applications assessed	12
Accredited reprocessors/exporters quarterly and annual data returns reviewed	12

4.0 MONITORING PLAN FOR 2007/08

4.1 Monitoring visits

The number of monitoring site visits and audits planned by EHS in 2007/08 are summarised in the table below.

Type of visit	Number of visits
Registered producer audits	132
Non-obligated business visits	200
Non-obligated business checks	200
Producers advisory visits	As requested
Compliance scheme audits	4
Accredited reprocessors/exporters annual audits	11
Accredited reprocessors/exporters mid year spot checks	11
Potential reprocessors/exporters advisory visits	As requested

It is noted that the number of advisory visits to producers and potential reprocessors/exporters is difficult to predict as this is determined by the number of requests received by EHS. As with the previous compliance year, there is a higher level of free rider monitoring relative to the level of registered producer audits. Traditionally, free rider monitoring has focused on businesses that appear to be close to the thresholds in the regulations. In line with the better regulation agenda and to minimise the burden on small businesses, half the monitoring effort in 2007 will also focus on identifying companies that are far away from the thresholds and are suitable for archiving in the EHS database of producers. If archived, these businesses will not be required to complete the annual data questionnaire. For other businesses that are below the thresholds, it may be appropriate to send them a data questionnaire every alternate year.

4.2 Office based monitoring

In addition to the monitoring visits outlined above, the following monitoring activities will also be undertaken:

Activity	Number
Producers data questionnaire issued to non-obligated businesses	700
Direct registrants registration data review	99
Compliance schemes registration data & operational plan review	11
Direct registrants certificate of compliance review	99
Compliance schemes certificate of compliance review	11
Accredited reprocessors/exporters applications assessed	11
Accredited reprocessors/exporters quarterly and annual data returns reviewed	11

4.3 Targets

Based on the compliance monitoring outlined in this document, EHS has adopted the following targets to be achieved by the end of the 2007 compliance year:

- Identify an additional 20 obligated businesses (target 422 producers);
- Increase the total recovery obligation of producers registered with EHS to over 150,000 tonnes; and
- Identify and approve an additional 3 accredited reprocessors and exporters.

5.0 ENFORCEMENT

The Producer Responsibility Unit will enforce the Packaging Waste Regulations in accordance with the published EHS Enforcement Policy (see www.ehsni.gov.uk/pollution). The enforcement powers available to EHS include warning letters, issue of formal notices and prosecution. In addition, EHS can refuse to register a compliance scheme, grant conditional approval or withdraw approval. EHS can also require a direct registrant to register via a compliance scheme. Reprocessors and exporters can have their accreditation suspended or withdrawn.

Regulation 40 of the Packaging Waste Regulations 2007 sets out offences and penalties. Where an offence has been committed, the choice of enforcement response will be assessed on a case by case basis and will take into account the issues set out in the EHS Enforcement Policy. Part 6 of the Regulations set out the appeals process.

During 2007-08 EHS will continue to investigate non-compliance with the regulations and the range of available enforcement options will be used as appropriate.

6.0 FUNDING AND RESOURCES

6.1 Income

The EHS compliance monitoring activities discussed in this document are funded from annual registration fees paid by producers direct or via their compliance scheme. Accredited reprocessors and exporters also pay an annual application fee. The fees for compliance year 2006 provided EHS with an income of £343,000.

6.2 Funded Activity

The fee income generated is used to fund a team of 2 senior compliance officers and 4 compliance officers. The compliance officers is each assigned a geographical region of Northern Ireland which is the focus of their compliance monitoring activities. Each compliance officer has approximately 100 registered businesses to monitor on a 3-year rolling programme and several hundred non-obligated businesses to keep under review. One of the senior compliance officers oversees this producer monitoring and is also the main point of contact for Compliance Schemes and their auditing. The other senior compliance officer focuses on monitoring accredited reprocessors and exporters and is also responsible for business development in this area. The fee income also funds team management and administration support. Team management is responsible for development of policy and guidance and works in close partnership with the other regulatory bodies the Environment Agency and the Scottish Environment Protection Agency. There is also regular liaison with regulatory bodies in the Republic of Ireland – the Environment Protection Agency

and Repak. EHS is a member of the Advisory Committee on Packaging and the NPWD Advisory Group.

It is noted that in addition to the compliance monitoring outlined in this report, the fee income also has to cover activities such as: administration of the registration of schemes and direct registrants; administration of reprocessors and exporters accreditation; data management and reporting to the EA and Defra; the provision of advice and guidance and general awareness raising activities; enforcement activities (including formal enforcement actions such as interviews under caution, preparing case files, undertaking prosecutions, etc).

6.3 PRN and PERN Costs and Revenues

The cost of PRNs and PERNs is not controlled in any way by the EHS or the other regulators. Any charges levied by accredited reprocessors or exporters for the procurement of PRNs and PERNs, are controlled by market forces. It is important to note that EHS does not receive any revenue, either directly or indirectly from any charges made for PRNs and PERNs.

Revenue raised through PRNs and PERNs is retained by accredited reprocessors and exporters. They are required to provide information to EHS in their annual application in the form of a three year business plan, on how the revenue has been used to fulfil one of three objectives: increased collection of UK packaging waste, increased capacity for reprocessing and expansion of end markets for reprocessed waste materials.



Our aim is to protect, conserve and promote the natural and built environment for the benefit of present and future generations.

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