



Department  
for Business  
Innovation & Skills

WEEE COMPLIANCE FEE  
METHODOLOGY

Evaluation of Proposals

OCTOBER 2014



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# WEEE Compliance Fee Methodology – Evaluation of Proposals

Following the 2013 consultation on changes to the UK WEEE system, BIS laid new Regulations that allow the Secretary of State to approve a compliance fee methodology as part of a new WEEE system that incorporates a WEEE collection target. Earlier this year BIS invited stakeholders to submit proposals on how the compliance fee should work. We are now publishing these proposals so stakeholders can contribute to their evaluation.

Issued: 24 October 2014

Respond by: 28 November 2014

Enquiries to: James Street, [james.street@bis.gsi.gov.uk](mailto:james.street@bis.gsi.gov.uk) 0114 2075222

This consultation is relevant to: Electronics Producers, WEEE Producer Compliance Schemes, WEEE Treatment Facilities, Waste Management Companies, WEEE Designated Collection Facilities, Local Authorities.

## 1. Executive Summary

1. In 2013 BIS consulted on a recast Waste Electrical and Electronic Equipment (WEEE) Directive and changes to the UK WEEE system as a result of the Red Tape Challenge. One of the outcomes of this consultation was that the UK would implement a new household WEEE system based upon a WEEE collection target given to Producer Compliance Schemes (PCSs), along with an option to pay a compliance fee (should one be approved by the Secretary of State) if a PCS failed to meet its target. Earlier this year, stakeholders submitted proposals for a WEEE compliance fee methodology. BIS received three proposals and this consultation is your opportunity to submit comments into the evaluation process.
2. This consultation contains three proposals for a WEEE compliance fee methodology along with a response form for you to submit your comments. We expect interested parties to include producers of Electrical and Electronic Equipment (EEE), PCSs, WEEE treatment facilities and designated collection facilities (DCFs) for WEEE, waste management companies and the re-use sector. Respondents have until 28 November 2014 to submit their responses.
3. This consultation covers the whole of the UK, and BIS would like to receive responses from a wide range of stakeholders. Specifically, BIS is seeking views on:
  - Whether the Secretary of State should approve a compliance fee for 2014, and
  - How well the proposals meet the published evaluation criteria.
4. Responses to this consultation will then be considered as part of the formal evaluation process of the proposed methodologies.

## 2. How to respond

5. When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.
6. The consultation opens on 24 October 2014 and the last date for responses is 28 November 2014.
7. You can reply to this consultation online at:  
<https://bisgovuk.citizenspace.com/digital/43b281e7>
8. The consultation response form can be found at Annex C and is available electronically on the consultation page: <https://www.gov.uk/government/consultations/weee-compliance-fee-how-it-will-work> (until the consultation closes). The form can be submitted online/by email or by letter to:

Name: James Street

Team: Environmental Regulations

Department of Business, Innovation and Skills

Postal address: Level 1, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2JF

Tel: 0114 2075222

Email: [weee@bis.gsi.gov.uk](mailto:weee@bis.gsi.gov.uk)

9. A list of those organisations and individuals consulted is in Annex B. We would welcome suggestions of others who may wish to be involved in this consultation process.
10. You may make printed copies of this document without seeking permission.
11. Other versions of the document in Braille, other languages or audio-cassette are available on request.

## 3. Confidentiality & Data Protection

12. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
13. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an

assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

## 4. Help with queries

14. Questions about the policy issues raised in the document can be addressed to:

Name: James Street  
Team: Environmental Regulations  
Department of Business, Innovation and Skills  
Postal address: Level 1, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2JF  
Tel: 0114 2075222  
Email: [weee@bis.gsi.gov.uk](mailto:weee@bis.gsi.gov.uk)

Please return completed forms to:

James Street  
Environmental Regulations  
Department of Business, Innovation and Skills  
Level 1, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2JF  
0114 2075222  
[weee@bis.gsi.gov.uk](mailto:weee@bis.gsi.gov.uk)

Respondents in Scotland should also send their response to:

Tim Chant  
Zero Waste Delivery  
Area 1-D North  
Victoria Quay  
Edinburgh  
EH6 6QQ  
Tel: 0131 244 7869  
E-mail: [timothy.chant@scotland.gsi.gov.uk](mailto:timothy.chant@scotland.gsi.gov.uk)

Respondents in Wales should also send their response to:

Alex Hamilton  
Waste and Resource Efficiency Division  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ  
Email: [alex.hamilton@Wales.gsi.gov.uk](mailto:alex.hamilton@Wales.gsi.gov.uk)

