

Proposal to operate a mandatory PBS

WSF Limited

28/02/2019

This proposal is based on WSF Ltd understanding of Defra's requirements for the PBS. All proposals and draft agreements are however open to review and amendment in the light of further discussions with Defra.

Index

	Page
Executive Summary	3
1. Background and context	6
2. Proposed methodology for fulfilling the requirement of regulation 34 and dispersing requests to PCS members	7
3. Proposed administration of the PBS	13
4. Proposed timetable for implementation and operation of PBS	22
5. Experience of proposed operator	25
6. IT systems	29
7. Proposed enhancements to the WSF Ltd PBS	30

APPENDICES

A1 - Mandatory PBS Requirements	
A2 - Portal on which PBS Members submit requests	
A3 - WSF Ltd Director experience	
A4 - Experience of Administrator delivery team	
A5 - Longlist of Anthesis experience	
A6 - Agreed operations manual for a mandatory PBS	
A7 - Agreed PCS Membership Agreement for a mandatory PBS	
A8 - Proposal for an online bidding and reporting system	
A9 - Agreed Operator Agreement between WSF Ltd and Anthesis	
A10 - Legal competition law advice received by WSF Ltd	
A11 - ICER Report template	

Executive summary

A majority of the members of the WEEE Scheme Forum established the PBS in 2016, as a market led initiative to manage Regulation 34 (Reg. 34) requests. Joining is currently optional for any UK Producer Compliance Scheme (PCS), with a household WEEE obligation, and the scheme, which is operated by WEEE Schemes Forum Ltd (WSF Ltd), has been managed on its behalf by Anthesis (UK) Limited (Anthesis) since it was established.

Following an amendment to the UK's WEEE Regulations, the Secretary of State will appoint a mandatory PBS system to manage Reg 34. requests from a date to be confirmed in 2019.

This document is a proposal by WSF Ltd, the Operator, with Anthesis (UK) Limited as the nominated Administrator, to adapt and update the existing voluntary PBS system, to meet the requirements of a mandatory approach as defined by Defra. It is supported by the PCS members of the current voluntary PBS.

Value proposition

We firmly believe that our proposed solution and team is best placed to manage a mandatory PBS:

The overwhelming majority of UK household WEEE PCSs are members of the current voluntary system – 19 out of the 27 UK household PCSs are members of the current system and represent the majority of WEEE compliance obligation by weight;

The Operator and Administrator have the essential experience necessary to run a complex programme such as the PBS – The voluntary PBS has operated since Q3 2016, handling 93 Local Authority Reg 34 requests, covering a total of 856 DCF sites and 204 WEEE streams. All requests have been dealt with in full compliance with the strict timescales in the WEEE Regulations and feedback from Local Authorities has been positive. In short, the WSF Ltd PBS is proven to work, and works well (we include testimonials in section 2.7);

The existing system was developed, and has been adapted, with input from Local Authorities – Representatives of NAWDO were consulted at various stages during the establishment and review of the PBS and their views have been taken into account;

The existing PBS system has a track record of continuous improvement and innovation – We have developed and improved the system in line with experience and feedback received, since establishment. This proposal includes plans to make more improvements, including a move to an online bidding and reporting system;

Transition arrangements would be simple – As the majority of UK PCSs are in the existing PBS, adapting the existing system and migrating existing members will make the setup of the mandatory PBS quick and straightforward, with low development and setup costs.

Independence – Anthesis, the Administrators, are completely independent. They are not a PCS, an AATF or a waste management company, so have no vested interest in a particular outcome;

Compliance with Competition Law – WSF Ltd has put fundamental protections in place to ensure compliance with competition law, in particular, to make sure that prices for collection/treatment are never disclosed to PBS members;

Experience managing client funds – Anthesis has a proven track record of handling and dispersing funds from PCSs to finance Reg 34 collections, as detailed in sections 3.8 and 5.2.3;

Resources of the Administrator – Anthesis are a global organisation employing more than 250 sustainability professionals, this means they have the resources needed to cope with a wide range of contingencies;

The system has taken feedback from AATFs into account – At various points in the development of the system, feedback from AATFs has been taken into account – in particular regarding the length of time a Reg 34 collection contract should run. Further comments have been received recently, which have been included in section 2.7 below;

Appointing WSF Ltd as Operator and Anthesis as Administrator reduces the administrative burden on Defra. WSF Ltd will take responsibility for general oversight and management of the Administrator, including auditing of Anthesis. This will materially reduce the burden on Defra staff. Defra staff will continue to be invited to the WSF's quarterly PBS management meetings, and all PBS audit reports will be provided to Defra.

Our solution in summary

Defra have circulated evaluation criteria for a mandatory PBS, supplementing the requirements in Schedule 8A (Part 1 and 2) of the WEEE Regulations¹. We have presented our solution and credentials in a structure that matches these evaluation criteria. Key aspects are summarised below and expanded upon in detail in sections 2 to 6:

Requirement	Approach
Proposed methodology for fulfilling the requirement of regulation 34 and dispersing requests to PCS members	A system of anonymous and competitive bidding to handle Reg 34 requests, maintaining competition law requirements whilst also minimising costs for producers. Bidding takes place over three weeks to give all PBS members the opportunity to propose the best possible price. The incumbent PCS continues to provide a collection service during the bidding process, to meet the immediate timelines required by the WEEE Regulations and also to minimise any disruption to Local Authorities.

¹ http://www.legislation.gov.uk/uksi/2018/1214/pdfs/uksi_20181214_en.pdf

Requirement	Approach
Proposed administration of the PBS	Minimising unnecessary administration through re-registering all UK PCSs to the existing PBS, engaging the relevant agencies to confirm market shares. Aggregate billing to preserve compliance with competition law. Engaging Anthesis as Administrator who will be audited by an independent party chosen by WSF Ltd.
Proposed timetable for implementation and operation of PBS	Rapidly registering all UK PCSs to the new PBS through an agreement that has already been prepared (Appendix A7), using the existing PBS infrastructure to handle the likely first wave of Reg 34s exiting the existing PBS.
Experience of proposed operator	<p>WSF Ltd has extensive experience of:</p> <ul style="list-style-type: none"> • Operating in the UK WEEE system • Developing and putting forward a range of practical proposals to regulators and Government to assist in improving the system • Represents the majority of the PCS participating in the trade association that has represented UK WEEE PCS interests • Successfully operating the existing voluntary PBS in a consensual manner, since 2016. • Managing and auditing Anthesis as Administrator
Experience of proposed administrator	<p>Anthesis has a demonstrable track record in delivering relevant services:</p> <ul style="list-style-type: none"> • Successful management of the current voluntary PBS. • UK WEEE management and compliance. • International WEEE management and EPR. • Cash and client fund management. • Consortia management. • Web/Software development.
IT systems	Anthesis have the state of the art (GDPR compliant) systems and processes that would be expected of a global professional services organisation, with in house software teams to develop a bespoke and robust management system for the mandatory PBS.

1 Background and context

The Waste Electrical and Electronic Equipment (WEEE) Regulations 2013 (WEEE Regulations) require obligated producers to finance the treatment, reuse, recovery, recycling and environmentally sound disposal of the EEE that they put on the market. Producers must join a PCS to fulfil this requirement, who often contract with Local Authority DCF Operators (LA's) to clear WEEE from their Designated Collection Facilities (DCFs). LAs are entitled to receive a free of charge WEEE collection service from a PCS and if an LA is unable to contract with a PCS, regulation 34 of the WEEE Regulations permits them to require any PCS (with a household WEEE obligation) to collect WEEE from their DCFs within 5 working days.

Since 2016, through WSF Ltd the majority of the members of the WSF have operated a voluntary, market led, initiative termed the PCS Balancing System (PBS), to manage requests received by member PCSs under regulation 34 in a structured way. This has allowed PBS members to share the financial burden of handling these requests in a fair way and, has provided LAs with an efficient and failsafe guarantee that their WEEE will be collected. Since 2016, all Reg 34 requests submitted to the PBS have been successfully allocated, with a collection organised within five working days.

The 2018 update to the WEEE Regulations includes a provision for the Secretary of State to appoint a mandatory PBS system, to handle Reg 34 requests for three years, replacing the voluntary market led initiative. This document contains a proposal by WSF Ltd (as Operator) and Anthesis (as Administrator) to set up and manage a mandatory PBS, for consideration by the Secretary of State and following a period of stakeholder consultation.

The requirements for a mandatory PBS are detailed in Schedule 8A (Part 1 and 2) of the WEEE Regulations² and the priorities of the Secretary of State, when selecting a proposal, have been provided in the document "Guidance on submitting proposals for a PCS Balancing System"³ (Defra Guidance). Primarily, our proposal is structured to match the evaluation criteria in the Defra Guidance, presented in sections 2, 3, 4, 5 and 6, with additional enhancements that we have presented in section 7. For completeness we have provided the information required by Schedule 8a of the Regulations in Appendix A1.

² http://www.legislation.gov.uk/ukxi/2018/1214/pdfs/ukxi_20181214_en.pdf - SI 2018 1214

³ <https://www.gov.uk/government/publications/weee-submitting-a-proposal-for-pcs-balancing-system>

2 Proposed methodology for fulfilling the requirement of regulation 34 and dispersing requests to PCS members

WSF Ltd and Anthesis have already established infrastructure and processes for fulfilling Reg 34 requests, developed and improved upon over time since 2016. We are making some further enhancements in support of a mandatory PBS, however our tried and tested methodology has already been shown to function effectively. This established foundation allows for a quick transition with low disruption. The rules for administrating the voluntary PBS are already codified in the PBS Operating Manual and the agreement that PBS member PCSs will need to sign on joining. These documents have been updated for use with the mandatory PBS and are attached as Appendices A6 and A7, respectively.

2.1 Methodology for fulfilling the requirements of Regulation 34

Our approach to fulfilling Reg 34 requests is focused on an anonymised competitive bidding process, which has been designed to meet the regulatory requirements, minimise disruption to LAs, comply with competition law and encourage competitive pricing. The process is as follows:



2.2 Mechanism by which a PCS can submit a Regulation 34 request

A member PCS that receives a Reg 34 request from an LA, can choose to either fulfil the requirements on their own or submit all or part of the Reg 34 request to the PBS.

They do this via a web portal, already in place. Member PCSs are provided with login details to the PBS web portal for submitting bids,⁴ where they enter basic information about the requesting LA, including whether a one-off collection or an ongoing service has been requested, and supporting information about the DCF sites to be cleared, to inform potential bids. Requests are split into the 6 collection categories for WEEE: LDA, Small Mixed WEEE, Cooling, Display, Lamps, and Photovoltaic Panels (WEEE streams).

⁴ <https://wsfpbs.anthesisgroup.com/>

In addition, PCSs should submit evidence that the Reg 34 request is valid (usually a letter from an LA confirming that the contract is expired, or is about to expire, and that they are serving the Reg 34 on a PCS) and any supporting information about the DCF sites.

Anthesis confirm receipt of a Reg 34 request within 1 hour (inside business hours) and will begin the allocation process within 3 hours. Note that incomplete/ineligible Reg 34 requests are challenged and any delay remains the risk of the submitting PCS.

The existing web portal can remain largely the same, and our implementation plan for the mandatory PBS is presented in section 4.1. The screen shots in Appendix A2 show the current system and our proposed immediate updates for a mandatory system, which are all of a minor nature.

Following submission of a Reg 34 request from a PBS member, Anthesis confirm receipt of the request within 1 working hour and then begin the multi stage allocation process within 3 working hours. An independent audit, undertaken on behalf of WSF Ltd after the first year of operation confirmed that these timelines were consistently met, and this has continued to be the case in over nearly three years of operation. The multi stage allocation process works as follows:

- In Stage 1, all member PCSs are offered the opportunity to claim the request and handle it unilaterally; this means they bear the full cost of the collection service provided to the LA and retain the associated evidence notes. Details of the opportunity are circulated to a mailing list of all member PCSs. These requests are allocated on a first come first served basis and requests claimed at Stage 1 are no longer in the domain of the PBS. Member PCSs have 1 business day to respond and can claim one, some or all streams in any given Reg 34 request.
- If one, some or all of the WEEE streams in a Reg 34 request have not been allocated at Stage 1, the allocation procedure progresses to Stage 2. Details of the opportunity are circulated by email to all member PCSs, with an invitation to bid to collect WEEE on behalf of the PBS, for recharge to the collective membership. Member PCSs are given 15 working days to prepare bids, which take the form of a separate, all inclusive, price per tonne for each WEEE stream on offer. It is not compulsory for member PCSs to submit bids, and they may choose to submit bids for some or all of the WEEE streams on offer. Offers must be unconditional, unambiguous and the lowest price bid for each WEEE stream wins. If two bidders submit the same price for a WEEE stream, the bid received first by Anthesis wins. Where an ongoing service is requested by the LA, bidders can commit to making collections for 6 months, 12 months or to the end of the compliance year (for the mandatory PBS the latter must meet the minimum 6 month criteria), at their own discretion, but the duration has no bearing on the awarding of the bid which is always done on lowest price. Bidders submit their bids by email to the PBS, using a proforma template available from the PBS in a Microsoft Word document and winners and losers are also notified by email.
- If no PCSs bid at Stage 2, a final bidding process is run for 1 business day as Stage 3.

- If still no PCSs bid, the request is randomly allocated in Stage 4 to a PBS member who must fulfil the collection on behalf of the PBS membership at actual cost + 10%.
- In nearly three years of operation of the voluntary PBS, all Reg 34 requests have been allocated by Stage 2, so stages 3 and 4 are backstop provisions only. As cost is shared by all participating PCS this encourages PCS to make bids in order to ensure the cost they will incur is reflective of the service to be provided to the LA.

The WEEE Regulations require that a PCS must fulfil Reg 34 requests within 5 working days, so while the allocation is made, the rules of the PBS require the incumbent collector to continue to collect from the LA DCFs in the interim. These interim collections will be financed by the collective PBS membership, on a market share basis, at the rate of the winning bid.

To allow for a smooth transition, the incumbent PCS is notified who the winners are, and the winners are notified the identity of the incumbent PCS(s). There is then a 5 working day handover period for the winner to take over from the incumbent.

It is possible a Reg 34 request may be served on a member PCS by the operator of a newly established LA DCF where there is no PCS with responsibility for handling collections prior to the request being made. In such a case the Stage 2 bidding period will be reduced to three working days.

2.3 Maintenance of effective communication with the LA submitting the request

LAs are kept updated by Anthesis on progress at each stage of the allocation process and on receipt of the initial request, by email (a suitable address must be supplied by the submitting PCS as a mandatory part of their submission). The LA is notified that the allocation process has started as soon as the request is received and at each stage of the bidding process they are told which PCS has been allocated each WEEE stream and, if it is the case, which WEEE streams are still being allocated. The LA is asked to email back pro-forma text agreeing to the allocated collection.

2.4 Ensuring compliance with the DCF WEEE Collection Code of Practice

Only PCSs with a household obligation can join the PBS and complying with the DCF WEEE Collection Code of Practice is a prerequisite of joining. Equally, only valid LA DCFs which are subject to the Code of Practice can be included in Reg 34 requests submitted to the PBS, and submitting PCS are required to check this is the case. Furthermore, in addition to PBS members committing to the Code of Practice in the joining agreement, they are required to reconfirm their commitment to this when submitting bids via the proforma template.

2.5 Information to be provided by member PCSs taking on Regulation 34 requests

Winning PCSs (at Stages 2, 3 and 4) collect WEEE from the relevant LA DCFs on behalf of the PBS membership. They will contact the LA to make arrangements to commence collections within 5 working days and appoint their chosen service providers, including the AATF(s).

The collecting PCS is required to submit an ICER report to Anthesis monthly covering each AATF used (Appendix A11) detailing the collections for each stream, including the tonnes collected and the relevant evidence note codes, for recharge at the rate in their bid. Where collection volumes are small, reporting can be made quarterly.

The collecting PCSs will instruct their AATF(s) to transfer the relevant evidence notes to the Anthesis PBS account on the Settlement Centre quarterly⁵. The Anthesis PBS is already set up to receive evidence notes on the Settlement Centre. As the Settlement Centre does not provide visibility to the PCS of the evidence notes issued to Anthesis the winning PCS and Anthesis will liaise as required to resolve any discrepancies that may arise between the ICER reports and evidence notes submitted.

As required by the Code of Practice the winning PCS will provide LAs with the information they require for their Waste Data Flow reporting.

2.6 Sharing the cost of handling Regulation 34 requests on a market share basis and the mechanism by which PCSs would pay those costs

The PBS agreement confirms a PCS member's consent to their relevant environment agency to provide Anthesis with their household EEE market share (in accordance with the household obligation reports sent to each PCS), at the beginning of the compliance year and throughout as any updates are made available.

PCS market shares are issued in the 14 categories set out in the WEEE Regulations, whereas WEEE stream collections from LAs are the 6 specified by the DCF Code of Practice. The mixed WEEE protocol will be used to convert collections made in the mixed WEEE stream into the relevant EEE categories, collections made in the other WEEE streams will be matched on a one to one basis to their relevant EEE categories. References below to WEEE streams should where appropriate be taken as references to the relevant EEE categories.

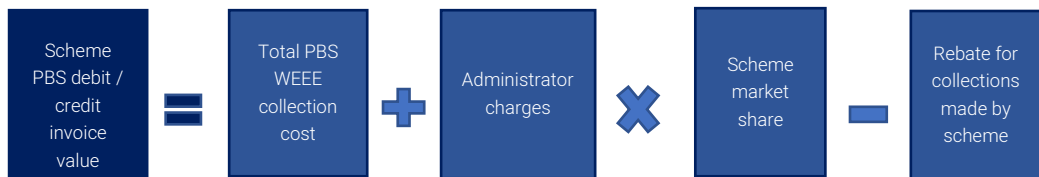
2.6.1 Mechanism by which PCSs would pay for their market share of costs

The cost of handling Reg 34 WEEE collections made in each quarter will be split among the PBS members, by WEEE stream and by market share as specified below:

- Anthesis validates the ICER reports received from collecting PCSs, checking the tonnes claimed and the pricing against the evidence notes received and submitted bids;

⁵ <https://www.weee-sc.org.uk/>

- Anthesis calculates by WEEE stream the total collection costs to be shared by PBS members and any rebates due to PBS members who have undertaken the collections;
- Anthesis calculates its administration charges for handling any PBS requests received in the quarter and for undertaking the quarterly cost and evidence allocation (see section 3.1.1 for further detail of this);
- Anthesis calculates the total costs to be allocated to member PCSS by stream and divides the total costs between the PBS members, in line with their market share (see Section 2.6 above for how this is calculated), invoicing each member according to the following formula:

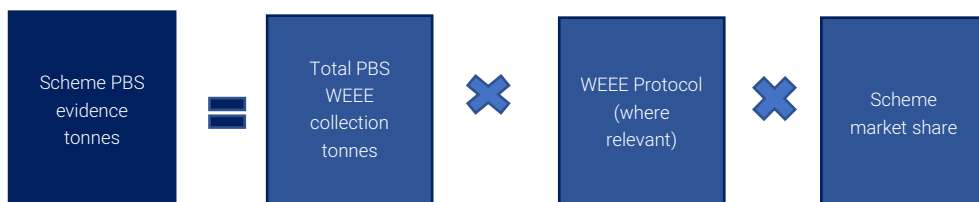


- The market share used for each PCS for each quarter's reconciliation will be that calculated in accordance with section 2.6 above when the quarterly allocation takes place. The allocations for previous quarters within the same compliance year will be recalculated to take account of any changes in PCS member market share, with any adjustments added or subtracted to the figures calculated for the current quarter (to avoid any potential disaggregation of cost).
- The invoice/credit note value is a single aggregate figure to prevent back calculation of winning bids and is issued by email. The evidence due to the PCS is detailed by category.
- PBS members are required to pay invoices within 10 working days of receipt (5 working days for Q4 invoices due to the end of year compliance deadlines). Anthesis transfers evidence to each PCS in the Settlement Centre as payments are received, and pays PCSs for any credit invoices once all funds are received.

2.6.2 Mechanism by which evidence will be allocated on a market share basis

As detailed in Section 2.5 above, Anthesis is already set up to receive and transfer PBS evidence on the Settlement Centre.

When calculating the cost to be allocated to each PCS by stream (as detailed in section 2.6.1 above), Anthesis also calculate the tonnage of evidence to be issued to each PCS by category (in relation to the relevant WEEE stream) as follows:



- LA DCF collection tonnages are generally reported to PCSs gross i.e. before the application of any relevant protocols –such as those for mixed WEEE and LHA. Anthesis will calculate the total gross collection tonnage for each WEEE stream and apply any protocols to calculate the total evidence tonnes to be issued to each PCS, by category, for each stream. The market share calculation used is that specified in 2.6 above.
- PCSs awarded PBS contracts instruct their AATFs to upload evidence for these contracts to the PBS Settlement Centre Account.
- The PBS transfers evidence to each member PCS in accordance with the above calculation.
- Deadlines for evidence transfers are detailed in the PBS Operating Manual.

2.7 Stakeholder engagement in developing our proposal

The WSF has regularly consulted with its membership to modify operating rules throughout the operation of the voluntary PBS and has reviewed them again in preparation of this bid. As specified in the Executive Summary above the WSF PBS has consulted with LAs and AATFs during the operation of the voluntary PBS, and Defra and the environment agencies have regularly attended WSF meetings at which the operation of the voluntary PBS has been discussed.

In preparation of this bid to operate the mandatory PBS the WSF PBS ran two workshops with Defra, the EA and SEPA to review operations of the voluntary PBS and consider priorities for a mandatory system.

Furthermore, the WSF PBS has consulted with a LA representative of NAWDO who advises they regard the voluntary PBS system as working well, with the only issue being the tight timescales involved.

As similar feedback has been provided by WSF PBS members and AATFs, in 2019 a three week Stage 2 bidding process was introduced into the voluntary PBS to provide additional time for bids to be prepared. Anthesis also contacted LA's towards the end of the compliance year to remind them their contracts were due to end to give them time to review their requirements for 2019 and resubmit a request if they wished.

The WSF PBS has also engaged with the AATF Forum, to discuss possible enhancements to the PBS, and their views on a proposal (yet to be agreed upon) which might disclose historic pricing where this is more than 12 months old. The AATF Forum was unable to reach a consensus on the suggestion to disclose historic pricing. Some favoured compete price transparency by stream and others rejected any price transparency at all. Separately, comments have also been received directly from an AATF. Accordingly, possible enhancements to the current PBS have been summarised in section 7.

The WSF PBS has also engaged with the producer Joint Trades Association (JTA) who have confirmed member support for the proposal, stating they believe it presents an equitable model, based on a tried and tested methodology, delivered by a trusted administrator.

3 Proposed administration of the PBS

WSF Ltd will operate the PBS with Anthesis as the Administrator managing all day to day tasks, building on the procedures and infrastructure developed as part of the voluntary PBS. This will provide a smooth transition, guaranteed operation from 30 days after appointment⁰, and also gives the opportunity to further improve processes. The Operating Manual (Appendix A6) codifies the proposed processes and governance structures. Specific responses to the Defra Guidance have been provided below. Where there is a conflict between this proposal, the Agreement, and the Operating Manual, the Agreement shall take precedence.

3.1 Proposed cost for administration

3.1.1 Costs for setting up and administering the scheme

The costs of running the mandatory PBS for 2019 (ex VAT) are set out below, which will be defrayed as indicated:

WSF Ltd charges to PBS Members

Type of Charge	Chargeable amount	Recovered from PBS members by WSF Ltd
Annual Fixed Administrator fee (from Anthesis)	£5,000*	Recovered as a flat rate fee per PCS (part of an annual registration fee)
Independent Audit costs (estimated)	£2,500	
Legal fees	Recharged at cost – for changes to agreements or one-off legal advice	

*Fixed, but pro-rated for first year of PBS operation

Administrator charges to PBS Members

Item	Type of Charge (for each contract allocated)	Chargeable amount	Recovered from PBS members by Anthesis via the quarterly reconciliation
1	Stage 1 allocation charge per stream	£50	PCS awarded the Stage 1 collection

Item	Type of Charge (for each contract allocated)	Chargeable amount	Recovered from PBS members by Anthesis via the quarterly reconciliation
2	Stage 2 allocation charge per stream	Item 1 + £200	PBS members - market share basis
3	Stage 3 allocation charge per stream	Item 2 + £50	PBS members - market share basis
4	Stage 4 allocation charge per stream	Item 3 + £50	PBS members - market share basis
	Fee for each evidence note handled	£50	PBS members - market share basis

3.1.2 Ensuring Value for Money

The methodology for allocating the administration costs set out in section 3.1.1 above ties the charges to the specific activities required to run the PBS, which have been refined to reflect the experience of running the system, in collaboration with the PBS members, since 2016.

The administration of the current voluntary PBS contract was awarded to Anthesis by WSF Ltd, through a competitive tendering process. Five organisations submitted bids. All five were given an initial scoring, and the three most responsive were scored again. The Anthesis bid was judged by WSF Ltd to be the most responsive, taking both costs and technical evaluation into account.

Experience indicates that more than 99% of the costs for running the PBS are for WEEE collections. The competitive bidding process encourages competitive pricing and a 15 working day bidding window has been implemented to allow more time for bidders to complete their due diligence, to encourage more competitive collection costs. During the bidding period, the incumbent carries on collecting to avoid disruption to LAs and to meet regulatory timelines.

As PCS members of the voluntary PBS are competitors it is not appropriate for them to see any information regarding other PCS collection bids or cost and evidence allocations. After the first eighteen months of operation WSF Ltd therefore appointed an independent auditor to review the work undertaken by Anthesis, to ensure the agreed deadlines were being operated and the cost and evidence allocation to member PCSs was correct. The independent auditor confirmed this was the case. WSF Ltd will continue to appoint an independent auditor to undertake an annual review.

Anthesis attend each WSF meeting at which the voluntary PBS is discussed by its members so any issues that may be causing concern or which could result in operational inefficiencies can be resolved promptly, and potential enhancements discussed.

The development of a more integrated online system for bidding and reporting to further streamline processes has recently been costed separately by Anthesis (see Appendix A8), which will be implemented should the scheme be chosen by Defra. It was felt that such a change

should only be made once the mandatory PBS is up and running to avoid any potential disruption during the important initial implementation phase.

3.2 Proposed engagement with the agencies

Through the Agreement signed between each member PCS and WSF Ltd, they give their consent to their environment agency providing household WEEE market share data to Anthesis. This information will be updated throughout the year and provided to Anthesis by the agencies in a suitable format (this has already been agreed in principle with the EA and SEPA).

Anthesis will obtain a copy of the approved PCS list at the beginning of every compliance year and confirm to the environment agencies, by email, that all PCSs with a household obligation are members of the PBS. This will be a simple confirmation that each member is or remains a signatory to the agreement, or if not, will provide the names of any non-compliant PCS.

If a PCS is expelled from the PBS, for any reason (see Schedule 1 of the membership agreement in Appendix A7), Anthesis will immediately notify the relevant agency in writing that the PCS in question is no longer a member.

WSF Ltd would welcome the continued participation of Defra and the environment agencies in their meetings to review the operation of the PBS with Anthesis.

3.3 Payment mechanisms and enforcement

Invoices will be raised by Anthesis for all sums due from PCSs with the payment dates specified in the Operating Manual. PCSs will pay Anthesis for the sums due into its dedicated bank account. This is already set up and currently held by Anthesis with Barclays. An Anthesis director is required to sign off any payments.

During each quarterly cost and evidence allocation process it is important that payments are made by PCS on a timely basis so those PCSs which have undertaken collections can be reimbursed promptly. Anthesis monitor the bank account over the 10 working day payment period (5 working days for the final quarter of the year), and evidence is released on receipt of payment. Collector PCSs that are owed money by the PBS are paid immediately all fees are received in respect of that quarter.

Should a PBS member fail to make payment on time, the following escalation path is followed by Anthesis (note that evidence will be withheld until payment arrives and if this expires at the end of the compliance year, it is at the risk of the defaulting PBS member):

- Final reminder for payment is sent;
- The name of the PCS failing to make the payment is released to all other PBS members ("Naming and shaming");
- Interest may be charged on late payments;
- Statutory demand for payment issued;
- Expulsion from the mandatory PBS would take place (with Anthesis notifying the relevant agency, see Schedule 1 of the membership agreement in Appendix A7).
- A winding up order would be sought.

In addition to the above steps the PBS Agreement states that payment terms for a non-paying PCS may also be changed to require payment to be made in advance.

3.4 Transition provisions

3.4.1 Transitional provisions from the current voluntary PBS

On the assumption that the mandatory PBS would commence on 1st July 2019 all collection arrangements in the current voluntary PBS terminate at the end of June 2019, with the final division of evidence and costs scheduled for July 2019. This allows for the closure of the voluntary PBS and all outstanding obligations to it will be fulfilled in an orderly fashion, in preparation for the move to a mandatory system. Current members of the voluntary PBS will be invited to resign from the system, using a pro-forma text to be submitted to Anthesis by email, which WSF Ltd has already drafted.

It is anticipated that the successful operator of the mandatory system will be notified in advance of this date. If WSF Ltd is selected, Anthesis will immediately contact LAs receiving a voluntary PBS service to inform them of the implementation of the mandatory PBS and the proposed procedures. If an LA would like to submit a Reg 34 collection request to the mandatory PBS for a collection service from July onwards, they will be advised to do so by contacting any PCS.

Anthesis will obtain a list of all approved PCSs with household obligations and provide them with details on joining the mandatory PBS including the agreement to be signed and the Operating Manual. This will include guidance on how to process Reg 34 requests received and submit them to the PBS, if they don't want to handle them themselves, in advance of the mandatory PBS starting. As most UK PCSs are in the voluntary PBS already, and the proposed system is very similar to the existing approach, the requirements will be familiar which should ease transition. Furthermore, even the small number of PCSs that are not currently members of the voluntary PBS have all, in the past, been provided with details of the voluntary system when it was first established.

If the appointment of a mandatory PBS is delayed for any reason, the voluntary PBS could continue within the 2019 compliance period, with the dates for the transitional process being adjusted accordingly.

3.4.2 Transition provisions in the event of withdrawal of the approval of the proposed PBS

The proposed agreement between the operator and each PCS in Appendix A9 details the arrangements necessary in the event of withdrawal of approval of the WSF Ltd PBS. The agreement terminates automatically on the expiry or withdrawal of the approval of the WSF Ltd PBS, with the following provisions being implemented:

- All Regulation 34 requests received, but not completed, would be transferred to the new PBS unless Defra requested the WSF Ltd PBS to fulfil these requests. If the latter applied the incomplete requests would be fulfilled in line with the procedures set out in the Operating Manual;
- All other outstanding obligations of WSF Ltd, Anthesis and member PCS at the date of expiry would be fulfilled in line with the procedures set out in the Operating Manual

i.e. the provision of collection information by member PCS, the final cost and evidence reconciliations and payments;

- WSF Ltd will provide such information and assistance as is reasonably required by the new PBS or Defra to ensure a smooth transition from the WSF Ltd PBS to any new PBS. The provision of information would be under strict obligations of confidentiality and only to the extent permitted by law.

3.5 Information to be shared

The agreement between Anthesis and WSF Ltd details which information is regarded as confidential and when this may or may not be disclosed. Similar provisions exist between WSF Ltd and PCS members of the PBS. Confidential information includes all information relating to a PCS and its business or obligations under the WEEE Regulations, and information of one party disclosed to, or otherwise obtained by, another party to the agreement, including its suppliers, operations and processes.

The information that may be shared, and with whom, is specified below:

- Member PCSs will submit Reg 34 requests to Anthesis containing the contact details of the requesting LA, its DCF sites, the streams to be collected and confirmation it is a valid Reg 34 request. Anthesis may share this information with all member PCS;
- Member PCSs will submit bids to Anthesis to undertake Reg 34 collection requests. This information is confidential to the PCS and Anthesis will not share information on bids made with WSF Ltd or any other member PCS;
- Anthesis will notify member PCSs whether their bids are successful, or not. Anthesis will only disclose the name of the successful bidder to the incumbent PCS and the relevant LA (and vice versa) so a smooth handover of collection arrangements can take place;
- Member PCSs will provide Anthesis with ICER reports detailing collections made by each AATF, the rebate claimed by the PCS for those collections and the evidence notes to be issued. Anthesis will only use this information to calculate the cost and evidence allocation and will not share this information with WSF Ltd or any other member PCS;
- Anthesis will provide each member PCS with a statement detailing the evidence allocated to that PCS by WEEE stream and an invoice or credit note detailing the total cost, or rebate, due to that PCS. This information will not be shared with WSF Ltd or any other member PCS;
- PCSs due a rebate from Anthesis will disclose their bank account details, this information will not be shared with WSF Ltd or any other member PCS;
- Anthesis will request information on the obligation of each member PCS from the relevant environment agency. This information will not be not disclosed by Anthesis to WSF Ltd or any other member PCS;
- Anthesis may provide confidential information to the independent compliance fee administrator appointed by Defra on request, only to the extent required by the

administrator to discharge its duties and if no more than 35% of the member PCS object to such disclosure;

- Anthesis may confirm to the relevant agencies the names of any PCSs who are not members of the mandatory PBS, either because they have not joined at the beginning of a compliance year or their membership has been terminated in accordance with the provisions of the agreement between WSF Ltd and the member PCS;
- Anthesis may disclose the name of any late paying PCS, or any subsequent action required to deal with late payment, to all other member PCSs;
- Anthesis may share confidential information with the independent auditor appointed by WSF Ltd to review the cost and evidence allocations undertaken by Anthesis. The independent auditor must also operate under a confidentiality and non-disclosure agreement that ensures no information that is confidential to a participating PCS is disclosed to either WSF Ltd or a member PCS;
- Anthesis may confirm to WSF Ltd members the total tonnes collected in relation to PBS arrangements in each compliance year;
- Anthesis may share information with Defra.

As added security measures when handling confidential data, Anthesis ensures data is anonymised and aggregated wherever possible and stored in their secure, GDPR compliant IT systems. The folders are locked, so only the project team can access them and Anthesis group policies mean that documents or data cannot be held on local hard drives. All email communications with PBS members as a group are in BCC, to prevent accidental data sharing through the reply all email function and the PBS administration staff follow clear operating procedures (automated where possible) for transactional work.

The Defra guidance requires “maximum transparency” consistent with the maintenance of confidentiality. Accordingly, as detailed in section 3.6.1 below, consideration is being given to disclosing historic PBS costs at stream level, subject to competition law advice confirming that this is fully compliant

3.6 Compliance with applicable law

3.6.1 Compliance with competition law

As the PCS members of the PBS are competitors and are likely to use the same AATF’s and/or have other service providers in common, WSF Ltd has taken legal advice to determine the information it may share with PCS members whilst ensuring compliance with competition law. The advice is provided in Appendix A10.

In the light of this advice the following protections have been put in place:

- The agreement with Anthesis contains confidentiality provisions specifying they may not disclose any confidential and commercially sensitive information they receive with any

third party, other than with the WSF Ltd appointed independent auditor, Defra, and the environment agencies;

- Anthesis do not disclose the names of PCS undertaking PBS collections, they only disclose the name of the winning PCS to the incumbent PCS (to provide for a smooth handover) and the LA requesting the Reg 34 collection, and vice versa;
- Anthesis are required to invoice PCSs using a single aggregate monetary value, covering all WEEE streams, all relevant administration costs, and with the fees due to the PCS in respect of any PBS collections netted off. This makes disaggregation of the cost into individual stream costs impossible;
- Although WSF Ltd is the proposed Operator, Anthesis is the Administrator on an “arm’s length” basis. Anthesis is an independent third party which is not a PCS, an AATF, or a Waste Management Company, nor is there any direct or indirect ownership of any such company;
- When Anthesis are audited on behalf of WSF Ltd, although the auditors are given access to detailed records and calculations, the audit opinion is simply a pass/fail statement. Accordingly, the audit process does not disclose any confidential data to WSF Ltd or its members.

The legal advice indicates it may be possible for WSF Ltd to publish some historical information on cost and WSF Ltd will give further consideration to this. In doing so WSF has to consider the facts of each case including whether this could allow current cost to be disaggregated.

WSF Ltd considers compliance with competition law is paramount and it must therefore act in accordance with legal advice received. WSF Ltd is aware some organisations have indicated they have legal advice which conflicts with the WSF Ltd position and some AATFs object strongly to the disclosure of historic price information. Therefore, if the Competition and Markets Authority is able to confirm to WSF Ltd that the release of information on the cost per tonne per category or more detailed information of PCS bids and LA arrangements may be released, subject to agreement of the PCS members and Defra, WSF Ltd would vary its procedures accordingly.

3.6.2 Compliance with other applicable law

Arrangements for complying with the DCF Code of Practice are provided in Section 2.4.

Arrangements for complying with Schedule 8A of the WEEE Regulations are provided in Section 1 and Appendix A1.

Compliance with other applicable law, is incorporated within the relevant sections of this proposal.

3.7 Contingency planning for staffing

Anthesis is a global professional services operation, employing more than 250 sustainability specialists, and more than 100 of these are based in the UK. There is a core team of four

operating the PBS and who monitor the dedicated PBS email account, to ensure continuity in the system, rapid responses, and to mitigate any risks of staff absences or other potential disruptions.

Internal procedures and processes for administering the PBS activities have been codified into a series of task based procedures, allowing for easy training of new staff, to maintain a core of at least four active potential operators at all times, with a wide range of potential substitutes to draw on in the event of staff turnover.

All transactions are recorded in a central tracking spreadsheet, which is shareable online to avoid duplication of live versions. It has built in data validation processes and each allocation is assigned to a specific member of staff, who logs key milestones in their outlook diaries to ensure that timelines are met. Quarterly evidence and cost allocations are also handled in secure online spreadsheets, with built in automation and validation.

Many of the calculations and processes have been automated, to maintain efficiency, continuity and to reduce the risk of inaccuracy. Anthesis also operate within a formal quality assurance programme. They are proposing to add further automation, with the introduction of an online bidding system, outlined in Appendix A8.

Since the establishment of the PBS in Q3 2016, all Reg 34 requests received by the PBS have been handled within the timelines demanded by the WEEE Regulations and PBS terms.

3.8 Administrator credentials and auditing

The proposed Administrator, Anthesis, has successfully operated the voluntary PBS since 2016. In that time, every Reg 34 request has been successfully allocated to a PCS, with the evidence allocated and costs invoiced to the member PCSs by market share. A complex system has been handled very professionally with positive feedback from users and LA stakeholders. Furthermore, Anthesis have also been responsible for disbursement of funding on behalf of industry groups via the Enhance programme, through the operation of the PCRRG and as administrators of several REACH consortia. Further information on the experience of Anthesis is provided in section 5.2.

A procedure for auditing the PBS calculations, invoicing, cash handling and the transfer of evidence has been devised by WSF Ltd. This procedure has been provided to independent auditors selected by WSF Ltd and who audit Anthesis no more often than every 12 months. The report from the auditors is made available to WSF Ltd and simply states whether the procedures and calculations in the relevant period were compliant or non-compliant, to maintain confidentiality. The actual audit results have demonstrated that Anthesis have been successful in managing the PBS and in correctly calculating market share costs. WSF Ltd would provide a copy of the report to Defra.

3.9 PBS terms and conditions

Participating PCSs must sign an agreement when joining the mandatory PBS, as a precondition of membership. The draft agreement, including the Rules of membership, has been provided in Appendix A7. Members of the current successful voluntary PBS have all signed a document similar to this, so we consider the terms to be comprehensive, yet reasonable.

3.10 PBS monitoring

The arrangements for monitoring the PBS mechanism are set out in the relevant sections of the proposal, however these include:

- Meetings between WSF PBS members and Anthesis to review the practical operation of the PBS. Defra and the environment agencies are invited to attend these meetings. See sections 3.1.2 and 3.2;
- The appointment of an independent auditor to review the administration of the PBS by Anthesis. See section 3.1.2;

Anthesis will monitor collections made on behalf of the PBS and the number of LAs that are in the PBS, over time. They will also back calculate a report on the difference between forecast collections and actuals, to track major deviations from the original Reg 34 request, for individual sites. These will be reported at the most aggregate level, to the PBS membership quarterly, and more detailed information can be provided to the agencies and Defra, on request.

Furthermore, WSF Ltd will continue to actively engage with stakeholders and to monitor PBS operations and effectiveness, to identify any further ways in which the PBS might be enhanced, taking into account the needs of AATFs, LAs, Producers and PCSs. WSF Ltd will submit any proposed changes to the PBS Agreement to Defra for their approval, before adoption.

4 Proposed timetable for implementation and operation of PBS

4.1 Implementation plan

Activity planning for implementing a mandatory PBS, from appointment through to the first quarter's cost and evidence sharing, is detailed below. Weeks 1 to 4 denote the 30 day period between announcement of the appointment and the start of the mandatory PBS on day 1 of month 2.

Week				Month			
1	2	3	4	2	3	4	5
<ul style="list-style-type: none"> • Appointment of the mandatory PBS • Members of the voluntary PBS resign • PCS membership agreements and NDAs circulated • New PBS members contacted • LAs notified 	<ul style="list-style-type: none"> • Updates to the data entry form of the website made • Documents for transactional work updated • Email contact list validated • Market share information sought from agencies 	<ul style="list-style-type: none"> • Deadline for returned PBS membership agreements • Chasing of agreements • Testing of the new website 	<ul style="list-style-type: none"> • PBS accepts pending Reg 34 agreements from this date, for launch after 30 days from notification • Validation and final testing 	<ul style="list-style-type: none"> • Launch of the mandatory PBS • Allocation of first wave of Reg 34s • Collections from LAs by PBS members 	<ul style="list-style-type: none"> • Collections from LAs by PBS members 	<ul style="list-style-type: none"> • Collections from LAs by PBS members 	<ul style="list-style-type: none"> • Collections from LAs by PBS members • Q1 accounting, sharing of costs and evidence

*Resignation of members of the voluntary PBS given in week one, takes effect on day 1 of month 2

4.2 Joining procedure

If the WSF Ltd PBS proposal is chosen by Defra, members of the existing voluntary PBS will be invited to resign from the outgoing system using a pre-prepared form of words. All PCSs will be invited to sign the mandatory PBS membership agreement, provided in Appendix A7. This will be circulated by Anthesis to all UK PCSs with a household obligation, who will be identified from the WEEE approved compliance schemes public register, published by the agencies⁶. This will take place within 2 business days of announcement of the Defra decision. As part of registration, PCSs will be provided with the PBS Operating Manual for reference and will be asked to provide Anthesis with contact details for receipt of invitations to bid and for invoicing. They will also be asked to put in place mechanisms to make payments to Anthesis, e.g. providing a Purchase Order reference and contact details for the finance department. Information on joining and the operations of the PBS will also be published on the existing PBS webpage, during the 30 days between award of the mandatory PBS and the launch date. PBS members will also be provided with login details for the web portal for submitting Reg 34 requests (if they don't have one already). Any late registrants will be chased and if they are not registered within the 30 days required by the WEEE Regulations, they will be reported to the appropriate agency by Anthesis.

⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/769157/WEEE_producer_compliance_schemes_public_register.ods

4.3 Staffing proposals

Dr Richard Peagam will continue to have overall responsibility for the PBS within Anthesis. He manages the strategic governance of the current voluntary PBS, its development and is accountable for quality assurance. The day to day management of operations is the responsibility of programme manager Mark Sayers. Two other members of staff (in addition to Mark and Richard, so four in total) are always made available and kept aware of PBS activity, to maintain continuity of operations and to assist in the administration of the programme. The PBS sits in the team managed by Anthesis Director Debbie Hitchen, who provides another layer of governance and quality assurance. Further information of the qualifications and experience of Anthesis and its staff is provided in sections 5.2 and Appendices A4 and A5.

4.4 Development of IT systems

The existing voluntary PBS webpage will be adapted and updated in the 30 days between award and launch of the new, mandatory, PBS. Furthermore, any necessary alterations to the data entry portal for the submission of new Reg 34 requests will be made and tested, during this time. Anthesis have software developers in house, who built and maintain the current systems and are ready to make any changes.

Bid based allocation processes, and the subsequent division of evidence and costs by market share, are currently managed in template spreadsheets, with built in data validation and standardised accounting procedures, which are held in the secure folder on SharePoint. These will be adapted for the new system where necessary, until an online system is developed.

Over time, PBS members will be given the option to develop a more integrated online system for bidding on Reg 34 requests and for data submission. A specification and proposal has been prepared by Anthesis, and this has been included in Appendix A8. If selected WSF Ltd has indicated that they intend to proceed with this development once the mandatory PBS is up and running. Anthesis have agreed to invoice this development work at an annualised rate as detailed in Section 7.

4.5 Project dependencies and risks

The Anthesis project team will maintain a risk register throughout the implementation phase and will hold regular discussions with WSF Ltd to manage dependencies in the critical path between award, launch and through to the first quarter's allocation of costs and evidence. We view the following risks as the most pressing priorities:

PCSs might not register with the new mandatory PBS in time: Most PCSs are in the voluntary PBS and are therefore likely to be supportive of this proposal, so will be ready to engage and participate. PCSs new to the PBS will be contacted pro-actively, supplied with the Operating Manual and if required, step by step guidance on what to do and why. Complete registration of all PCS will not be a barrier to launch of the system; while late registrants might not be able to bid on all Reg 34 requests received at the beginning of the programme, a full cohort is not required until the first quarter's accounting period, when costs and evidence will be divided for the first time. However,

if a PCS does not register within the thirty days laid down in the WEEE Regulations, their details will be immediately referred to the relevant environment agency for intervention.

There is 30 days from award to launch: We anticipate that the voluntary PBS will continue until the mandatory scheme enters into force. Most processes will be migrated from the voluntary PBS to the mandatory one, with changes being limited and having already been identified. This is also the case for data handling infrastructure e.g. spreadsheets. Also, key documents (the membership agreement and the Operating Manual) have been finalised already. This makes a 30 day timeline achievable. Given that most PCSs are familiar with the bidding process, any Reg 34 requests served when the mandatory PBS opens, will be handled suitably. The decision to move to a 15 working day bidding period makes managing a significant number of requests much easier.

The award date might be delayed: The members of the voluntary PBS are signed up for 2019, so any delay simply means that the voluntary system will continue, although clearly this is highly undesirable., given that it thereby allows those PCSs not funding Reg 34 requests to continue to do so.

LAs might be uncertain about their collections: Anthesis already has contact with LA's receiving a Reg 34 service through its administration of the voluntary PBS and will make early contact with them to explain what they need to do to make a request under the mandatory PBS. Further information will also be made available on the website.

PCSs might be uncertain about their responsibilities: PCSs with household obligations will be contacted directly within 2 days after appointment of the WSF Ltd and will be provided with a copy of the mandatory PBS agreement and Operating Manual. Further information will also be made available on the website.

AATF's (and other WEEE service providers) might be uncertain about the services they provide to Reg 34 LAs: WSF Ltd will make contact with the AATF Forum and ICER to explain how the mandatory PBS will operate and details of the implementation arrangements and will ask PCSs to ensure they notify their service providers promptly regarding any Reg 34 arrangements they manage.

5 Experience of proposed operator

The proposed Operator of the PBS is WSF Ltd, with Anthesis (UK) Ltd being the proposed Administrator. For completeness we have provided relevant information on both organisations.

5.1 The Proposed Operator of the PBS; WSF Ltd

WSF is the representative body for WEEE PCSs and has effectively engaged with the regulator and environment agencies with the objective of assisting with the smooth running of the WEEE Regulations. WSF has a constitution and operates on the principle of one PCS, one vote, with all PCSs being afforded the opportunity to participate in the many working groups WSF has operated. This means all PCS have a voice in the WSF, irrespective of size.

WSF members vote for, and appoint, the chair, who is currently Nigel Harvey. Any PCS can offer to lead a working group, who report back to each WSF meeting. WSF members pay a small fee to participate in the WSF, which is used to pay for any meeting or sundry expenses.

In order to establish the current voluntary PBS WSF Ltd was incorporated in 2015 and all WSF PCS members were invited to join the voluntary PBS and participate in the running of the company. Two WSF members, REPIC Ltd and Electrolink Ltd offered to become the initial Members of the company, which is not for profit and limited by guarantee, however all WSF PCS members are eligible to become Members. All WSF PCS members were also invited to become directors of WSF Ltd, and there are currently seven WSF directors covering eleven PCSs. The voluntary PBS operates with the same one PCS, one voice, with Nigel Harvey as chair.

Where appropriate WSF Ltd takes external legal advice on behalf of its members, such as on matters of governance (competition law), or on the creation of Agreements for the appointment of the Administrator of the PBS or participation in the PBS.

5.1.1 Relevant experience of Directors of WSF Ltd

The relevant experience and current roles of directors of WSF Ltd that were involved in developing this proposal is provided in Appendix A3. This includes experience to demonstrate that WSF Ltd Directors have a robust understanding of the WEEE Regulations and have a wide range of relevant experience in developing robust proposals to government.

5.1.2 WSF Ltd experience of managing client money

As explained previously, most financial transactions in relation to the PBS will be handled by Anthesis and WSF Ltd will have no involvement with the majority of funds arising. WSF Ltd will pay the annual administration charge of the Administrator, the cost of the annual independent audit and any one-off legal costs incurred, and these are recharged on an equal basis to the participating PCSs through an annual membership charge. The corporate administration and financial arrangements of WSF Ltd are managed by Louise Grantham, REPIC Ltd Finance Director and Chartered Accountant (FCA ICAEW), who arranges for invoices to be raised to the participating PCSs. WSF Ltd has its own bank account, into which PCSs make payments, and this operates on a dual signature basis, so any payments made are always authorised by two WSF Ltd directors. Financial reports are presented to the WSF on an annual basis, with a

separate report being made to the voluntary PBS members as needed. WSF Ltd is a micro entity and does not require an external audit so for good governance the Transform PCS (owned by Biffa) has undertaken a review of the WSF Ltd accounting records and confirmed its agreement with these to members of the WSF PBS.

5.1.3 WSF Ltd arrangements to mitigate risks arising from conflicts of interest

As set out in section 5.1 the voluntary WSF PBS decisions are made on the basis of one PCS one vote, with a simple majority being required in most cases, although consensus is usually sought and obtained. In addition, all PCSs can stand for the position of director of WSF Ltd, and of WSF Chair. These arrangements mean no one PCS can have undue influence over the activities of WSF Ltd and mitigates the risk of conflicts of interest.

The activities of WSF Ltd are funded by fees levied on its PCS members. WSF Ltd has let a number of contracts since its incorporation, including that for the PBS Administrator, the PBS auditor and more recently the small mixed WEEE protocol review. The WSF Ltd PBS members, including WSF Ltd directors, are not permitted to see any confidential information regarding other PCSs so the contracts with the PBS Administrator and PBS auditor contain provisions preventing them from disclosing such information.

The records maintained by Anthesis about the voluntary PBS contain confidential information about PCS members such as market share and bids for collection arrangements so an external auditor was appointed to review these in detail, to verify that the evidence and cost sharing calculations had been handled strictly in accordance with the requirements laid down in the Operating Manual. The auditor has confirmed that this is the case, and the resulting report was distributed to members of the PBS.

5.2 The Proposed Administrator of the PBS; Anthesis (UK) Ltd

Anthesis brings together expertise from countries around the world and has offices in the US, Canada, UK, Ireland, Italy Germany, Sweden, Finland, Middle East, China and the Philippines. Anthesis has a track record of pioneering new approaches to sustainability and a market leading global EPR practice, providing strategy, expertise, managed solutions and operational support for a more circular economy.

5.2.1 Experience of Anthesis

Anthesis has a deep understanding of the UK WEEE system, having operated the voluntary PBS since 2016. Furthermore, Anthesis team members have:

- Supported LAs with their waste management solutions, since London Remade was operational in this space in the early 2000s,
- Provided WEEE advice to obligated producers across Europe, including the UK, in Canada, the US, India and beyond,
- Helped to develop the e-waste clearing house in the state of Illinois,
- Provided market intelligence on the WEEE management sector to a number of stakeholders over many years,

- Disseminated funds through the ERDF funded Enhance and Inspired Recycling projects, for improvements in waste collections and management, and,
- In support of the £8m raised by the compliance fee for 2017, reviewed all previous projects supported by the WEEE Fund, for efficacy and value for money.

Anthesis has a good network and profile in the UK WEEE sector and its experience, expertise and status, makes it an ideal system Administrator.

The qualifications and experience of Anthesis are presented below, with specific project examples in Appendix A5.

Anthesis have provided the following client testimonial:

“Anthesis is an excellent environmental consultancy. I've worked with the principals for more than ten years, from before they broke off from their prior agency to form Anthesis. They've been excellent partners with their concentration on technical excellence and offering top client value. They are environmental experts, big enough to provide global services but small enough to provide the independence and agility that provides great results.”

Darrel Stickler, 2017 - People, Society and Planet at Cisco.

5.2.2 Relevant experience of the Anthesis Delivery team

Anthesis are proposing a leadership team for the mandatory PBS, who have experience running the voluntary PBS and of operational responses to EPR requirements globally. Pen profiles of core team members, which demonstrate they have a thorough understanding of the WEEE Regulations and experience in developing robust proposals for Government have been provided in Appendix A4. Full CVs are available on request.

5.2.3 Anthesis experience of managing client money

Anthesis has a proven track record in handling and dispersing client funds through its operation of the voluntary PBS. Further information regarding this has been provided in Section 3.8 above. The process operated by Anthesis has been verified by an independent audit.

Anthesis has managed £100,000s in funding for recycling projects, as administrators of the Enhance Fund. Anthesis also handles client monies for further dispersal through the Paper Cup Recycling and Recovery Group (PCRRG), REACH consortia, the ECO programme and several incubator/accelerator type programmes. Further information regarding these can be provided on request.

All of these activities have been conducted within a regulatory environment, including to timescales governed by regulation.

5.2.4 Anthesis arrangements to mitigate risks arising from conflict of interests

Anthesis is independent of any compliance scheme, local authority, recycler or government body which naturally mitigates the risk of any conflict of interest.

The governance arrangements regarding the handling of data and other confidential information held by Anthesis are set out in section 3.6.1 above. This means access to data and information is limited to those Anthesis staff directly involved in the administration of the PBS, thereby further limiting any conflicts of interest with other work undertaken by Anthesis.

Regular meetings take place between WSF Ltd and Anthesis, and in the event any potential conflict of interest was identified appropriate measures would be agreed to mitigate these. Where appropriate this would be discussed with Defra.

5.2.5 Anthesis experience of setting up systems to enable data to be processed and submitted effectively

Anthesis can demonstrate a strong track record in the setting up such systems. A full list of relevant projects has been provided in Appendix A5, however a brief summary of relevant case studies are provided below:

- **UK WEEE management and compliance**

Anthesis have successfully managed the existing voluntary PBS since 2016. The current leadership team have overseen the establishment and implementation of systems that enable PCS to submit bids to undertake collections, report collections undertaken and allocate cost and evidence to PCS. The systems also provide for secure cash management and have been developed and improved over time as the voluntary PBS has grown to scale. The operation of the voluntary PBS successfully passed its independent audit and every LA request has been allocated within the period of time specified by the legislation. Feedback from LAs and users has been positive.

- **International WEEE management and EPR**

Anthesis developed operating procedures for an e-waste clearinghouse in a US state with diverse demographics. These were based on market research and engagement with manufacturer, retailer, county, EPA and recycler stakeholders. The system is now live.

- **Consortia management**

Anthesis manages the Paper Cup Recycling and Recovery Group (PCRRG). Established in 2014, PCRRG exists to develop collection and recycling opportunities for paper cups and identify and support solutions that sustainably transform used paper cups into a valuable resource. The PCRRG is made up of pioneering organisations from across the paper cup supply chain, including paper cup manufacturers; retailers; recycling and waste management companies and paper re-processers.

- **Web/Software development**

Working in partnership with Tesco, Anthesis developed the supporting technology for their worldwide supply-base engagement platform, available as both a web-based tool and iOS or Android app. In addition, Anthesis has continued to act as the supporting partner for ongoing management of the Network, helping Tesco solve problems their suppliers may face by providing sustainability expertise, hosting events and providing a dedicated team to support 1-2-1 supplier engagement needs. The app has thousands of users worldwide.

6 IT systems

Anthesis have the state of the art (GDPR compliant) IT systems and processes that would be expected of a global professional services organisation, with in house software teams to develop a bespoke and robust management system for the mandatory PBS.

The specific systems used by Anthesis for the operation of the PBS are set out in section 4.4 above, being an online web-based application to submit the PCS bidding process, a spreadsheet based system for cost and evidence allocation containing a number of validation features and the Anthesis accounting system for dealing with financial transactions such as invoices and payments. Plans are in place to extend the web-based application to a more integrated online system for bidding and data submission, with a proposal for this provided as Appendix A8.

Anthesis takes data privacy, governance and security very seriously. Anthesis is acutely aware from its work with the Cool Farm Alliance, and other clients where data is stored and shared between potential competitors, of sensitivities in this area and has developed suitable digital privacy and security measures that ensure data confidentiality already. The high-level process for security action planning is given below.



Anthesis runs software security scans to coincide with each major release (or more frequently where vulnerabilities become apparent). Status on security updates will form part of Anthesis performance reporting to WSF Ltd.

Anthesis has a significant history of, and experience with, handling sensitive and confidential client data. A combination of physical, procedural and technical controls is used to maintain the security of data held. Client data is held in Anthesis's Microsoft 365 tenant, reducing the risk of physical access to the servers. Access to data held in 365 is managed by Role-Based Access Controls, which ensure that employees have the most restricted access to the minimum quantity of data required to perform their role within the company. There is an authorisation policy in place, which is used by Project Managers to further restrict access to data covered by non-disclosure agreements or GDPR.

3rd party (e.g. Client) access to data stored in 365 is managed in a separate environment to further reduce the quantity of data available externally. These sharing portals are under the direct management of the Project Manager within Anthesis to enable them to competently manage access rights to data under their control.

Anthesis's anti-virus software additionally scans for malware such as keyloggers, rootkits, peer-to-peer applications and web-based exploits. Anthesis's inbound and out-bound e-mail passes through a spam and virus checking service before entering or leaving our network. Users are regularly provided with additional training surrounding security by the ICT team, and data access and storage policies are robustly audited, routinely monitored and re-evaluated by the ICT team.

7 Proposed enhancements to the WSF Ltd PBS

During the preparation of this proposal, we have received helpful comments from AATFs regarding changes that could address some of the challenges the PBS may present to AATFs. Accordingly, once the mandatory PBS is up and running, we will consider the following changes, with a view to implementing these within six months:

1. We have been advised that not all PCSs notify their AATFs when PBS contracts are due to stop/start. WSF Ltd will ask PCS members to ensure they notify AATF's promptly when services will change, however to reinforce this we would recommend that Defra amend the DCF Code of Practice to require PCSs to notify AATFs of PBS contractual start/end dates. Clearly these might subsequently change/be renegotiated, but that does not prevent further timescale updates. The change should not commit a PCS to using any one AATF.
2. To facilitate transparency for AATFs, we propose to list "active" Stage 2 PBS requests on the PBS website. This will be pro-competitive in that it will encourage AATFs to make contact with PCSs where they consider they could bid for a stream/location.
3. We include a proposal for an online bidding platform in Appendix A8 which we consider would streamline processes for the benefit of all participants. This would result in some development costs being incurred, which Anthesis have agreed can be charged to WSF Ltd and recovered from PCSs at annualised rate of ~£4K pa over the PBS contract term.
4. We have been advised that requiring separate bids for individual streams from the same sites causes challenges to some AATFs. If they price separately for each stream, they risk being uncompetitive. But if they price on the assumption that they may win more than one stream, they could bid too low. We therefore propose to investigate ways in which we could allow PBS members to bid for multiple streams, where those bids are linked. That could also reduce costs, on the basis that Anthesis always chose the lowest cost combination.
5. We would also welcome any other proposals to enhance the PBS.

A1

Mandatory PBS Requirements

Requirement	Response
The name of the PBS	The PBS
The name of the operator or proposed operator of the PBS	WSF Ltd as Operator and Anthesis (UK) Ltd as Administrator
The address, telephone number and email address of the operator or proposed operator of the PBS	WSF Ltd, Unit C3 Waterfold Park, Waterfold, Bury, Lancashire, BL9 7BR. For address and email details Anthesis details apply below. Anthesis (UK) Ltd, The Leather Market, 11-13 Weston St, London SE1 3ER, UK Telephone: +44 (0)20 3735 9572 Email: wspbs@anthesisgroup.com
Where the operator or proposed operator of the PBS is a registered company, the address of the registered office of the company	WSF Ltd – as above Anthesis (UK) Ltd. The Future Centre, 9 Newtec Place, Magdalen Road, Oxford, OX4 1RE
Where the operator or proposed operator of the PBS is a partnership, the names and addresses of all the partners.	N/A
Confirmation of whether or not any person who is the operator or a director of or, as the case may be, a partner in the operator or proposed operator of the PBS has been convicted of an offence under these Regulations and where a positive confirmation is given an explanation of how the contravention of these Regulations which resulted in the conviction occurred and what steps have been taken to ensure that such a contravention will not occur in the future.	We can confirm that there are no relevant convictions.

Requirement	Response
The estimated cost of setting up (in the case of a proposed PBS) and administering the PBS.	Given that the voluntary PBS is already operational, initial set up costs will be minimal. These include £5K in respect of legal advice and the legal costs to prepare the PBS Agreements. All other ongoing costs are as detailed in section 3.1.1. In addition, we include a proposal for an online bidding platform in Appendix A8 which would result in additional costs of ~£4K pa.
Qualifications and relevant experience of the operator or proposed operator of the PBS, any person who is a director of or a partner in the operator or proposed operator and any staff.	Detailed in Appendix A3
In the case of a proposal under regulation 34A(6)(b)(i), details of the proposed transitional arrangements for transferring functions in relation to requirements to take action under regulation 34 from the previously approved PBS to the newly approved PBS.	N/A

A2 Portal on which PBS Members submit requests

Entry phase: Data submitted with bid (1/2)

Please complete the following form, with the details that are relevant to the collection request.

By proceeding, you agree to be bound by the terms and conditions set out in the **WSF PBS contractual agreement**

Local authority information:

Name of local authority:

Contact name at local authority:

Contact email address at local authority:

Contact tel. no. at local authority:

List of HWRC sites including name and postcode:

If you would like to include any further information with your request, please reply to the automatic confirmation email (which will be sent to you on submission) with the relevant documents attached.

Number of sites: **1**

Name	Postcode	<input type="button" value="Remove"/>
<input type="text"/>	<input type="text"/>	<input type="button" value="Remove"/>

Please upload a letter from the local authority (on their headed paper) that confirms that there has been a termination of their existing collection arrangement. (max 1mb)

No file chosen

Please upload supporting information: (max 1mb)

No file chosen



Entry phase: Data submitted with bid (2/2)

- Will the first loads be larger than average (e.g. through build up at the site)?
- This is a request for a longer term service
- This is a one-off collection request

Material Information

Which streams require collection?

- Large Domestic Appliances
- Cooling
- Display
- Small Mixed WEEE
- Lamps
- PV

What is the estimated annual tonnage for each stream (where a longer term service is required)

<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>

Declaration by PCS submitting the request

- I confirm that I have received a formal regulation 34 request as detailed above, and that I have verified that this request complies with regulation 34 and the Code of Practice. I will comply with my obligations under the PCS Balancing System agreement.



A3

WSF Ltd Director experience

Name	Current Job title	Relevant experience
Louise Grantham	Finance Director, REPIC Limited	<ul style="list-style-type: none"> • Established the REPIC WEEE, battery and packaging schemes • Engaged with producer members • Active participant of WSF and ICER, as well as EA/Defra stakeholder working groups • Involved in WEEE Forum and WEEE Europe AG activities • Drafted and submitted responses to all relevant producer responsibility consultations in the UK • Provides support to the JTA in submitting robust WEEE Compliance Fee proposals to Government.
Adrian Hawkes	Policy Director, Valpak	<ul style="list-style-type: none"> • Director of Policy at the compliance scheme Valpak, responsible for all aspects of Valpak’s policy development and liaison with relevant enforcement agencies and Governments • as been involved with Valpak since 1996 and was instrumental in establishing the market based compliance system for packaging in the UK • More recently has played a key role in the development and implementation of both the WEEE and battery producer responsibility regimes • Regularly participates in expert working groups to advise local, national and European Government on all aspects of the operation of producer responsibility, and is a member of the UK Government’s Advisory Committee on Packaging • Chartered Engineer and previously to Valpak gained over 15 years industrial experience in a variety of leading manufacturing and consulting companies.

Name	Current Job title	Relevant experience
John Redmayne	Managing Director	<ul style="list-style-type: none"> • Has 30 years' experience working in environmental sector of which the last 20 years have been in waste management and recycling • Has managed EPR schemes (WEEE, Batteries, Packaging) for last 4 years as head of ERP UK • Previous roles included senior positions in third sector, local authority and consultancy organisations – providing a wide spread of different perspectives on practical, technical and legal aspects of waste management.
Nigel Harvey	CEO	<ul style="list-style-type: none"> • Operated the Recolight WEEE compliance scheme for ten years • Board director of Eucolight, the European trade association for lighting WEEE compliance schemes • Chair of the WSF • Active participant of ICER and ICER working groups for ten years • Drafted and submitted responses to all relevant WEEE consultations in the UK • Has provided support to the JTA in submitting robust WEEE Compliance Fee proposals to Government.
Dave Allen	Managing Director	<ul style="list-style-type: none"> • 20 years' experience working in the WEEE/Waste industry • Has ultimate responsibility for Recycling Lives Compliance Services, a UK WEEE PCS covering all EEE categories • Responsible for 7 WEEE AATF's across UK • Experienced in both submitting WEEE streams into the PBS as well as engaging collectors and AATFs in order to bid for PBS contract work • Has been involved in all WEEE consultation responses issued over the past 5 years.
Lynne Cullis	CEO	<ul style="list-style-type: none"> • Has worked in the Producer Responsibility sector for over 20 years and within the WEEE system since the beginning of the WEEE Regulations in 2007 • Has managed the Wastepack Group's compliance schemes for over 10 years

Name	Current Job title	Relevant experience
		<p>and served on the WEEE Advisory Board from 2010 until it was disbanded</p> <ul style="list-style-type: none"> As CEO of the company, responsible for overseeing all interactions with the Government be it for consultations or other proposals and initiatives. Have worked closely with senior members of Defra, BEIS and HMRC.
Robbie Staniforth	Head of Policy, Ecosurety	<ul style="list-style-type: none"> As head of policy at Ecosurety, is responsible for liaising with government, regulators and industry organisations to represent members' views and interests. Has helped to instigate market-based change in packaging compliance Has years of experience working across three product responsibility regimes, and an excellent understanding of producer compliance and recycling, which enables him to provide high-level policy expertise, industry insight and market analysis Has previously having worked in sustainability and corporate social responsibility for Ikea Is the founder and Chair of the Packaging Scheme Forum and runs a specialist non-household WEEE scheme, B2B Compliance.

Experience of Administrator delivery team

- **Dr Richard Peagam - Programme Director**

Richard is the global lead for producer responsibility at Anthesis, ensuring that our diverse service offering aligns with multiple sectors across key geographies (the US, Asia and Europe). He began his career at Hewlett Packard, working in their sustainability team for five years, before beginning a career as a consultant in 2012, building sustainability performance into the operating models and products of manufacturing companies. Key clients include some of the largest electronics manufacturers in the world, key players in the minerals and extractives sectors, market leaders in FMCG and retail and national governments and policy makers. Richard manages delivery teams across multiple geographies, particularly Europe, Asia and the US.

He developed the manufacturer clearinghouse for e-waste in the state of Illinois to manage EPR commitments, is the Director of the voluntary PBS in the UK, and has provided expertise to both the regulator and manufacturer groups working on the emerging legislation in Ontario. He also led on the development of a global EPR costing tool on behalf of a US based FMCG company, testing it in Brazil, Ontario, France and Spain and directs multiple global managed compliance programmes for tech sector clients. Richard also manages circular economy projects across Europe; works on recycling infrastructure projects in China and has led the development of global takeback programs for multiple manufacturers, which are global in scope.

- **Mark Sayers – Programme manager**

Mark has more than 12 years of experience in producer responsibility compliance and data management, with a strong background in Electricals. In his previous role managing producer responsibility compliance schemes, including on behalf of not for profit Trade Association led organizations. He managed contracts and compliance accounts for major brands, supporting analysis of legislation and product information, scope for reporting and managing large datasets fulfilling WEEE batteries and packaging compliance needs.

Mark has also worked with several set top box manufacturers and retailers in establishing a WEEE and battery takeback system to offset compliance requirements and extracting maximum secondary commodity value from the metals and plastics. Mark has recently overseen the launch and management of an international compliance service and reporting compliance in Europe for businesses with fragmented approach and understanding of legal requirements. Working with global supply chains and identifying risk hot spots, a targeted methodology was developed for each client, to successfully deliver a report oversight and compliance reassurance in each country.

For the last 18 months Mark has been the lead for the Paper Cup Recycling and Recovery Group (PCRRG), a voluntary collaborative of over 40 fee-paying businesses in the cup supply chain. As part of his work he oversees the annual delivery and communications programme, which has included providing support and advice to the group throughout the Environment Audit Committee's review of single use plastics and compliance change as part of EPR, including advising on cup taxes and deposit return schemes. The PCRRG has established a funding mechanism for their programme of additional project and research work, and Mark is responsible for the development of pipeline projects, management of the funding allocation and delivery of project management to ensure value for money. In this role, he reports monthly to the Treasurer of the PCRRG and quarterly to the Chairman and Board.

- **Debbie Hitchen – Anthesis Director**

Debbie has a strong track record in project and client management. She is recognised for her ability to build and manage multi-stakeholder teams and her capability to deliver complex, collaborative and politically sensitive projects. She has an extensive understanding of the drivers and challenges of compliance and WEEE recycling having worked for four years in a local authority, four years at leading producer responsibility compliance organisation, Valpak, and over 15 years in consultancy with public, private and third sector organisations at London Remade and LRS before joining Anthesis.

As the Anthesis lead for Circular Economy and Producer Responsibility, Debbie has overseen and managed a significant number of compliance projects, both in UK and internationally. She is well known to members of the WEEE sector and has strong relationships with the wider stakeholder group required to deliver projects and research to enhance the recycling performance nationally.

A5

Longlist of Anthesis experience

Example UK WEEE experience

Client name/type	Project description
WEEE Fund	Report on the fate of WEEE being processed outside of the mainstream system that generates evidence. Engaged with recyclers, compliance organisations, waste managers and more.
WEEE Scheme Forum	Managing a system to match unallocated local authority WEEE collection contracts to compliance schemes from 2016. In 2017 we allocated ~4% of UK WEEE.
Producer	Providing market intelligence on compliance costs in the UK (as well as other countries), EPR operating models, collection rates, the B2B sector and on reuse. We have also covered Germany, Spain, Denmark, France, Italy and more in similar work.
Trade body	UK wide sampling of LDA WEEE in the light iron scrap stream, as potential substantiated estimates for Defra WEEE reporting to the European Commission.
Trade body	Impact and value for money analysis of collection, communication and reuse projects funded by the WEEE Fund since its inception. Recommendations were made to guide future priorities for allocation.

Example global WEEE management

Client type	Project description
Global manufacturer	Implementing a global takeback strategy for used EEE products, developing operating specs and KPIS, identifying and onboarding delivery partners.
Global manufacturer	Management consultancy for a global takeback business unit with a revenue target of \$1Bn dollars. Developing a business plan and goto market strategy.
Multiple global manufacturer	Managing EPR compliance reporting in Canada, India and the EU
Global manufacturer	Compliance health check for EPR registration and reporting, in more than 80 countries.
Industry Group	Set up of a clearinghouse to allocate e-waste collections to manufacturer representatives by market share in the State of Illinois.

Example consortia, group and panel management

Anthesis manages eight consortia for companies in the chemicals and related sectors to support compliance under the European REACH legislation. Also:

Steering groups and committees:	
PCRRG (Paper Cup Recovery and Recycling Group), members include Costa, Nestle, Mars, Starbucks, Mondelez.	Defra: New Technology Demonstrator Programme
MRF code of practice working group	WRAP: Organic Capital Funding Programme
GLA: Economic Development Infrastructure Building Programme	LDA: Major of London's Green Procurement Code
WRAP: Food waste working groups	Zero Waste Scotland: Groups on materials acceptance and service standards
WRAP: Product Sustainability Forum	North West Sustainable Business Quarterly
UK soft drinks industry sustainability roadmap	Merseyside and Manchester Energy Clubs
EU ecolabel for cleaning products and services	Cool Farm Alliance
World Resources Institute GHG protocol	Carbon Disclosure Project: ICT working group
Montreal Protocol	Defra: Green Food Project
WRAP: Courtauld Commitment working group	WRAP: Hospitality and Food Service Agreement
LDA: Enhance fund	GLA: biodiesel supply chain development
London Textiles Forum	The textiles leaders' forum
WRAP and BIS: Fund for circular economy in EEE	Business in the Community
British Standards Institution	Nestle Supplier Network

Example web based collaboration platforms

PSRT: <https://www.anthesisgroup.com/leadership-framework>

Cool Farm Tool: <https://coolfarmtool.org/>

Tesco Supplier Network: <https://www.tescosuppliernetwork.com/login/index.php>

Paper Cup Recovery and Recycling Group: <http://www.pcrrg.uk/>

A6

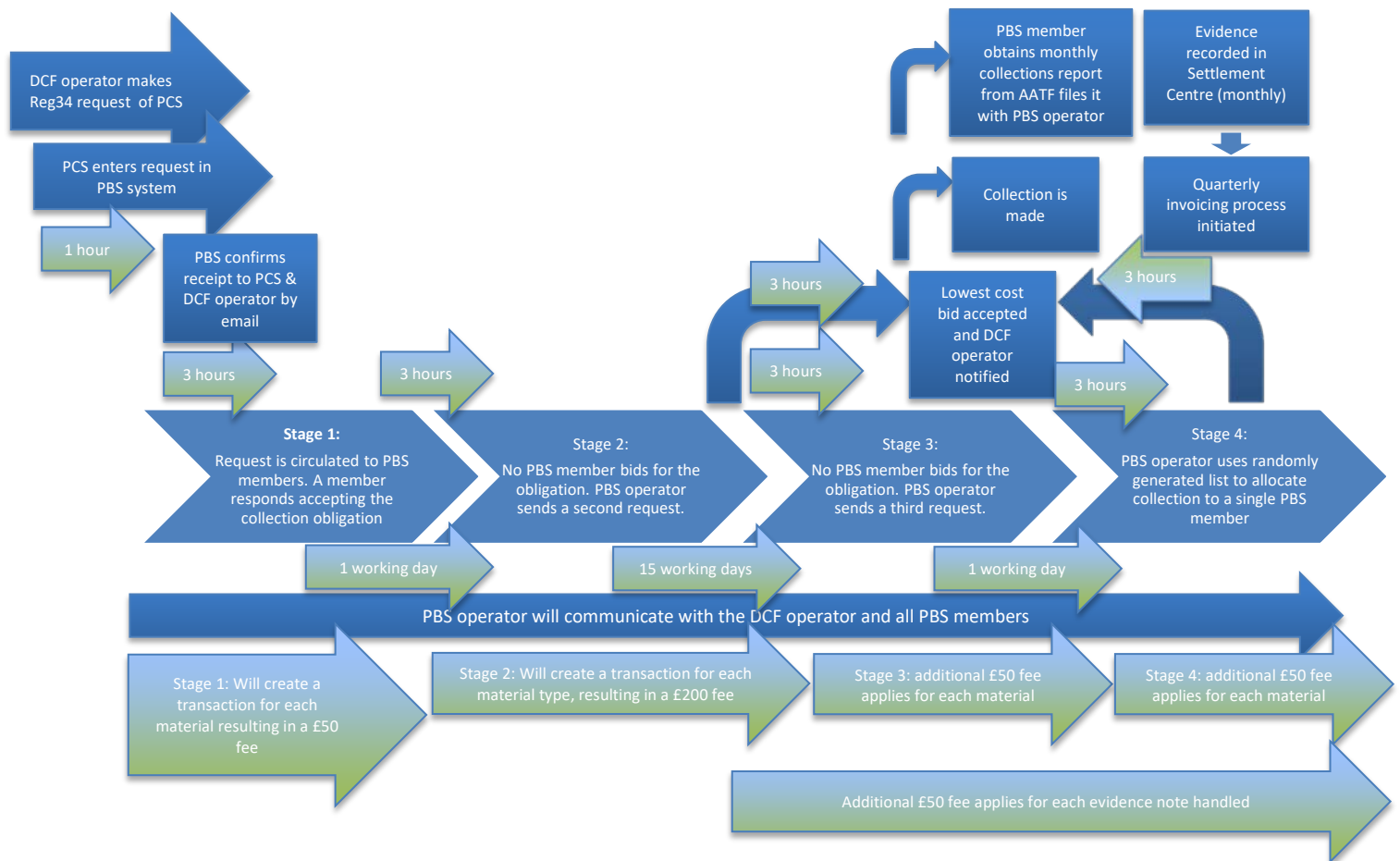
Agreed Operating Manual for a mandatory PBS

WEEE Scheme Forum Producer Compliance Scheme Balancing System (PBS)

Operating Manual

1. Summary of the operating process and procedures:

A simplified schematic of the operating process is illustrated below:



All timeframes are based on standard working hours or working days, e.g. a request received at 5.00pm on a Friday will be circulated within 3 hours of the 9am start of the working day on the following Monday. The PBS system closes over the Christmas period (members to be advised of dates in advance). The PBS will accept both one off and continuous service requests, the latter will be for a fixed period submitted by the winning bidder (details below).

The allocation process is as follows:

NB. the WSF plans to commission an online system which will change some of these steps, with the Operating Manual updated accordingly, during 2019.

INCEPTION:

- The operator of an Local Authority-designated collection facility (**DCF operator**) contacts a PBS member scheme requesting collection of WEEE under regulation 34. The scheme establishes if this is for a one-off collection or a continuous collection service. If the scheme decides that it does not require collections in the requested WEEE

stream or streams to meet its requirements, it validates the request for compliance with Regulation 34 and then notifies the PBS system (by way of an automated information template at <http://wsfpbs.anthesisgroup.com/>).

- The PBS system requires a minimum level of information before a PBS member is able to make a submission. This includes contact details for the DCF operator, the WEEE stream(s) to be collected, the addresses for each DCF to be serviced, and (for continuous service requests) estimated annual weights for collections from the DCFs in each WEEE stream.
- The submitting PBS member must provide evidence that the Regulation 34 request is valid and includes a written commitment to treat ongoing collections under Regulation 34. This is usually a copy of correspondence from the DCF operator confirming that they do not have a collection agreement with a PCS. As the **PBS administrator**, **Anthesis** will reject the request if suitable evidence is not provided.
- The PBS member is encouraged to submit further information about the DCF sites (e.g. site-specific collection information, opening times) to assist bidders, using the attachment functionality in the information template. They should also indicate if there is an unusually large amount of WEEE ready for the first collection, owing to any build up at the DCF site. Each of these submissions is optional, however the accuracy of the content is the responsibility of the submitting PBS member and not Anthesis.
- It is the responsibility of the submitting PBS member to ensure that the conditions of Regulation 34 have been met prior to submitting the request to the PBS system and to request any further information from the DCF operator. If a PBS member queries the information submitted in a request, Anthesis will investigate further on a chargeable basis.
- Once a valid request is submitted, Anthesis has 1 hour to acknowledge receipt of the request and 3 hours to circulate the Stage 1 request to all PBS members.

STAGE 1

- The request to the PBS membership will be sent by email to the designated email addresses previously provided by each member. This email will be in a standard format, providing the information necessary for the PBS member determine if they wish to accept the collection obligation for their own account. Members have 1 working day to advise Anthesis if they wish to take responsibility for any of the WEEE stream collections offered.
- The first PBS member to respond, accepting responsibility for any of the streams offered, will be allocated the collection.
- The management of collection services arising from responses to Stage 1 requests will not form part of the subsequent PBS processes.
- Following the allocation, all other PBS members will be notified by email by Anthesis that the allocated stream has been removed from the PBS system at Stage 1.
- The DCF operator will be notified if any streams have been allocated at Stage 1 and if so, to which PBS member(s). To ease the handover of responsibilities, the identities of both the submitting PBS member and the member to which the collection service has been allocated will be disclosed to each other. The allocated PBS member will have up to 5 working days to commence collections.

STAGE 2

- If no PBS member accepts the request at Stage 1, Anthesis will resend the request (no more than 3 hours after the preceding one-business day acceptance window has closed) requesting that PBS members to bid for the service provision.

- This request will be sent by email to all PBS members to the designated email addresses previously provided by each member. This email will be in a standard format, providing the information necessary for the members to bid to collect the material.
- Members will have 15 working days to respond to each request. Where the request is made for collection from a newly established DCF, i.e. where there is no incumbent service provider, this period is reduced to 3 working days.
- Members will be asked to complete their response in a pro-forma Word document, providing an individual, all-inclusive (but ex VAT) price and collection duration for each WEEE stream in which they are bidding. This document will be forwarded as an email attachment to Anthesis at the designated email address.
- Members can bid on any, some or all of the WEEE streams offered. They must provide a clear and unconditional offer of a single price per tonne: Variant, conditional bids or price ranges will not be accepted. Bidders must also specify the period for which they are bidding to collect: For six months, one year or to the end of the compliance period and subject to a minimum six-month period of service. The duration will have no bearing on the bid award outcome. If two bidders quote the same price for the same WEEE stream but for differing periods, the first bid received by Anthesis will be deemed successful.
- At the close of bidding, Anthesis will advise the lowest priced bidder in each WEEE stream by email of their successful allocation within 3 working hours. Unsuccessful bidders will also be advised by email that they will not be required to make the collection.
- The DCF operator will be notified if any streams have been allocated at Stage 2 and if so, to which PBS member(s). To ease the handover of responsibilities, the identities of both the incumbent (outgoing) and the PBS member to which the collection service has been allocated will be disclosed to each other. The allocated PBS member will have up to 5 working days to commence collections.
- The Code of Practice for the collection of WEEE from DCFs requires that Regulation 34 requests must be serviced within 5 working days of a validated request. The incumbent PCS will be responsible for collections during the Stage 2 bidding process. Where this results in the incumbent PCS collecting beyond the end of a previously awarded PBS service allocation or the expiry of the contractual agreement that has led to the regulation 34 request, it will be reimbursed by the PBS for the overlap period at the rate quoted by the successful bidder (discussed below). The incumbent PCS will be responsible for collections, until the successful PBS member takes over during the 5 working day handover period after award.

STAGE 3

- If no bids are received in the Stage 2 timeframe, Anthesis will reissue the request for bids with a 1 working day deadline (see Stage 2 for the bidding process).

STAGE 4

- If following Stage 3, no bids are submitted for the collection of a stream Anthesis will use a randomly generated list of PBS members, to be created at the start of the PBS contract and not shared with PBS members, to select the next member in sequence (working top to bottom on the list). This PCS member will be required to undertake collection of the allocated streams for a six-month period.
- The selected member will be required to advise Anthesis of the cost of the service (collection and treatment) with the monthly collection report, plus 10%. The membership will be charged at this cost.

Communications

- Once the allocated PBS member(s) has been notified, Anthesis will email the DCF operator to notify them of this allocation. DCF operators may receive collection services from multiple PBS members as each WEEE stream will be treated as a separate transaction. Appropriately worded emails will be used.
- The DCF operator will be contacted one month in advance of the expiry of their current PBS allocations to allow them to consider if they wish to make a new, timely request under regulation 34.
- Anthesis will communicate with PBS members throughout the process. All communication will be made only through the channels previously agreed with each member to avoid any unfair practices or competitive advantage in favour of, or against any member or group of members.
- Anthesis will maintain internal processes to ensure that the prescribed time lines are met (e.g, the 1 and 3 hour required deadlines for activities and responses) including:
 - The initial incoming email from the web-based system will be received automatically by four team members in their normal Outlook Inboxes.
 - Three team members will report their availability to the project manager (fourth team member) weekly each Monday morning. They will diarise their daily activities so that cover is provided where required to provide responses to PBS requirements.
 - A log of all incoming requests will be maintained (created automatically by the web-based system) and updated with dates, times and details of at each stage of the process.
 - Cover will be arranged for absences due to holiday and sickness using additional staff.
- Each PBS member will be responsible for providing a monthly collection report in the format developed by PCSs and AATFs ('ICER' report), detailing all collections as confirmed by the appropriate AATF and the charge at the previously agreed bid price for these. This form will be required to be submitted in the standard template (as an Excel spreadsheet).
- Anthesis will undertake the allocation and reconciliation of all evidence issued to it in the Settlement Centre, at least once per quarter. The collecting PBS member is responsible for ensuring that each monthly collection report reconciles with the evidence note and to provide the evidence note number relevant to each report.
- Anthesis will prepare and manage all invoicing and financial reconciliations quarterly, in line with the invoice management procedure.

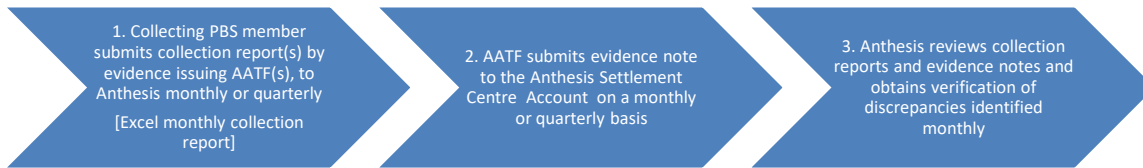
N.B. processes for the latter three points above are provided in section 2 (Summary of the financial management processes), below.

- Anthesis will compare the reported collections in each quarter with the collection forecast submitted with the original Regulation 34 request, feeding back on any material deviations to members in aggregate.

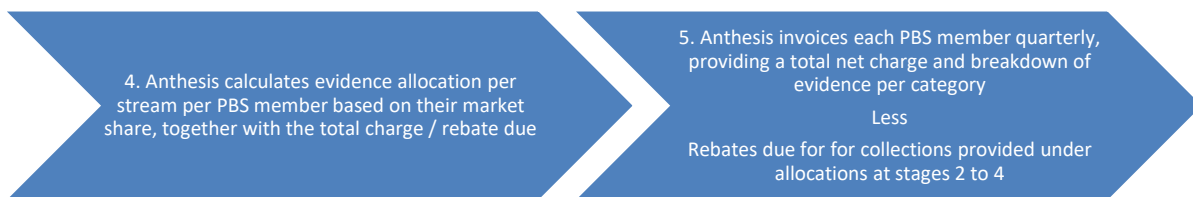
2. Summary of the financial and evidence management processes:

A simplified schematic of the three phases of the financial and evidence management process is shown below:

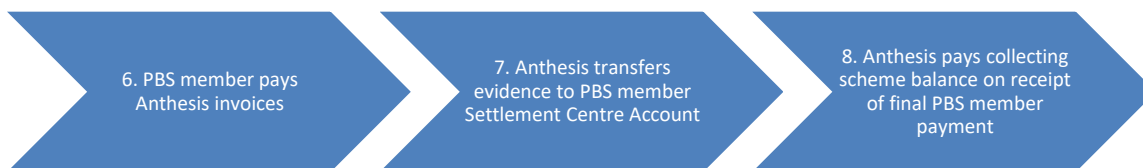
Phase 1: Submission and verification of collection data



Phase 2: Anthesis calculates charges and payments to each PBS member



Phase 3: Anthesis receives payment and distributes evidence



2.1 Phase 1, Task 1: Collecting PBS member submits report by issuing AATF

Completion timeline: 10 working days after the end of the month of collection. Where collection volumes are small, reporting can be made quarterly. It is the responsibility of the allocated PBS member to advise Anthesis if this will be the case and to agree quarterly reporting with them in advance.

Activity summary

- The collecting PBS member should obtain, check and verify collection data and report this to Anthesis in the agreed collection report format. The report should contain the following information:
 - Details in the required fields for each collection made from each DCF, by WEEE stream, including the tonnage treated.
 - The agreed cost for each collection, as notified to Anthesis when the PBS member bid was submitted;
 - The evidence to be issued by category, including the evidence note number(s);
 - The PBS Contract Reference Number.
- Collections made under Regulation 34 must be reported to the relevant environment agency to ensure they are included in the UK's WEEE collections data. It is the responsibility of the collecting scheme to report these in its quarterly returns.

- The incumbent, outgoing PCSs will be collecting WEEE from the DCFs during the Stage 1,2, 3 and 4 allocation periods, and then for a further 5 working day in the handover period. Where collections take place after the expiry of an existing PBS allocation or a direct contractual arrangement the incumbent PCS should submit a monthly collection report, detailing the tonnage treated by AATFs on their behalf and referencing the evidence notes transferred to Anthesis for the relevant collections. The incumbent PCS will be reimbursed for these collections at the rate payable to the allocated PBS member. Reimbursement will be offset against their other financial obligations to the PBS in that quarter, as part of the aggregate charge on their invoice, i.e. they will not be able to back-calculate the price quoted by the allocated bidder.
- Anthesis will track receipt of monthly collection reports due for that quarter (accounting for the variable collection agreement length) and expedite any late submissions accordingly.

2.2 Phase 1, Task 2: Issuing AATF uploads evidence into the Anthesis Settlement Centre Account

Completion timeline: 10 working days from the end of the final month of the quarter in which collections were made

Activity summary

- The collecting PBS member instructs the treating AATF to upload the evidence into Anthesis' Settlement Centre Account.

2.3 Phase 1, Task 3: Anthesis reviews the reports submitted by each PBS member

Completion timeline: 13 working days after collection month

Activity summary

- Anthesis will verify:
 - That the PBS member was approved to undertake collections of the WEEE streams from the DCFs named on the report for the date(s) in question, either as the allocated PCS or the incumbent during the allocation/handover period;
 - That the cost quoted for each collection by the allocated PCS agrees to the bid accepted by Anthesis. NB: costs to be based on collected tonnes, not evidenced tonnes.
 - That the evidence note issued by each AATF reconciles to the monthly collection report, which will show the application of any applicable protocols;
 - That the collected tonnages are generally consistent with those advised in the original regulation 34 notification.
- Any discrepancies between reports and evidence will be raised by Anthesis with the collecting scheme, who will be responsible for resolving them with the treating AATF. Where necessary this may mean obtaining amended evidence notes.
- Once Anthesis is satisfied the evidence note is correct, it will be accepted.

2.4 Phase 2, Task 4: Anthesis calculates evidence share and cost per PBS member

Completion timeline: 15 working days after end of quarter

Activity summary

- Anthesis will calculate the evidence, costs and payments to each scheme on a quarterly basis as follows:

Step 1

- Calculate the total tonnage of evidence issued for each category;
- Calculate the total cost per stream collected, including the costs to be paid to any incumbent PCS during the allocation period;
- Calculate the total transaction charges per stream.

Step 2

- Calculate the market share of each member scheme in each stream;
- Calculate the quantity of evidence to be financed by each scheme by stream based on their market share of the collections undertaken, for that compliance year;
- Calculate the total cost per stream chargeable to each scheme (including transactional charges);
- Calculate the total chargeable for collections from successful bids and any interim collections carried out during allocation periods, to each scheme prior to deduction of any collection payments.

Step 3

- Calculate the total payable to each scheme for collections undertaken
- Calculate the net charge or rebate to each scheme

2.5 Phase 2, Task 5: Anthesis invoices each PBS member

Completion timeline: 15 working days after end of quarter

Activity summary

- Anthesis will provide each scheme with an invoice or credit note with total net charge or rebate and breakdown of evidence by category.

2.6 Phase 3, Task 6: Each PBS member to pay invoices raised

Completion timeline: 10 working days after receipt of invoice.

Activity summary

- PBS members will endeavour to pay invoices as soon as possible, but no later than 10 working days from the invoice date. This window will be reduced to 5 working days in Q4, to ensure that members receive information and evidence to meet their end-of-compliance-year deadlines.
- Late payers will not receive their evidence until their cleared remittance is received. Anthesis will not be responsible for any consequences arising from the delay or expiry of evidence resulting from late payment.
- Late payers will be sent a final demand for payment on the day following the due date. If required, this will be followed by a statutory demand and a winding up order. The PCS will risk expulsion from the PBS for late payment and Anthesis will notify the relevant Agency where this proves necessary.

2.7 Phase 3, Task 7: Anthesis transfers evidence

Completion timeline: on receipt of payment from each PBS member.

Activity summary

- On receipt of cleared funds from each scheme, Anthesis will transfer the evidence to their Settlement Centre Account for the categories and quantities detailed in their invoice.

2.8 Phase 3, Task 8: Anthesis pays PBS members receiving credit notes

Completion timeline: on receipt of final payment for the quarter

- On receipt of the final payment for each quarter, Anthesis will transfer funds to those PBS member's bank account by BACS or Chaps payment.

3. Summary of startup and annual processes:

- At the start of the contract, and thereafter annually at the start of each compliance period, Anthesis will request contact details for the PBS system from each participating PBS member. Each PBS member must respond to requests for contact details within 5 working days. Details will be requested and provided via email.
- At the start of the contract, and thereafter annually in March of each compliance period. Anthesis will request market share data for each PBS member from the relevant Agency. Each PBS member will consent to the sharing of this information when they sign up to the PBS terms and conditions. Anthesis will request further updates of market share data as these are updated by the relevant Agency, in line with the relevant Agency SLAs for issuing updates.
- At the start of the contract, and thereafter at the start of each compliance year Anthesis will also confirm to each Agency by email that their relevant PCSs have signed up to the PBS for that year and provide the names of any that have not.
- Any changes to the agreed communications (emails) and/or procedures manual after the documents have been approved by the WSF at the start of the contract, will require written agreement (via email) by both parties (Anthesis and WSF), and will be subject to approval by DEFRA.

4. Management of confidential and sensitive data

All data provided to Anthesis by the individual PBS members will be managed in accordance with the Anthesis code of conduct for handling confidential and sensitive information which is set out below in the following subsections of the manual.

4.1 Agreeing and signing a Non-Disclosure Agreement (NDA)

The sharing of confidential information will be governed by NDAs which will be in place for the period of this contract and beyond as necessary (and as stated in the appropriate clauses of the documentation).

- All PBS members will be provided with a standard NDA template for completion by both parties; this NDA has been pre-agreed by a working party of PBS members in advance of being provided to the wider membership and is aligned with terms of the Operator Agreement by which Anthesis is bound.
- If a client requests the use of their own NDA, the Anthesis project manager will refer it to one of the Anthesis Directors who will review its wording.

- Any questions, changes or issues associated with either set of documentation will be communicated between the Anthesis Director and the PBS member by the Anthesis project manager.
- Once the parties have both approved the wording, it will be signed by one Anthesis Director, the project manager and by an appropriately qualified member of the disclosing PBS member.
- The Anthesis project manager is responsible for expediting the receipt of a signed copy (either in hard or electronic form) of the document back from the PBS member.
- The project manager will be responsible for ensuring that the full project team at Anthesis, who will be engaged in the use of confidential data, is aware of the content of the document.
- The completed NDA will be filed by the project manager and the Operations Director in the WSF client file in a specific NDA folder.
- All information about NDAs should be recorded in the account record to which the NDA is related. The project manager is responsible for inputting this information.

4.2 Handling confidential data

- Confidential data provided to Anthesis by the PBS members will be the responsibility of the project manager, an Anthesis signatory to the NDA.
- On receipt of electronic confidential data, the project leader will create an appropriate file in a logical structure on the Anthesis secure cloud-based file share system, with access limited to the PBS team, appropriate company Directors and senior IT staff only.
- Once saved, all emails containing the information should be deleted from the recipients' email folders. Where the email has been sent to multiple users by the PBS member, the project leader will be responsible for ensuring that all recipients have deleted the message from their email handling applications.
- The project manager is responsible for setting up a restricted access request to be sent by email to the internal IT team, to inform them of the names of the staff members who can access the files on the system and ensuring that the appropriate restrictions are in place.
- Any hard copies of documentation will be kept by the project manager in a secure location at Anthesis' premises. An email with their location will be provided to the Operations Director.
- At no point may information from the restricted files be placed on data sticks other than those that are provided by Anthesis with password protection, and only then in exceptional circumstances.
- No hard copies must be made of the confidential data, and at no time must the data be taken outside the Anthesis office environment in hard copy format.

4.3 Use of confidential information by project teams and subcontractors/ associates

- The supply of, or access to, the confidential information is controlled by the project manager and must be in accordance with the terms of the signed NDA.
- No confidential information may be provided to an associate or subcontractor engaged by Anthesis working on the project without the PBS Member's approval. The information will only be provided after the individual or organisation involved has signed an NDA directly with the PBS member or a back-to-back NDA with Anthesis.
- The project manager will be responsible for filing the NDAs or communication relating to the NDAs with the subcontractors and or associates on the electronic client files and hard copies with the Operations Director.
- The project manager will be responsible for ensuring that the rules for handling confidential data are adhered to by both the project team and any subcontractors and associates.

4.4 Verifying market share information

- Anthesis will obtain market share information for each member directly from the relevant Agency. However if this were to be provided by an individual PBS member, verification will only be carried out with the appropriate Agency, and not with the WSF itself.

4.5 Recognition of the competition law implications within the project delivery

It is essential that the individual costs quoted by the PBS members are not transparent to other members of the system. The Anthesis system will be established as follows to prevent dissemination of such information:

- The receipt of information relating to a transaction will be handled manually by an Anthesis team member, who will neither collate nor share any of the inbound information with the PBS membership.
- Invoices will be managed to provide a net aggregate figure quarterly for each PBS member and will only be provided to the specific named contact for that PBS member. Fees quoted will be inclusive of the transaction fees and will be presented only as one single figure.
- No cost information will be shared with any authority other than the appointed auditor as agreed in advance with the WSF. Some high-level details can be provided to competent authorities on request.

4.6 Responsibility

- Failure by any Anthesis staff member to abide by the confidentiality policy will result in disciplinary action.

5. The Settlement Centre and evidence issuance

- Anthesis is established as a party on the EA Settlement Centre. The system will be used in accordance with the standard rules and protocols already in place for the issuing and transfer of evidence. The evidence allocation will be quality checked by the project manager who will be responsible for ensuring that the allocation for each PBS member is correct before the end of the quarterly cost and evidence allocation process.

6. Auditors

- It is understood that a third-party auditor will be appointed by the WSF to undertake audits no more frequently than once in each calendar year. Anthesis will make all electronic and paper records available as requested and comply with all reasonable requirements from the auditor, making the project manager available to him as required.

7. Financial management

- The WSF PBS will be set-up as a separate project in the Anthesis project management and accounting systems, and each transaction will be tracked against the project.
- All WSF PBS related working documents and excel working sheets relevant to finance, will be kept in secured folders on Anthesis's secured server.
- Custom invoices or credit notices will be issued to each PBS member by the Anthesis project manager, tracked by our finance team.

- Receipts for the invoices and fund transfer to relevant PBS member will be conducted via Anthesis's Barclays bank account (Sort code: 20-65-18, account number: 90904473), which is not used for day to day Anthesis transactions. Bank statements will be provided for the year end audits and reviews.
- Invoices for less than £200 ex VAT will be rolled into the next quarter, with relevant PBS members notified of their evidence and charges for that quarter separately.

8. DCF Operators exiting the PBS early

- Should a DCF Operator currently serviced by a PBS member through an allocation by the PBS then secure a contract for WEEE collection with a PCS during the allocation period, the PBS allocation will be terminated. The termination could apply to one, some or all of the WEEE streams currently serviced through the PBS.
- The DCF Operator shall notify the PCS allocated by the PBS one month prior to the commencement of the new contract that the PBS service allocation will be terminated, identify the newly contracted PCS and to confirm the termination date. The PCS allocated by the PBS shall, within 2 working days of having been notified by the DCF Operator, notify the PBS that the allocation has been terminated and confirm the termination date.
- The PCS allocated by the PBS will no longer be liable for collection, following the termination date and it will no longer be entitled to submit costs to the PBS for recharge to the collective membership for collections made from the DCF Operator following the termination date. The PBS administrator shall, as soon as possible, inform the PBS membership of the details of this termination.
- Following termination of the collection arrangement, if the PCS allocated by the PBS has other collection arrangements still in place with the DCF Operator for other streams that were also allocated by the PBS, then it will have the right to terminate these arrangements early too, triggering another round of competitive bidding for a new PBS allocation.
- If the PCS allocated by the PBS chooses to terminate these arrangement for other streams early, it will no longer be liable for collection following the termination date and it will no longer be entitled to submit costs to the PBS for recharge to the remainder of the membership for collections made from the DCF Operator following the termination date.

A7

Agreed PCS membership agreement for a mandatory PBS

BETWEEN:

- (1) **WEEE SCHEMES FORUM LIMITED** registered in England and Wales with company number 8663591 whose registered office is at Unit 3C Waterfold Park, Waterfold, Bury, Lancashire, BL9 7BR ("**WSF**"); and
- (2) The PCS listed below as the signatory of this Agreement ("**Participant**").

BACKGROUND:

- (A) WSF acts as a representative body for PCSs.
- (B) Regulation 34 of the WEEE Regulations provides a mechanism whereby local authorities can request the collection, treatment, recovery and environmentally sound disposal of Household WEEE by compliance schemes in the circumstances set out in Regulation 34.
- (C) The PBS is a mandatory system designed to manage requests (as between PCSs) made pursuant to Regulation 34.

IT IS AGREED**1 DEFINITIONS AND INTERPRETATION**

- 1.1 Each capitalised term in this Agreement is defined in paragraph 1 of the Rules or elsewhere in this Agreement.
- 1.2 The rules of interpretation set out in the Rules will apply to this Agreement.
- 1.3 Clause and Schedule headings shall not affect the interpretation of this Agreement.
- 1.4 The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules. If there is any conflict between the Rules, the body of this Agreement and Schedule 1, the Rules shall prevail followed by the body of this Agreement and then Schedule 1.

2 PARTICIPATION

- 2.1 The Participant confirms that it has been supplied with a copy of the Rules current at the date of this Agreement (incorporated as Schedule 2). The Participant covenants with WSF to be bound by, observe and perform this Agreement, including, without limitation, the Rules.

3 TERMINATION

- 3.1 WSF and the Participant each agrees and acknowledges that the provisions of Schedule 1 apply as regards the termination of this Agreement.

4 **CONFIDENTIALITY**

4.1 Except as expressly set out in this Agreement (including the Rules and Schedule 1), WSF and the Participant each undertakes that it shall not at any time disclose to any person any Confidential Information concerning the PBS, WSF, the Administrator or any other PCS, except:

4.1.1 to its representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this Agreement. The Participant shall ensure that its representatives or advisers to whom it discloses Confidential Information comply with this clause 4; or

4.1.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

4.2 Neither WSF nor the Participant shall use any Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with this Agreement.

4.3 The provisions of this clause shall survive the termination of this Agreement.

5 **GENERAL**

5.1 This Agreement (together with the documents referred to in it (including, without limitation, the Rules)) constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, understandings and arrangements between them, whether written or oral, relating to its subject matter. Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) that is not set out in this Agreement, except in the case of fraudulent misrepresentation.

5.2 Notices under this Agreement will be in writing and sent to a party's registered address. Notices may be given, and will be deemed received if:

Delivery method	Deemed delivery date and time
Delivery by hand.	On signature of a delivery receipt.
Email.	Immediately.
Pre-paid first class post or other next working day delivery service providing proof of postage.	9.00 am on the second Business Day after posting.

5.3 Clause 5.2 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any method of dispute resolution.

5.4 WSF and the Participant each agrees that the Administrator and the Regulatory Authority may enforce any term of this Agreement. Save as provided in this clause 5.4, no one other than a party to this Agreement shall have any right to enforce any of its provisions.

5.5 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

- 5.6 Each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this Agreement.
- 5.7 The Rules shall be varied from time to time in accordance with their terms. No other variation of this Agreement shall take effect without the prior written agreement of WSF and the Participant.
- 5.8 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
- 5.9 Nothing in this Agreement shall constitute or be deemed to constitute a partnership, agency or joint venture between the parties hereto or constitute or be deemed to constitute any party the agent of the other for any purpose whatsoever and no party shall have any authority or power to bind the others or to contract in the name of or create a liability against the others.
- 5.10 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

SIGNED BY [INSERT])
FOR AND ON BEHALF OF WEEE SCHEMES)
FORUM LIMITED)

.....

SIGNED BY [INSERT])
FOR AND ON BEHALF OF [COMPANY)
NAME] LIMITED)

.....

SCHEDULE 1

TERMINATION

THIS SCHEDULE SETS OUT THE TERMINATION RIGHTS UNDER THIS AGREEMENT. THIS AGREEMENT SHALL ONLY BE TERMINATED IN ACCORDANCE WITH THIS SCHEDULE.

- 1.1 WSF may terminate this Agreement with immediate effect such that the Participant ceases to be a party to the PBS or this Agreement by giving written notice to the Participant where the Participant:
- 1.1.1 commits any serious breach or persistent breaches of any term of this Agreement which is irremediable or (if such breach is remediable) fails to remedy that breach within 14 days of WSF serving written notice on it requiring such remedy;
 - 1.1.2 fails to pay any money owing by it to WSF or the Administrator on the due date for payment;
 - 1.1.3 is guilty of any conduct likely to have a serious adverse effect on the PBS;
 - 1.1.4 ceases to hold its approval as a PCS approved under regulation 55 for the purposes of regulation 28 of the WEEE Regulations; or
 - 1.1.5 an order is made or a resolution is passed for the winding-up of the Participant or an order is made for the appointment of an administrator to manage the affairs, business and property of the Participant or such an administrator is appointed or documents are filed with the court for the appointment of an administrator or notice of intention to appoint an administrator is given by the Participant or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a receiver and/or manager or administrative receiver is appointed in respect of all or any of the Participant's assets or undertaking or circumstances arise which entitle the Court or a creditor to appoint a receiver and/or manager or administrative receiver or which entitle the Court to make a winding-up or bankruptcy order or the Participant takes or suffers any similar or analogous action in consequence of debt in any jurisdiction.
- 1.2 This Agreement shall terminate automatically on the expiry of the relevant Regulatory Authority's approval of the PBS. The consequences of termination under this paragraph are set out in paragraph 6.10 of the Rules.
- 1.3 On termination of this Agreement in accordance with paragraph 1.1 all sums arising under this Agreement and not paid at the date of termination shall become immediately due and payable.
- 1.4 Any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination of this Agreement shall remain in full force and effect.
- 1.5 Termination of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

- 1.6 In the event of termination of this Agreement, the Participant will provide such reasonable cooperation and assistance to the Administrator regarding the ongoing operation of the PBS, as required by WSF and/or the Administrator.
- 1.7 If WSF terminates this Agreement in accordance with paragraph 1.1 of Schedule 1, the Administrator must notify the Regulatory Authority of such termination to ensure that the Regulatory Authority is aware that the Participant is no longer compliant with the WEEE Regulations.

SCHEDULE 2

RULES OF PARTICIPATION (“RULES”)

1 DEFINITIONS AND INTERPRETATION

1.1 In these Rules, capitalised terms shall have the meanings attributed to them in the WEEE Regulations and otherwise:

“**Administrator**” means the body appointed from time to time in accordance with these Rules to operate the PBS and which is currently Anthesis UK Limited with registered number 3409491

“**Administrator Agreement**” means the agreement between the Administrator and WSF in relation to the operation of the PBS

“**Business Day**” means a day upon which clearing banks are open for normal business in London and excluding those days between 25 December and 1 January

“**Compliance Period**” means 1 January to 31 December (inclusive)

“**Confidential Information**” means all information (however recorded or preserved) of a party that is either disclosed to, or otherwise obtained by, another party in connection with the PBS whether before or after the date of establishment of the PBS, including bids submitted in respect of the PBS, information relating to the business, affairs, customers, clients, suppliers, plans, intentions, or market opportunities, operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party

“**DCF**” means a local authority designated collection facility as defined in the WEEE Regulations

“**Handling**” means, in the context of Household WEEE, collection, treatment, recovery and environmentally sound disposal and “**Handle**” shall be interpreted accordingly

“**Household WEEE**” means WEEE from private households, as the same is defined in the WEEE Regulations

“**Participating PCS**” means a PCS that has been approved under regulation 55 for the purposes of regulation 28 of the WEEE Regulations and has entered into a PBS agreement with WSF and has not, for any reason whatsoever, been excluded from participating in the PBS

“**PBS**” means the PCS balancing scheme set up by WSF and approved in accordance with Regulation 34A of the WEEE Regulations

“**PCS**” means a scheme as the same is defined in the WEEE Regulations

“**Regulation 34 Request**” means a request made to a PCS by the operator of a DCF pursuant to Regulation 34 of the WEEE Regulations where the PCS receiving the request has satisfied itself that the criteria set down in Regulation 34 of the WEEE Regulations and guidance issued from time to time by one or more of the Regulatory Authorities have been met in their entirety

“**Regulatory Authority**” means any of the Department for Environment, Food and Rural Affairs; in England, the Environment Agency; in Scotland, the Scottish Environment Protection Agency; in

Northern Ireland, the Department of the Environment; in Wales, the Natural Resources Body for Wales; and any successor body of each

“Required Information” means such information as the Administrator may reasonably require from a Participating PCS in order to operate the PBS set up by WSF in accordance with these Rules

“Settlement Centre” means the initiative funded by certain of the Regulatory Authorities which, amongst other things, records the evidence issued in relation to household WEEE collections

“WEEE Regulations” mean the Waste Electrical and Electronic Equipment Regulations 2013

“Working Hours” means the hours of 09:00 to 17:00 GMT, adjusted as necessary for daylight saving provisions, on a Business Day.

1.2 In these Rules, unless the context otherwise requires:

1.2.1 references to statutes, statutory instruments (including the WEEE Regulations) and provisions of either shall be construed as amended or replaced and as including, as appropriate, any subordinate legislation made under them in any such case from time to time;

1.2.2 a reference to ‘writing’ or ‘written’ includes by email; and

1.2.3 a reference to a paragraph is a reference to a paragraph in these Rules.

1.3 Except where expressly stated otherwise, no provision of these Rules shall govern or limit the extent or application of any other provision.

2 **PROVISION OF INFORMATION**

2.1 Each Participating PCS shall provide the Required Information to the Administrator within 5 Business Days of a request by the Administrator and any updates to such information within 5 Business Days of any changes to the same. Each Participating PCS shall ensure that all information provided by it to the Administrator is accurate and complete in all respects. The Administrator will obtain EEE market share reports for each Participating PCS from the relevant Regulatory Authority and each Participating PCS authorises the relevant Regulatory Authority to provide such information to the Administrator, and shall, without undue delay, provide such confirmation to that Regulatory Authority as that Regulatory Authority may require regarding such authorisation.

3 **ADMINISTRATOR’S APPOINTMENT**

3.1 The Administrator’s appointment shall continue in accordance with the Administrator Agreement, unless replaced earlier in accordance with paragraph 3.2.

3.2 A working committee set up by WSF and comprising a representative of each Participating PCS wishing to participate in the working committee and the Regulatory Authority may select and appoint a replacement for the Administrator. The replacement Administrator’s appointment shall continue for one Compliance Period unless extended with the agreement of the working committee and the Regulatory Authority.

3.3 WSF shall determine the terms upon which the replacement Administrator is appointed provided always the replacement Administrator is required to operate the PBS in the manner set out in these Rules.

4 **AUDIT**

4.1 WSF shall ensure that it is entitled, from time to time, to inspect the records of the Administrator with regard to the operation of the PBS. The scope of such audit shall be set up by WSF. Such audit shall take place no more frequently than once in any calendar year.

4.2 Audits shall be conducted by an independent third party designated by WSF. WSF shall procure that the auditor operates under a confidentiality and non-disclosure contract in a form that ensures that no information that is confidential to a Participating PCS is disclosed to either WSF or any other Participating PCS or PCS.

4.3 WSF shall procure that the Administrator carries out, at its own cost and expense, such corrective action as is required following an audit.

5 **CONFIDENTIALITY**

5.1 Each Participating PCS and WSF shall be bound by undertakings of confidentiality to protect its Confidential Information, and WSF shall procure that the Administrator is bound by confidentiality undertakings no less onerous than those accepted by each Participating PCS.

5.2 Each Participating PCS and WSF shall permit the Administrator to disclose Confidential Information to the Regulatory Authority's independent compliance fee administrator appointed pursuant to Regulation 76 (1)(b) of the WEEE Regulations on request, provided:

5.2.1 the Administrator shall only be permitted to disclose such Confidential Information as is strictly necessary in order for such administrator to discharge its duties to the Regulatory Authority; and

5.2.2 (to the extent permitted by law) no more than 35% of the Participating PCSs object to such disclosure.

5.3 The provisions of this paragraph shall survive the termination of these Rules.

6 **OPERATION OF THE PBS**

6.1 If a Participating PCS receives a Regulation 34 Request then, at its sole discretion, it may either:

6.1.1 finance itself the Handling of the Household WEEE arising from that Regulation 34 Request; or

6.1.2 make a request in accordance with the Administrator Agreement to the Administrator that the Handling of the Household WEEE arising from that Regulation 34 Request is to be managed via the PBS.

6.2 WSF shall procure that the Administrator notifies all Participating PCSs, within three Working Hours, of any Regulation 34 Request made pursuant to paragraph 6.1.2. Each Participating PCS that is willing to finance the Handling of some or all of the streams of Household WEEE that are

the subject of the Regulation 34 Request shall advise the Administrator in writing within 1 Business Day of the date of the notification by the Administrator. Subject to paragraph 6.3, WSF shall procure that the Administrator:

6.2.1 selects the willing Participating PCS to finance the Handling of those streams of Household WEEE; and

6.2.2 notifies the operator of the DCF making the Regulation 34 Request accordingly.

6.3 Where more than one Participating PCS advises the Administrator that it is willing to finance the Handling of a stream of Household WEEE, WSF shall procure that the Administrator selects the first Participating PCS from which it receives such advice.

6.4 The Participating PCS selected by the Administrator pursuant to paragraph 6.2.1 or 6.3 shall:

6.4.1 within 5 Business Days of selection procure the collection of the Household WEEE arising from the Regulation 34 Request; and

6.4.2 thereafter procure the treatment, recovery and environmentally sound disposal of that Household WEEE,

in each case, in accordance with the WEEE Regulations and all other applicable laws, codes of practice and other best practice guidance, and at its own cost and expense. The Evidence Notes generated from the collection of that Household WEEE shall be credited to that Participating PCS' Settlement Centre account, or such other Settlement Centre account as that Participating PCS shall direct.

6.5 If no Participating PCS advises that it is willing to finance the Handling of a stream of Household WEEE following notification pursuant to paragraph 6.2, then the following process shall be followed:

6.5.1 WSF shall procure that the Administrator invites all Participating PCSs to bid on all-inclusive (save for VAT) price per tonne basis to Handle that stream of Household WEEE;

6.5.2 each Participating PCS willing to bid shall do so in writing within 15 Business Days of the invitation ("**Bid Period**") and also advise whether it is proposing to finance the Handling of that stream of Household WEEE for a period of 6 months or 12 months from the date of any award by the Administrator or for the remainder of the relevant Compliance Period provided that this is not less than 6 months ("**Bid Duration**");

6.5.3 WSF shall procure that the Administrator shall select the Participating PCS with the lowest cost per tonne, irrespective of the proposed Bid Duration, to Handle that Household WEEE and notify the operator of the DCF making the Regulation 34 Request accordingly. If more than one Participating PCS is eligible for selection under this paragraph 6.5.3 ("**Eligible PCS**"), the first Eligible PCS to make a bid shall be selected;

6.5.4 the Participating PCS with responsibility for Handling that stream of Household WEEE immediately prior to the Regulation 34 Request shall continue to do so for at least the Bid Period and in any event until a Participating PCS is selected pursuant to paragraph 6.5.3, and shall be compensated at the all-inclusive (save for VAT) price per tonne proposed by

that selected Participating PCS during the bid process set out in paragraphs 6.5.1 and 6.5.2; and

6.5.5 the Participating PCS selected pursuant to paragraph 6.5.3 or continuing pursuant to paragraph 6.5.4 shall then Handle that Household WEEE in accordance with paragraph 6.4, save that paragraph 9.3 shall apply as to the costs of doing so and the Evidence Notes arising from the collection of such Household WEEE shall be allocated to a Settlement Centre account in the name of the Administrator. The Administrator shall allocate such Evidence Notes to the Participating PCSs in proportion to their EEE market shares for the relevant streams of Household WEEE, as such information is held by the Administrator at the time of such allocation. For the avoidance of doubt, Evidence Notes shall be issued in accordance with any protocols agreed by the Regulatory Authorities from time to time, for instance, for Small Mixed WEEE.

6.5.6 In the event that a Regulation 34 Request is served on a Participating PCS by the operator of a newly established DCF where there is no Participating PCS with responsibility for Handling that stream of Household WEEE immediately prior to the Regulation 34 Request, then the Bid Period in paragraph 6.5.2 shall be reduced to 3 Business Days.

6.6 If the Participating PCS selected to finance the Handling of the Household WEEE under paragraph 6.5.3 fails to do so, then WSF shall procure that the Administrator shall either:

6.6.1 select the Participating PCS with the second lowest all-inclusive (save for VAT) price per tonne to Handle that Household WEEE and notify the operator of the DCF making the Regulation 34 Request accordingly; or

6.6.2 if no other Participating PCS made a bid pursuant to paragraph 6.5, repeat the process set out in paragraph 6.5 again, and

the Participating PCS with responsibility for financing the Handling of that stream of Household WEEE immediately prior to the Regulation 34 Request shall continue to do so until the process set out in paragraphs 6.5.1 and 6.5.2 is completed and shall be compensated for so doing at the bid price.

6.7 Where a collection is allocated to a Participating PCS in accordance with paragraph 6.5, that Participating PCS shall Handle any subsequent Regulation 34 Request in respect of the same stream of Household WEEE from the same DCF, at the same price per tonne, that is made within the Bid Duration.

6.8 If no Participating PCS makes a bid as envisaged by paragraph 6.5 despite 2 requests to all Participating PCSs to do so, then WSF shall procure that the Administrator shall, based upon a randomly ordered rotation created by the Administrator, select a Participating PCS to Handle the relevant Household WEEE for a period of six months, and the remainder of paragraph 6.5 shall apply to the Handling of that Household WEEE. The Participating PCS selected shall charge for the Handling of such Household WEEE at cost plus 10%.

6.9 Each Participating PCS receiving a Regulation 34 Request pursuant to this paragraph 6 shall provide the Administrator with such non-confidential information as is provided to it by the

operator of the DCF regarding access to the DCF which WSF shall procure that the Administrator provides to all Participating PCSs to facilitate preparation of bids in accordance with paragraph 6.5.

6.10 These Rules shall cease to apply immediately upon the expiry of the appropriate Regulatory Authority's approval of the PBS. On such expiry:

6.10.1 all Regulation 34 Requests made up to but not completed at the time of expiry ("**Outstanding Requests**") shall be transferred to the new PBS (the "**Replacement PBS**"), unless the relevant Regulatory Authority requests that such Outstanding Requests are fulfilled by the PBS, in which case the Rules will continue to apply to those Outstanding Requests as if the Rules had not been terminated;

6.10.2 subject to paragraph 6.10.1, all obligations outstanding at the date of expiry shall be fulfilled; and

6.10.3 where applicable, WSF shall provide such information and assistance as is reasonably required by the Replacement PBS or the relevant Regulatory Authority to ensure a smooth transition from WSF to the Replacement PBS. All information provided will be under strict obligations of confidentiality and only to the extent permitted by law.

7 **LIABILITY**

7.1 Paragraphs 7.1 to 7.4 inclusive set out the entire financial liability of a Participating PCS selected to finance the Handling of Household WEEE pursuant to paragraph 6 ("**the Financing PCS**") to the Participating PCS requesting that the corresponding Regulation 34 Request is managed via the PBS ("**the Requesting PCS**") with regard to any liabilities, costs, expenses, damages and losses suffered or incurred by the Requesting PCS arising from or in connection with the Financing PCS' breach or negligent performance or non-performance of its obligations to finance the Handling of that Household WEEE in accordance with these Rules.

7.2 Subject to paragraphs 7.3 and 7.4 and the Requesting PCS providing the Financing PCS with such supporting evidence as the Financing PCS may reasonably require, the Financing PCS shall be responsible to the relevant Requesting PCS for the liabilities, costs, expenses, damages and losses referred to in paragraph 7.1.

7.3 The Financing PCS shall not be liable under paragraph 7.2 to the Requesting PCS for any indirect, consequential, special or punitive loss, damage, costs and expenses.

7.4 The Financing PCS' total liability to the Requesting PCS under or connected with paragraph 7.2 shall not exceed £100,000 per claim or series of connected claims.

8 **COMPETITION LAW**

8.1 WSF shall procure that the Administrator does not make the identity of the Participating PCS chosen to Handle the Household WEEE available to the other Participating PCSs or any third party other than the operator of the DCF or as required by law, save that the Administrator may inform the Participating PCS chosen to Handle the Household WEEE, and the Participating PCS that was responsible for Handling the Household WEEE immediately prior to the Regulation 34 Request of each others' identities to ensure a smooth transition.

- 8.2 WSF and each Participating PCS undertake to comply with applicable competition law at all times in connection with the performance of its obligations and exercising of its rights under these Rules.
- 8.3 WSF shall procure that the Administrator shall at all times invoice Participating PCSs in accordance with paragraphs 9.1 and 9.2 so as to avoid the disclosure of the cost of handling individual streams of Household WEEE.
- 8.4 Nothing in these Rules shall prevent any Participating PCS, at any time, from approaching any DCF with a view to reaching an agreement for Handling of any stream of Household WEEE outside of the scope of these Rules and the PBS. Where a Participating PCS reaches such an agreement, then this Agreement and the Rules shall not apply to any future collections of that Household WEEE for so long as that agreement with such DCF subsists.

9 **FINANCE AND COSTS**

- 9.1 Such PBS annual and other costs as may be determined by WSF shall be split equally between all Participating PCSs, and shall be invoiced by WSF to each Participating PCS. Each Participating PCS shall make payment of such costs in accordance with paragraph 9.4.
- 9.2 All costs of the Handling of WEEE shall be invoiced by the Administrator on a quarterly basis in arrears, to the extent that VAT rules allow. WSF shall procure that the Administrator shall raise a correctly addressed VAT invoice to each Participating PCS for the relevant operational costs.
- 9.3 The costs charged by a Participating PCS for Handling a stream of Household WEEE pursuant to paragraphs 6.5, 6.6, 6.7 or 6.8 shall be shared on a pro-rata basis between the Participating PCSs in accordance with the EEE market share of the Participating PCSs in respect of that stream of Household WEEE, as such information is held by the Administrator at the time of the collection of the Household WEEE. Where the EEE market share of the Participating PCSs is updated during a compliance year, the costs charged shall be recalculated. Such costs shall be aggregated and invoiced or credited (as the case may be and together with VAT where applicable) as a single line item to the Participating PCS by the Administrator on a quarterly basis in arrears or at such other frequency as WSF and the Participating PCSs agree.
- 9.4 Each invoice raised under these Rules shall be settled by the relevant Participating PCS within 10 business days of its date, save for any invoice raised in respect of the final quarter of a Compliance Period, which shall be settled by the relevant Participating PCS within 5 business days of its date. Interest shall be payable on invoices not so settled at the rate of 8 per cent per annum above the Bank of England base rate in force from time to time from the date the payment became due until actual payment is made (irrespective of whether the date of payment is before or after any judgment or award in respect of the same).
- 9.5 If a Participating PCS fails to settle any invoice, issued pursuant to the Rules, in accordance with its payment terms, then each Participating PCS acknowledges and agrees that the Administrator may:
- 9.5.1 take such action as it determines against the Participating PCS to whom the invoice is addressed to recover the outstanding payment(s) and all associated costs and expenses (including, instituting debt recovery action) at any time, without notice; and/or

9.5.2 require the Participating PCS to whom the invoice is addressed to make such advance payments to the Administrator in respect of its ongoing participation in the PBS, as the Administrator may determine; and/or

9.5.3 recommend to WSF that the Agreement with the Participating PCS should be terminated in accordance with paragraph 1.1.2 of Schedule 1.

10 **CHANGES**

10.1 No variation to these Rules shall be effective unless agreed in writing by authorised representatives of each of the Department for Environment, Food and Rural Affairs (or its successor in title), WSF and at least 65% of Participating PCSs.

11 **GOVERNING LAW**

11.1 These Rules and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these Rules or their subject matter or formation.

A8

Proposal for an online bidding and reporting system

WEEE Scheme Forum

Updates for a mandatory PBS

Specification for automated system of allocation for Regulation 34 requests

21/02/18



Overview

Update to the PBS

- The PBS has operated since 2016, accepting Reg 34 requests through a website, allocating manually.
- We'd like to move the site to the Anthesis Client Network and automate as much of the transactional work as possible, to improve user experience.
- We have the voluntary system until mid 2019, but will bid to operate a mandatory system for three years, incorporating an automated web based system in our proposal, with a build/implement in Q2 '19.
- We will build the following segments in ACN.

1

Landing page

Public facing

- Public facing landing page.
- Member login.
- Static information about the PBS operations.
- Contact details for more information.
- Sign up.
- Account management.

2

Submit

Members access via login

- PBS members who receive a Reg 34 request can choose to have the PBS allocate a collector to handle it instead.
- To do so, they log in and give us fixed information about the request, plus additional supporting information if they wish (Excel, Word, PDF).
- We must respond to their request in a fixed time.
- We then offer the Reg 34 request to the PBS membership.
- Some of this is online already, we'd like to move this onto ACN and automate notification emails.

3

Bid

Members access via login

- We offer each request to the entire PBS membership, making a fixed amount of information available to them.
- We split requests in up to six types of WEEE.
- Members can simply claim a request on a first come first served basis within 24 hours (stage 1)
- If no one claims we enter structured bidding, lowest price wins.
- We'd like to automate bid notifications and accept bids through an online portal.

4

Report back

Members access via login

- The winning Stage 2 bidders report back on how much they collected, so we can arrange for the collective group to pay them back.
- We would like to automate prompts to submit data monthly (or for all three months concurrently at the end of the quarter).
- We'd like to capture summary report back data in a web form and then allow for a spreadsheet of the detail to be uploaded.
- We'd like to monitor uploads to track user completeness. 2

Entry phase: PBS user puts a Regulation 34 request into the system

User enters data and attaches supporting evidence as PDF, Word or Excel



Form pulls data into a secure system of records



Bidding phase – future slides

Automated confirmation response to submitter that request has been accepted - < 1hr
Include copy of data submitted for self validation

Automated confirmation response to named local authority (email in data entry form) that request has been accepted - < 1hr

In ACN: 25-30 external users

Entry phase: Data submitted with bid (1/2)

Existing data entry that will be required

Still required

Please complete the following form, with the details that are relevant to the collection request.

By proceeding, you agree to be bound by the terms and conditions set out in the **WSF PBS contractual agreement of July 2016**

Local authority information:

Name of local authority:

Contact name at local authority:

Contact email address at local authority:

Contact tel. no. at local authority:

List of HWRC sites including name and postcode:

If you would like to include any further information with your request, please reply to the automatic confirmation email (which will be sent to you on submission) with the relevant documents attached.

Add

Number of sites: 1

Name

Postcode

Remove

Please upload a letter from the local authority (on their headed paper) that confirms that there has been a termination of their existing collection arrangement.:
(max 1mb)

Choose File No file chosen

Please upload supporting information:
(max 1mb)

Choose File No file chosen

Optional, still needed

Entry phase: Data submitted with bid (2/2)



Material Information

Which streams require collection?

- Large Domestic Appliances
- Cooling
- Display
- Small Mixed WEEE
- Lamps
- PV

What is the estimated annual tonnage for each stream (where a longer term service is required)

Existing data entry that will be required

*where an existing contract will be terminating in not more than 4 weeks.

Declaration by PCS submitting the request

- I confirm that I have received a formal regulation 34 request as detailed above, and that I have verified that this request complies with regulation 34 and the Code of Practice. I will comply with my obligations under the PCS Balancing System agreement.

Submit

Still needed

Bidding phase: User base bid to collect Reg 34. WEEE for 6-12 months

Stage 1:
User group (email addresses on file) notified of opportunity to simply claim request (no value judgement, first come first served). Window of 1 day.

Stage 1 bid:
User group (25-30) can log in to ACN to view the request. They can see data from the request and can access supporting evidence.

Stage 2:
If unclaimed at stage 1, user group (email addresses on file) notified of opportunity to bid for request. Window of 3 weeks.

Stage 2 bid:
User group (25-30) can log in to ACN and make bids. A single price / tonne for up to six waste streams and a checkbox to select 6 or 12 month duration.

Stage 3:
Last chance to bid, repeat of stage 2 but for one day.

Stage 3 bid:
Per stage 2

Email notifications:
Winning bidder
Losing bidders
User group
Submitter
Local Authority

Email notifications:
Winning bidder
Losing bidder
Submitter
Local Authority

Email notifications:
Per stage 2

Reporting phase: Winning bidders report on their collections

Monthly or quarterly:
Each winner reports the amount of WEEE they collected, logging onto the portal, to submit data.

Email notifications:
Remind winners to submit

Data entry:
Upload of Excel file called an ICER report
Local Authority
WEEE stream (choice of 6)
Month covered
Total weight
£/tonne
Evidence note codes (allow multiple)

Email notifications:
Acknowledge submission with copy of data for self validation

Build costs – Developer and testing time

Fees for the development of the automated PBS system only, are as follows. Ongoing hosting, maintenance and support requests would be covered by the PBS management contract fee, which has been agreed separately. Extraordinary support or upgrade requirements would require a separate scope.

Line item	Cost
TOTAL	£12,733 - £18,610

Contact us

Dr Richard Peagam
+44 (0)7866 522420

richard.peagam@anthesisgroup.com



A9 Agreed Operator Agreement between WSF Ltd and Anthesis

DATED

(1) WEEE SCHEMES FORUM LIMITED

(2) ANTHESIS (UK) LIMITED

ADMINISTRATOR AGREEMENT

Feb 2019

LONDON ♦ MILTON KEYNES



THIS AGREEMENT IS MADE THE [*] DAY OF [*] 2019

BETWEEN

- (1) **WEEE SCHEMES FORUM LIMITED** registered in England and Wales with company number 8663591 whose registered office is at Unit 3C Waterfold Park, Waterfold, Bury, Lancashire, BL9 7BR ("**WSF**"); and
- (2) **Anthesis (UK) Ltd** registered in England and Wales with company number 3409491 whose registered office is at 9 Newtec Place, The Future Centre, Magdalen Road Oxford, OX4 1RE (the "**Administrator**").

BACKGROUND

- (A) The WEEE Regulations (as defined below), specifically Regulation 34, provide a mechanism whereby local authorities can request the collection, treatment, recovery and environmentally sound disposal of waste electrical and electronic equipment by producer compliance schemes (as defined in the WEEE Regulations) in circumstances set out in that Regulation.
- (B) The PBS is a mandatory system designed to manage requests (as between PCSs) made pursuant to Regulation 34 and WSF has been appointed to operate a PBS (as defined in the WEEE Regulations).
- (C) WSF now wishes to appoint the Administrator to operate the system referred to in paragraph (B) and the Administrator wishes to accept such appointment, in each case on the terms of this Agreement.

AGREED TERMS

1 INTERPRETATION

1.1 In this Agreement:

"Appropriate Authority" has the meaning defined in the WEEE Regulations.

"Business Day" means Monday to Friday between the hours of 9am and 5pm.

"Confidential Information" means all information (however recorded or preserved) relating to a Participant and its business and obligations under the WEEE Regulations, and all information (however recorded or preserved) of one party that is either disclosed to, or otherwise obtained by, the other party in connection with this Agreement whether before or after the date of this Agreement, including the business, affairs, customers, clients, partners, suppliers, plans, intentions, market opportunities, operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party.

"Code of Practice" has the meaning defined in the WEEE Regulations.

"Intellectual Property Rights" means patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to

sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

“Participant” means a scheme (as defined in the WEEE Regulations) participating from time to time in the System, the identity of which WSF has provided to the Administrator.

“Operating Manual” means the manual setting out the operations and procedures for providing the Services.

“Services” means the services to be provided by the Administrator under this Agreement in respect of the System, as set out in Operating Manual.

“System” means the PCS balancing system to manage requests made pursuant to Regulation 34 of the WEEE Regulations.

“WEEE Regulations” means the Waste Electrical and Electronic Equipment Regulations 2013 as amended.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 reference to clauses and schedules are to clauses and schedules of this Agreement; and

1.2.2 references to statutes and statutory provisions shall be construed as amended or replaced and as including any subordinate legislation made under them in any such case from time to time.

2 COMMENCEMENT AND DURATION

2.1 This Agreement shall commence on the date that it has been signed by both parties and expire on completion of any outstanding obligations related to the appointment of WSF to operate a PBS, unless terminated earlier in accordance with its terms.

3 PROVISION OF SERVICES

3.1 The Administrator shall prepare the Operating Manual in accordance with the requirements and timescales of WSF as notified to the Administrator from time to time. The Operating Manual shall be subject to the approval of WSF and Defra which they may withhold at their sole discretion.

3.2 Following approval of the Operating Manual pursuant to clause 3.1, the Administrator shall:

3.2.1 provide the Services in accordance with the terms of this Agreement;

3.2.2 meet all performance dates specified in Operating Manual and time shall be of the essence in this respect; and

3.2.3 comply with all applicable laws, statutes, regulations and codes, including those relating to anti-bribery and anti-corruption.

3.2.4 provide the Services with all reasonable care and skill and to the specifications set out in the Operating Manual.

3.3 The Administrator shall provide WSF with such reasonable assistance as it may from time to time require regarding the preparation and updating of the Operating Manual.

4 CHARGES AND PAYMENT

4.1 Provided always that the Administrator has performed the Services in accordance with the terms of this Agreement, WSF shall pay the charges as set out in Schedule 1.

4.2 WSF shall pay each invoice which is due and submitted to it by the Administrator within 30 days after receipt, to a bank account nominated in writing by the Administrator.

4.3 If WSF fails to make any payment due to the Administrator under this Agreement by the due date for payment, then, without limiting the Administrator's remedies under clause 7.1, WSF shall pay interest on the overdue amount at the rate of 2% per annum above the base rate of the Bank of England from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. WSF shall pay the interest together with the overdue amount.

4.4 In relation to payments disputed in good faith, interest under clause 4.3 is payable only after the dispute is resolved, on sums found or agreed to be due, from the due date until payment.

4.5 The Administrator may apply the transaction charges in Schedule 1 to individual Participants according to market share in each stream as described in the Operating Manual.

5 INTELLECTUAL PROPERTY

5.1 The Administrator assigns to WSF, with full title guarantee and free from all third party rights, the Intellectual Property Rights and all other rights in the Operating Manual.

5.2 WSF licenses all rights set out in clause 5.1 to the Administrator free of charge and on a non-exclusive, worldwide basis to such extent as is necessary to enable the Administrator to provide the Services. If this Agreement is terminated, this licence shall automatically terminate.

6 INDEMNITY

6.1 The Administrator shall indemnify WSF and each Participant against all reasonable liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by WSF and/or a Participant (as the case may be) arising out of or in connection with the Administrator's breach or negligent performance or non-performance of its obligations under this Agreement.

6.2 During the term of this Agreement and for a period of 6 years thereafter, the Administrator shall maintain in force, with a reputable insurance company, professional indemnity insurance in an amount not less than £1 million, and shall, on WSF's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium.

6.3 The provisions of this clause 6 shall survive termination of this Agreement, however arising.

7 CONFIDENTIALITY

7.1 WSF and the Administrator each undertake not at any time to disclose to any person any Confidential Information concerning the System, WSF or any Participant except as permitted by clause 7.2.

7.2 Each of WSF and the Administrator may disclose Confidential Information:

7.2.1 to its representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this Agreement provided that its representatives or advisers to whom it discloses Confidential Information comply with this clause 7; or

7.2.2 as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

7.3 Neither WSF nor the Administrator shall use any Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with this Agreement.

7.4 Where a Participant has submitted a written request to WSF and the Administrator, WSF may waive the restrictions imposed by clause 7.2 on the Administrator, to permit the Administrator to disclose Confidential Information concerning that Participant to the Appropriate Authority.

7.5 Where Defra and/or the Appropriate Authority has submitted a written request to the Administrator, the Administrator may disclose Confidential Information to Defra and/or the Appropriate Authority.

7.6 The provisions of this clause shall survive the termination of this Agreement.

8 TERMINATION

8.1 Without affecting any other right or remedy available to it, either party may terminate this Agreement with immediate effect by giving written notice to the other party if:

8.1.1 the other party commits a material breach of its obligations under this Agreement and (if such breach is remediable) fails to remedy that breach within a period of 30 days after receipt of notice in writing requiring it to do so; or

8.1.2 an order is made or a resolution is passed for the winding-up of the other party or an order is made for the appointment of an administrator to manage the affairs, business and property of the other party or such an administrator is appointed or documents are filed with the court for the appointment of an administrator or notice of intention to

appoint an administrator is given by the other party or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a receiver and/or manager or administrative receiver is appointed in respect of all or any of the other party's assets or undertaking or circumstances arise which entitle the Court or a creditor to appoint a receiver and/or manager or administrative receiver or which entitle the Court to make a winding-up or bankruptcy order or the other party takes or suffers any similar or analogous action in consequence of debt.

8.2 WSF may terminate this Agreement forthwith on written notice to the Administrator and without liability to WSF if either of Regulation 34A of the Waste Electrical and Electronic Equipment Regulations 2013, or the Code of Practice is revoked or amended, in a way that, in the sole opinion of the WSF, makes this Agreement unworkable or unnecessary.

8.3 Either Party may terminate this Agreement by giving the other party at least 6 months' written notice.

9 CONSEQUENCES OF TERMINATION

9.1 On termination or expiry of this Agreement, the Administrator shall return to WSF all material and all copies of information and data provided by WSF to the Administrator for the purposes of this Agreement.

9.2 On termination or expiry of this Agreement, the Administrator shall also return to each Participant all material and all copies of information and data provided by that Participant to the Administrator for the purposes of this Agreement. Such material may alternatively, at the discretion of the Participant, be deleted by the Administrator.

9.3 Termination of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of this Agreement which existed at or before the date of termination, and payment of any outstanding fees owed to the Administrator.

9.4 On termination or expiry of this Agreement, unless instructed otherwise in writing by WSF, the Administrator shall transfer to the new PBS (the "Replacement PBS") all Regulation 34 Requests;

9.5 On termination, and where applicable, the Administrator shall provide such information and assistance as is reasonably required by the Replacement PBS or the Regulatory Authority to ensure a smooth transition to the Replacement PBS. All information provided shall be under strict obligations of confidentiality and only to the extent permitted by law.

9.6

10 ASSIGNMENT AND OTHER DEALINGS

10.1 The Administrator shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights and obligations under this Agreement.

10.2 WSF may at any time assign, transfer, mortgage, charge or deal in any other manner with any or all of its rights and obligations under this Agreement, provided that WSF gives reasonable prior written notice to the Administrator and that WSF assures the Administrator that under such circumstances the Administrator will not suffer any loss as a consequence of such action.

11 NOTICES

11.1 Any notice or other communication under this Agreement shall be in writing and shall be delivered personally, or sent by email or prepaid first-class post or recorded delivery to the address stated in this Agreement, and shall be deemed to have been received on the Business Day after posting or sending.

12 GENERAL

12.1 This Agreement constitutes the entire arrangement and understanding between the parties and supersedes and extinguishes all prior agreements, negotiations and discussions relating to the subject matter of this Agreement. Each party acknowledges that in entering into and performing this Agreement it does not do so on the basis of, and does not rely on any statement or representation (unless made fraudulently) or warranty or understanding other than as expressly contained in this Agreement at the date hereof or subsequently included within this Agreement pursuant to clause 12.2.

12.2 Any variation to this Agreement must be in writing and signed on behalf of both parties.

12.3 If a court decides that any part of this Agreement cannot be enforced, that particular part of this Agreement will not apply, but the rest of this Agreement will.

12.4 A waiver by a party of a breach of any provision shall not be deemed a continuing waiver or a waiver of any subsequent breach of the same or any other provisions. Failure or delay in exercising any right under this Agreement shall not prevent the exercise of that or any other right.

12.5 No person other than a party to this Agreement shall have any rights to enforce any terms of this Agreement.

12.6 Nothing in this Agreement shall create (or be deemed to create) a partnership or agency between the parties.

13 GOVERNING LAW AND JURISDICTION

13.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales to settle any such dispute or claim.

SCHEDULE 1
PRICING AND TRANSACTION CHARGES

1. Annual payment for services related to the management of the PBS from [date]:

1.1. The Administrator will be entitled to invoice WSF Ltd £5,000 for 12 months PBS management services. This will be split into two invoices of £2,500, each to be invoiced on 1st [Month] and [Month + 6] of each contract year.

2. Transaction fees for the duration of the contract

2.1. The Administrator will be entitled to invoice PBS Participants for transaction fees incurred from the date on which the PBS is approved in accordance with Regulation 34A. All transaction fees will be shared among PBS Participants split by market share and by stream, unless a transaction is allocated at Stage 1 in which case the costs will be charged to the PBS Participant appointed at Stage 1.

2.2. Transaction fees are as follows:

2.2.1. