

# **Guidance on the Recycling Credit Scheme**

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## 1. Introduction and Scope

1.1 This guidance covers:

- the background to the recycling credit scheme and the changes introduced in April 2006;
- the legal position and responsibilities under the scheme;
- payment of credits to waste collection authorities (WCAs) by waste disposal authorities (WDAs);
- payment of credits to third parties by WDAs and WCAs;
- arrangements for paying credits; and
- calculation of credits.

1.2 The guidance should be read in conjunction with section 52 of the Environmental Protection Act 1990<sup>1</sup> (EPA 1990) as amended by section 49 of the Clean Neighbourhoods and Environment Act 2005<sup>2</sup> (CNEA 2005) and with the Environmental Protection (Waste Recycling Payments) (England) Regulations 2006<sup>3</sup> (the 2006 Regulations).

1.3 This guidance is provided in accordance with section 52(8A) of the EPA 1990 and applies to England only.

## 2. Background

2.1 The recycling credit scheme was an early initiative to incentivise recycling of household waste by local authorities and by third parties (e.g. community groups, businesses and other organisations carrying out recycling activity). In the absence of a direct charge for collecting or disposing of household waste (with minor exceptions), there was no direct financial incentive to avoid collection or disposal costs by recycling waste instead. The scheme's purpose is to make available to recyclers the savings in disposal and collection costs which result from recycling household waste.

2.2 The scheme was introduced in section 52 of the EPA 1990 in the absence of other policy levers to encourage recycling, but today has to operate in conjunction with a number of other economic and regulatory measures designed to promote more sustainable waste management. In the face of evidence that the design of the scheme could inhibit effective and sustainable waste management, the Government reviewed and consulted on changes to the scheme in 2004.

2.3 Amendments to the scheme were included in section 49 of the CNEA 2005 (which itself amends section 52 of the EPA 1990).

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<sup>1</sup> [http://www.opsi.gov.uk/acts/acts1990/Ukpga\\_19900043\\_en\\_1.htm](http://www.opsi.gov.uk/acts/acts1990/Ukpga_19900043_en_1.htm)

<sup>2</sup> <http://www.opsi.gov.uk/acts/acts2005/20050016.htm>

<sup>3</sup> [http://www.defra.gov.uk/environment/waste/localauth/part\\_work.htm](http://www.defra.gov.uk/environment/waste/localauth/part_work.htm)

### **3. Operation of the Scheme**

#### The Duty

3.1 Section 52(1) of the EPA 1990 places on WDAs a duty to pay waste disposal credits to a WCA in its area when the WCA diverts waste from the household waste stream for recycling.

3.2 Section 52(2), which imposes a duty on WCAs to pay collection credits to WDAs, has not been commenced and there are currently no plans to do so.

3.3 The six Joint Waste Disposal Authorities are no longer required to pay recycling credits to their WCAs. Section 52(1A) of the EPA 1990 confers powers on the Secretary of State to remove by Order the duty imposed on those authorities by section 52(1) and the Joint Waste Disposal Authorities (Recycling Payments) (Disapplication) (England) Order 2006<sup>4</sup> duly removed the duty.

3.4 Increased flexibility for WDAs and WCAs has been introduced through section 52(1B) of the EPA 1990. The flexibility introduced by the CNEA 2005 allows authorities to develop joint working arrangements tailored to their area by mutually agreeing not to make inter-authority recycling credit payments. Government expects local authorities to consider whether a better, more appropriate, cost-sharing model for their area can be developed and aid in the achievement of Landfill Allowance Trading Scheme obligations and local plans for recycling and composting. However in circumstances where agreement cannot be reached or where the default scheme is most appropriate, WDAs will still be required to pay disposal credits to WCAs as per paragraph 3.1 above.

#### The Power

3.5 WDAs and WCAs have a power to pay credits to third parties under sections 52(3) and (4) of the EPA 1990 respectively. WDAs have a power to pay disposal credits to third parties, which send household waste to be recycled thus reducing the amount of waste WDAs have to dispose of. WCAs have a power to pay collection credits to third parties who collect household waste for recycling thus reducing the amount of waste WCAs have to deal with.

3.6 The Secretary of State has the power to issue regulations under section 52(4A) of the EPA 1990, to change to a duty the power of WDAs to pay waste disposal credits to third parties under section 52(3) of the EPA 1990. There are no plans at present to issue such regulations. There is no equivalent power to make the payment of collection credits to third parties mandatory.

#### Duty of Best Value

3.7 All waste authorities have a duty placed on them as best value authorities by section 3 of the Local Government Act 1999 "to make arrangements to secure continuous improvements in the way they exercise their functions having regard to a combination of economy, efficiency and effectiveness". Authorities should have regard for this obligation when considering payment of credits.

3.8 In particular, Government expects WDAs and WCAs to:

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<sup>4</sup> <http://www.opsi.gov.uk/si/si2006/20060651.htm>

- jointly consider the use of the flexibility to introduce alternative arrangements to the payment of credits by the WDA to the WCA, and whether such arrangements would better enable the authorities jointly to work toward the goals in their municipal waste management strategy; and
- consider all applications for third party credits and pay credits where benefits (including economic and social as well as environmental) for the area can be realised in doing so.

### Local Government Act 2000

3.9 Powers to promote the well-being of local areas are set out in section 2 of the Local Government Act 2000. These state that every local authority has the power to do anything which it considers is likely to achieve the promotion or improvement of the economic, social and environmental well-being of their area. Although their use prevents a local authority from raising money, the powers can assist local authorities to incentivise recycling or reduce waste.

3.10 A local authority can use the well-being powers to:

- incur expenditure;
- give financial assistance to any person;
- enter into arrangements or agreements with any person;
- co-operate with, or facilitate or co-ordinate the activities of, any person;
- exercise on behalf of any person any functions of that person; and
- provide staff, goods, services or accommodation to any person.

3.11 It is important to note, however, that the well-being powers do not enable a local authority to do anything which they are unable to do by virtue of any prohibition, restriction or limitation on their powers which is contained in any enactment. In other words, local authorities may not use these powers to do anything from which they are specifically restricted.

3.12 Authorities may wish to consider using these more flexible powers to work with third parties as an alternative, or in addition, to making credit payments. For example, higher payments could be offered to incentivise activities that fit well with the municipal waste management strategy, create extra social and economic benefits for the community alongside the environmental gains or divert biodegradable municipal waste from landfill. Where there are benefits beside the environmental ones, waste officials may wish to discuss the potential benefits with officials from other departments, including but not limited to those responsible for education, social and community policy, and consider joint support.

### What Elements of the Waste Stream Can Credits Be Paid For?

3.13 In principle, all controlled waste which falls to be collected by the WCA under section 45 of the EPA 1990 can be the subject of recycling credits. However, credits may be paid only on controlled waste for which no direct charge is levied (essentially household waste). Waste from schools and colleges is considered household waste although a

charge can be made. This is because charges can be made for the collection and disposal of commercial and industrial waste and there is no saving to be passed on when waste is retained for recycling. Following the same principle, where a direct charge is made by local authorities for the collection of household waste (e.g. some bulky or green waste collections) collection credits should not be paid because there is no saving to the authority to pass on – but it should be noted that in this situation disposal credits are still payable.

3.14 Credits are to be paid where waste is collected for recycling or reuse. The interpretation of terms used in Part II of the EPA 1990 is, of course, ultimately a matter for the courts. Section 52(12) of the EPA 1990 clarifies that recycling credit payments can be paid for reused waste on the same basis as for other recycling. It is Government's view that composting is a form of recycling for the purposes of the scheme.

3.15 Credits should only be paid for waste, which is recycled or reused. The sale of second-hand books or clothes, and the use of returnable or refillable bottles or containers will therefore not be eligible for credit payments. For example goods donated to charity shops are not classified as waste at the point of donation, therefore charity shops would not be eligible to receive recycling credits on goods donated to their shops. With regard to waste discarded from charity shop, as this is treated as household waste, charity shops would be eligible for recycling credits for items that cannot be sold and are then discarded as waste and recycled rather than being disposed of. Authorities and third parties may wish to refer to the guidance note produced by the Environment Agency and community waste sector on reuse<sup>5</sup>.

### Collectors

3.16 Section 52 of the EPA 1990 makes it clear that the credit is payable to the person collecting the waste for recycling. Authorities will need to satisfy themselves that the waste is being recycled or reused and not simply collected. Authorities will also need to ensure that they are in compliance with the waste duty of care. This includes ensuring that the collectors are registered waste carriers and that a transfer note is completed for each exchange of waste between the collector and the "recycler". Certain organisations, mainly charities and voluntary organisations, may be exempt from the requirement to register as waste carriers, provided they do not carry waste on a professional basis. However, these exempt carriers do need to register their exemption with the Environment Agency or Scottish Environment Protection Agency, at no cost.

3.17 The collector will usually be the waste authority or third party which establishes the services or facilities to collect the waste for recycling, for example by providing and operating recycling banks or by operating a separate kerbside collection service. A collector would not be the individual member of the public who takes waste materials to the bottle or can bank. Collectors may perform the process of recycling themselves or may pass the material on to another organisation for processing. If an authority provides facilities, staff or other resources to assist the collector, it would be appropriate to take the value of this assistance into account when paying the credit.

### Contracts

3.18 The Government does not expect credits to be paid where a contract exists or will

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<sup>5</sup> A simple guide to assist community sector reuse/ refurbishment organisations in complying with waste regulations, [http://www.environment-agency.gov.uk/commodata/103599/ld1\\_reuse\\_refurb\\_631037.doc](http://www.environment-agency.gov.uk/commodata/103599/ld1_reuse_refurb_631037.doc)

be put in place shortly. An organisation which provides services under a contract with an authority is not eligible to receive credits from that authority in respect of activities covered by its contract, since this would amount to double payment. For instance if a WDA enters into a contract with the operator of a recycling facility to recycle its aluminium can waste, it will already have taken into account in the contract that it no longer has to pay to dispose of that waste. WCAs which contract with collectors will be eligible to claim disposal credits from their WDA in respect of those activities.

3.19 Waste authorities and third parties will need to decide between the certainty and security of a contract and the flexibility offered by an arrangement where third party credit is paid. A third option would be to have a Service Level Agreement, less formal than a contract and retaining some of the flexibility of the recycling credit scheme. Where an outside organisation performs significant amounts of recycling work on a continuing basis, for example by operating a major recycling facility or providing an authority-wide system of bottle or paper banks, a contract may be preferred. Where an organisation provides on a smaller scale or less regular service, a third party credit arrangement or Service Level Agreement may be more appropriate.

#### Reasons for Not Paying Credits to Third Parties

3.20 The Secretary of State would consider it reasonable for a waste authority not to pay credits to third parties if arrangements already existed for recycling the waste in the area in which the third party would operate and the proposed operations were not in compliance with the area's municipal waste management strategy. However, it would be considered unreasonable for an authority to avoid paying credits to third parties where their activity made a measurable contribution to increasing reuse, recycling or diversion from landfill and supported delivery of the area's municipal waste management strategy. Individual authorities will need to determine if there are other circumstances where it would be reasonable not to pay credits to third parties, taking into account other measurable social and economic benefits in accordance with their best value obligations.

### **4. Arrangements for Paying Credits**

#### Assessing Applications for Credits

4.1 As previously stated, Government expects waste authorities to be pre-disposed to the payment of credits to third parties. No waste authority should have a policy of refusing to pay third party credits without assessing applications. If an application for recycling credits from a third party is refused, it is considered good practice to provide reasons to the third party for refusing their application for credits. ODPM's ongoing work to develop a vision for the future of local government is clear about the valued role the community and voluntary sector can play, working in partnership with local authorities, to deliver local priorities.

4.2 Where an application is received a waste authority should expend effort assessing it commensurate with the robustness and quality of the application, the value of credits requested and the environmental, economic and social benefits, which could be accrued to the local area through support for the third party operations. For example, a community sector furniture reuse operation may be able to provide employment for hard-to-employ groups and low cost furniture for families on low incomes – creating obvious economic and social benefits for an area alongside the expected environmental ones. In other areas a community recycling and composting operation and the presence of uniformed operatives might help to engender a sense of community and security in an inner-city housing estate. In such cases waste officials should discuss the potential benefits with officials from other

departments, including but not limited to those responsible for education, social and community policy, and consider joint support.

### Waste Authorities as Agents

4.3 Where third parties divert waste from the waste stream prior to collection, they may receive both a disposal credit from the WDA and a collection credit from the WCA. It is likely to be administratively more efficient for these credits to be issued together rather than separately. The Government recommends that waste authorities should consider establishing arrangements whereby one tier of waste authority acts as an agent for the other, making disbursements of disposal credits and collection credits.

4.4 It is emphasised that the formal powers to make collection credits and disposal credits to third parties are vested in the WCA and WDA respectively by the EPA 1990. If one tier is acting as agent for the other, it will be able to disburse credits for that authority only on the basis of its clear policy guidelines. Authorities may wish to make a charge to the authority on whose behalf they are administering payments. Neither the WDA nor the WCA should make allowance for the cost of administration in the size of the credit.

### Payment Controls

4.5 It is important for waste authorities to have in place their own controls over the payment of credits that are sufficient to prevent error or fraud. Through these controls, waste authorities will wish to assure themselves that:

- the tonnage of waste on which credits is claimed is as stated;
- the waste has not previously been presented to the same or another waste authority for credit;
- the waste originates from the household waste stream;
- the waste originates from the area of the WCA or WDA from which credit is claimed;
- waste on which a waste collection credit is claimed was removed before rather than after, collection by the WCA; and
- waste on which credits are claimed is being recycled or reused.

4.6 Waste authorities should be able to meet these requirements through a system of paying credits only on the basis of a receipt from an approved “recycler”, a system of registration of third parties who wish to claim credits and through other arrangements described below. For any claim, the extent of checks should be proportionate to the value of the credits involved.

4.7 The Government recommends that waste authorities pay credits only on sight of a receipt from an approved “recycler”. For these purposes a “recycler” would be a person or organisation who takes receipt of the waste from the party claiming credit (in some instances this may be the same person). The authority would need to satisfy itself that the “recycler” was involved in the recycling business before placing it on their approved list. The receipt will need to state the name of the collector of the waste, the tonnage of waste, the type of waste and the date of delivery to the recycler. Each waste authority may wish to adopt a standard form of receipt for this purpose.

4.8 Authorities will need to maintain a list of approved recyclers so that they can place reliance on the receipts issued. They should be aware of the types and quantities of waste which each recycler is capable of handling and satisfy themselves that adequate facilities and/ or methods are being used to quantify the waste in order to assure themselves of the accuracy of receipts. They should also keep themselves aware of the credentials and business standing of their approved recyclers. Given the effort involved in maintaining the list, it would be open to authorities to charge a registration fee to recyclers who wish to be placed on their approved list. If they do, the fee should not exceed an amount sufficient to cover the cost of maintaining the list.

4.9 It may not be practicable in all cases for third parties to provide receipts that give accurate indications of tonnages recycled or reused. For instance, a community sector furniture reuse operation may not have the facilities to weigh each item of furniture refurbished and reused. Authorities may therefore wish to agree alternative arrangements such as a per item payment. Community Recycling Network (CRN)<sup>6</sup> have done work on the development of data collection methodologies for community sector waste groups and third parties may wish to refer to their guidelines when considering how best to provide authorities with data. Estimated or average tonnages may also be a useful tool, the Furniture Reuse Network (FRN) have a list of average weights on their website<sup>7</sup>.

4.10 In some cases, the “recycler” to whom credit claimants deliver the waste may be an intermediary rather than the person who processes the waste. In these cases, authorities paying credits will need to determine that the approved recycler has an established and continuing arrangement to pass on the waste to a person who will process it. Where the intermediary regularly stores waste for some length of time, authorities will need to consider whether they can satisfy themselves that the final destination of the waste is recycling.

4.11 The Government recommends that waste authorities should also operate a system of registration for third parties claiming credit. In this case credits would be paid only to third parties on the register. Such a system of registration should reduce the need for case-by-case checking of each application for credit. Waste authorities should not register third parties without making appropriate checks on those applicants’ credentials.

4.12 The registration of a third party should include details of the type and tonnage of waste to be collected by the third party, the area of collection and the frequency of collection. Collectors should be required to carry identification stating their name and the registration of their organisation when carrying out collections.

4.13 Where small quantities of waste are presented for payment of credits, waste authorities will need to consider how payment controls can be applied in keeping with the sums of money involved. There is a valuable and legitimate role for collectors, whether waste authorities or third parties, in consolidating small amounts of waste from a number of collectors into consignments of a reasonable size. This service could be provided by WDAs at centralised facilities or by third party “umbrella” organisations.

## Budgeting

4.14 Sections 52(1) and 52(3) of the EPA 1990 place the responsibility for payment of disposal credits on the WDA and section 52(4) places the responsibility for payment of

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<sup>6</sup> [www.crn.org.uk](http://www.crn.org.uk)

<sup>7</sup> [www.frn.org.uk/code/members/weights.asp](http://www.frn.org.uk/code/members/weights.asp)

collection credits on the WCA, even though either may use the other as an agent in making the payment. Therefore, whether or not one authority acts as an agent for another, all disposal costs should therefore be included in the WDA's budget and all collection credits in the budgets of the WCAs.

### Monitoring

4.15 Waste authorities should be able to make available, on request, details of the recycling credits, which they have paid. Details should include information on the tonnages or other appropriate measurements, of material on which credits have been paid and the amount, which they have paid.

## **5. Guidance for Third Parties**

### **5.1 – Guidance for third parties:**

5.1 Third parties should not expect to receive credits merely because they are recycling and have submitted an application for credits. Although local authorities should be predisposed to the payment of credits to third parties, they also have a duty to maximise the potential of their budgets and ensure that their householders and their area get good value for money.

5.2 When putting together an application for credits third parties should speak to the authority beforehand to ascertain what is expected in an application and should ensure that their application:

- is in accordance with the procedures the local authority in question has in place, e.g. using the correct forms;
- provides a sound evidence base to assure the authority that the application is genuine and that the third party will be able to provide robust data to verify claims for credits, including that material is collected from the authority's area and is recycled;
- clearly sets out any benefits which the scheme can provide for the local area;
- fits with the municipal waste management strategy of the local authorities – credit applications are unlikely to be supported where they are in direct conflict with an authority's stated strategy;
- does not propose duplicating effort for waste streams or areas which the authority and its partners already cover.

5.3 Proactively demonstrating to an authority that a scheme will provide value for money and tangible benefits from the outset will greatly enhance the chances of receiving credit payments.

5.4 An application is also more likely to be successful if a third party can demonstrate commitment to providing accurate data about the quantity and types of material collected and recycled or reused in order to contribute to the performance indicators used to monitor local authority activity.

## **6. Calculation of Credits**

6.1 Where WDAs and WCAs do not agree alternative arrangements and where authorities decide to pay credits to third parties, the method of calculating credit values set out in the Environmental Protection (Waste Recycling Payments) (England) Regulations 2006 must be used.

### Credits for Reuse

6.2 Reuse is treated in the same way as recycling for the purposes of the scheme. Credit values should be the same for reuse as they are for recycling.

### Credits for Third Parties

6.3 Disposal credits for third parties should be calculated on the same basis as credits for WCAs.

### Disposal Credits

6.4 In accordance with the Regulations, WDAs should calculate the value of a disposal credit

From 6<sup>th</sup> April 2006 by:

- calculating the average cost per tonne of waste disposal for similar waste in 2005/06 using the authority's most expensive form of disposal in each WCA as of 31<sup>st</sup> March 2006.

From 1<sup>st</sup> April 2007 by:

- calculating the average cost per tonne of waste disposal for similar waste in 2005/06 using the authority's most expensive form of disposal in each WCA area as of 31<sup>st</sup> March 2006.
- calculating the average of these values across a WDA area, to create a single credit value across a WDA area; and
- increase the value by 3% on 1<sup>st</sup> April 2007 with subsequent increases by 3% of the compounded figure on 1<sup>st</sup> April each year. This is open to review by Government if there were circumstances where inflation were to rise substantially over 3%

6.5 Where this figure is not known or is impossible to calculate authorities may use the default figures published in the Schedule to the Regulations.

6.6 In calculating the average cost per tonne of disposing of waste disposal in 2005/06 WDAs shall take into account:

- the market value at the relevant time of any of its assets (including land) used in connection with disposal of that waste;
- any expenditure incurred by the authority in operating any site or transfer station used in connection with the disposal of that waste;

- any transport costs incurred by the authority in relation to that waste;
- any expenditure which will be incurred in closing, restoring and subsequently maintaining any site belonging to the authority which is used for the disposal of that waste; and
- any other expenditure incurred by the authority in relation to that waste.

6.7 No account shall be taken of expenditure incurred in administering the scheme

#### Collection Credits

6.8 The value of collection credits should be determined, as specified in Section 52 (4) of the EPA 1990, to be the net saving arising from avoided collection. This leaves WCAs free to calculate the net saving by whatever method they determine.

*The consolidated text of section 52 of the Environment Act 1990 is provided for reference purposes only and is not intended, nor should it be used, as a substitute for professional advice or judgement or to provide legal advice with respect to particular circumstances.*

## **52 Payments for recycling and disposal etc of waste**

(1) Where, under section 48(2) above, a waste collection authority retains for recycling waste collected by it under section 45 above, the waste disposal authority for the area which includes the area of the waste collection authority shall make to that authority payments, in respect of the waste so retained-

- (a) in the case of a waste disposal authority in England, of such amounts as may be determined in accordance with regulations made by the Secretary of State; and
- (b) in the case of a waste disposal authority in Wales, of such amounts representing its net saving of expenditure on the disposal of the waste as the authority determines.

(1A) The Secretary of State may by order disapply subsection (1) above in relation to any waste disposal authority constituted under section 10 of the Local Government Act 1985 (joint arrangements for waste disposal in London and metropolitan counties).

(1B) A waste disposal authority is not required to make payments to a waste collection authority under subsection (1) above where, on the basis of arrangements involving the two authorities, the waste collection authority has agreed that such payments need not be made.

[(2) Where, by reason of the discharge by a waste disposal authority of its functions, waste arising in its area does not fall to be collected by a waste collection authority under section 45 above, the waste collection authority shall make to the waste disposal authority payments, in respect of the waste not falling to be so collected-

- (a) in the case of a waste collection authority in England, of such amounts as may be determined in accordance with regulations made by the Secretary of State; and
- (b) in the case of a waste collection authority in Wales, of such amounts representing its net saving of expenditure on the collection of the waste as the authority determines.]

(3) Where a person other than a waste collection authority, for the purpose of recycling it, collects waste arising in the area of a waste disposal authority which would fall to be collected under section 45 above, the waste disposal authority may make to that person payments, in respect of the waste so collected-

- (a) in the case of a waste disposal authority in England, of such amounts as may be determined in accordance with regulations made by the Secretary of State; and
- (b) in the case of a waste disposal authority in Wales, of such amounts representing its net saving of expenditure on the disposal of the waste as the authority determines.

(4) Where a person other than a waste collection authority, for the purpose of recycling it, collects waste which would fall to be collected under section 45 above, the waste collection authority may make to that person payments, in respect of the waste so collected-

- [(a) in the case of a waste collection authority in England, of such amounts as may be determined in accordance with regulations made by the Secretary of State; and
- (b) in the case of a waste collection authority in Wales, of such amounts representing its net saving of expenditure on the collection of the waste as the authority determines.]

(4A) The Secretary of State may by regulations impose on waste disposal authorities in England a duty to make payments corresponding to the payments which are authorised by subsection (3)(a) above to such persons in such circumstances and in respect of such descriptions or quantities of waste as are specified in the regulations.

(5) The Secretary of State may, by regulations, impose on waste disposal authorities in Wales a duty to make payments corresponding to the payments which are authorised by subsection (3)(b) above to such persons in such circumstances and in respect of such descriptions or quantities of waste as are specified in the regulations.

(6) For the purposes of subsections (1)(b), (3)(b) and (5) above the net saving of expenditure of a waste disposal authority on the disposal of any waste retained or collected for recycling is the amount of the expenditure which the authority would, but for the retention or collection, have incurred in having it disposed of less any amount payable by the authority to any person in consequence of the retention or collection for recycling (instead of the disposal) of the waste.

(7) For the purposes of subsections (2)(b) and (4)(b) above the net saving of expenditure of a waste collection authority on the collection of any waste not falling to be collected by it is the amount of the expenditure which the authority would, if it had had to collect the waste, have incurred in collecting it.

(8) The Secretary of State shall, by regulations, make provision for the determination of the net saving of expenditure for the purposes of subsections (1)(b), (2)(b), (3)(b), (4)(b) and (5) above.

(8A) The Secretary of State may give guidance-

- (a) to a waste disposal authority in England, for the purposes of determining whether to exercise the power in subsection (3) above;
- (b) to a waste collection authority in England, for the purposes of determining whether to exercise the power in subsection (4) above.

(9) A waste disposal authority shall be entitled to receive from a waste collection authority such sums as are needed to reimburse the waste disposal authority the reasonable cost of making arrangements under section 51(1) above for the disposal of commercial and industrial waste collected in the area of the waste disposal authority.

(10) A waste disposal authority shall pay to a waste collection authority a reasonable contribution towards expenditure reasonably incurred by the waste collection authority in delivering waste, in pursuance of a direction under section 51(4)(a) above, to a place which is unreasonably far from the waste collection authority's area.

(11) Any question arising under subsection (9) or (10) above shall, in default of agreement between the two authorities in question, be determined by arbitration.

(12) In this section, references to recycling waste include re-using it (whether or not the waste is subjected to any process).

*[Square bracketed provisions have not been commenced]*