Respondents in Northern Ireland should also send their response to:

Janis Purdy  
Environmental Policy Division  
DoENI  
6th Floor, Goodwood House  
44-58 May Street  
Town Parks  
Belfast  
BT1 4NN  
Email: [wslpr@doeni.gov.uk](mailto:wslpr@doeni.gov.uk)

## 5. The proposals

15. There are two consultation questions. The first question asks you to state whether you believe the Secretary of State should approve a compliance fee for 2014 along with reasons for your answer. The second question asks you to provide comments supported by evidence on the proposed methodologies in terms of how well each proposal meets the published evaluation criteria. BIS does not currently have a preferred methodology in relation to this consultation.

## 6. What happens next?

16. Any compliance fee methodology and compliance fee scheme operator approved by the Secretary of State will be announced by mid-February following the compliance period to which the compliance fees will be applicable. This will allow sufficient time for PCSs to pay a compliance fee as appropriate and include evidence of payment with their Declaration of Compliance by the deadline date of 31st March.

## Annex A: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

### Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Angela Rabess  
BIS Consultation Co-ordinator,  
1 Victoria Street,  
London  
SW1H 0ET

Telephone Angela on 020 7215 1661  
or e-mail to: [angela.rabess@bis.gsi.gov.uk](mailto:angela.rabess@bis.gsi.gov.uk)

However if you wish to comment on the specific policy proposals you should contact the policy lead (see section 4).



## **Annex B: List of Individuals/Organisations consulted**

The following organisation recently contacted BIS with regards to the compliance fee:

AMDEA: Association of Manufacturers of Domestic Appliances

Environment Exchange

JTA: Joint Trades Association

ICER: Industry Council for Electrical Recycling

TechUK: Representative organisation for producers of ICT, CE and defence/security electronics

Valpak

WSF: WEEE Scheme Forum

## Annex C: WEEE Compliance Fee – Evaluation of Proposals response form

The closing date for this consultation is 28 November 2014.

Name:

Organisation (if applicable):

Address:

Please return completed forms to:

James Street  
Environmental Regulations  
Department of Business, Innovation and Skills  
Level 1, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2JF  
0114 2075222  
[weee@bis.gsi.gov.uk](mailto:weee@bis.gsi.gov.uk)

Respondents in Scotland should also send their response to:

Tim Chant  
Zero Waste Delivery  
Area 1-H North  
Victoria Quay  
Edinburgh  
EH6 6QQ  
Tel: 0131 244 7869  
E-mail: [timothy.chant@scotland.gsi.gov.uk](mailto:timothy.chant@scotland.gsi.gov.uk)

Respondents in Wales should also send their response to:

Alex Hamilton  
Waste and Resource Efficiency Division  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ  
Email: [alex.hamilton@Wales.gsi.gov.uk](mailto:alex.hamilton@Wales.gsi.gov.uk)

Respondents in Northern Ireland should also send their response to:

Janis Purdy  
Environmental Policy Division  
DoENI  
6th Floor, Goodwood House  
44-58 May Street  
Town Parks  
Belfast  
BT1 4NN  
Email: [wslpr@doeni.gov.uk](mailto:wslpr@doeni.gov.uk)

	Business representative organisation/trade body
	A Producer Compliance Scheme
	A Producer of EEE
	A Distributor (retailers and distance sellers) of EEE
	WEEE Treatment Facility
	Waste Management Company
	Electrical Reuse Organisation
	Central government
	Charity or social enterprise
	Individual
	Legal representative
	Local Government
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Medium business (50 to 250 staff)
	Large business (over 250 staff)
	Trade union or staff association
	Other, please specify

Please select from the list of options that best describes you as a respondent.

**Question 1. Should the Secretary of State set a compliance fee for the 2014 compliance period?**

Yes

No

Not sure

Comments:

**Question 2. For each of the three proposals please comment on how well they meet each of the 5 published evaluation criteria in Annex D.**

1. Proposed methodology for the calculation and administration of the fee.
2. Proposed methodology for the dispersal of funds.
3. Proposed timetable for implementation and operation.
4. Experience of proposer and proposed operator.
5. Proposed IT systems.

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses.

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No

## Annex D: Evaluation Criteria for a WEEE Compliance Fee

Proposals should cover the following five broad areas, which have been developed to help organisations putting together their proposals. These areas will then be scored by BIS, taking into account comments received from the consultation. Those scores will be multiplied by the weighting and the highest scoring proposal will be selected.

### 1 - Proposed methodology for the calculation and administration of the fee.

#### Weighting 5 = 20 marks available

Proposals should cover the following key areas. The methodology should:

- encourage compliance through collection and treatment of WEEE by PCSs via DCF collections, Regulation 43 or 52;
- reflect the different market economics associated with collection, treatment and environmentally sound disposal of the 6 WEEE collection streams;
- set out a methodology for calculation of a compliance fee across each WEEE collection stream and argument/evidence in support of that methodology;
- be stream specific, i.e. a PCS short of their targets by 10 tonnes of Display and 15 tonnes of Cooling will pay a fee specific to their shortage in each stream rather than a generic fee for a shortage of 25 tonnes. Proposals may consider circumstances where a negligible or zero fee might be appropriate;
- Indicate the extent to which the feasibility of the fee has been tested robustly;
- describe how the overhead costs of calculating, setting up and administering the compliance fee mechanism and disbursement of funds will be met. This should include contingencies for a situation of minimal up take or zero up take amongst PCSs;
- allow innovation;
- consider the impact of and comply with other relevant law, for example Competition Law;
- consider sound contingencies plans e.g. for failing schemes or new entrants;
- describe what information must be provided by PCSs, including evidence of auditing arrangements that ensures declarations of payments by PCSs (if needed) are robust, and how commercial confidentiality will be maintained;
- describe the mechanism by which PCSs can pay the fee, what information must be provided and commercial confidentiality will be maintained;
- describe the mechanism for ensuring the environment agencies receive necessary evidence that an appropriate compliance fee has been paid by PCSs. The agencies must be able to recognise, when accepting a Declaration of Compliance from a PCS, that it is

comprised of WEEE evidence and payment of a compliance fee. Validation of payment of the compliance fee must not place significant additional burdens on the agencies;

- set out evidence of auditing arrangements that ensures declarations of payments by PCSs are robust;
- explain the extent to which interested parties including producers, local authorities or other organisations have been consulted in developing the proposal.

## **2 - Proposed methodology for the dispersal of funds**

### **Weighting 4 = 16 marks available**

As a minimum, proposals should cover the following key areas. The methodology for the dispersal of funds should:

- provide evidence of the suitability of the proposed operator that will administer the Compliance Fee Process;
- set out the governance arrangements for the receipt and disbursement of any compliance fees paid;
- set out how disbursements of compliance fees will be validated with regards to their intended use;
- ensure payments received establish a fund from which disbursements will be made and recover the costs of administering the compliance fee process.
- show details of the mechanism for dispersal of funds collected and how validation will take place to show that the funds have contributed to higher levels of collection, recycling and re-use of WEEE. This must address the scenario of low up take and minimal levels of funds being collected;
- recognise the critical role that local authorities (and their partner organisations) play in WEEE collections;
- encourage increased volumes of separately collected WEEE and increased recycling in line with BATTRT requirements and legitimate re-use;

## **3 - Proposed timetable for implementation and operation**

### **Weighting 3 = 12 marks available**

As a minimum, proposals should cover the following key areas. The timetable should:

- Provide a realistic and comprehensive plan for implementation and operation;
- Show a clear process for staffing the proposals;

- Show a clear process for developing and implementing the IT systems;
- Demonstrate an understanding of project dependencies;
- Have appropriate contingency plans in place.

#### **4 – Experience of proposer and proposed operator**

##### **Weighting 2 = 8 marks available**

As a minimum, proposals should cover the following key areas. Proposers and proposed operators should demonstrate:

- A proven track record of financial probity combined with practical experience of working in a regulatory environment,
- A clear strategy for identifying and effectively mitigating risks arising as a result of any conflicts of interest
- Experience of setting up systems to allow data to be submitted and processed effectively
- Experience of developing robust proposals for Government

#### **5 - IT systems**

##### **Weighting 1 = 4 marks available**

As a minimum, proposals should cover the following key areas. Proposals should demonstrate:

- Appropriate IT systems
- Appropriate IT backup systems
- Appropriate IT support

#### **Scoring System**

Each proposal will be measured against the following criteria and awarded a score in line with the following descriptors. The score will then be multiplied by the weighting. The maximum score available is 60 marks

**0 - Unacceptable** - Nil or inadequate response. Fails to demonstrate an ability to meet the requirement

**1 - Poor** - Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled

**2 - Acceptable** - Response is relevant and acceptable. The response demonstrates a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas

**3 - Good** - Response is relevant and good. The response demonstrates a good understanding of the requirement and provides sufficient details on how the requirement will be fulfilled

**4 - Excellent** - Response is relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.



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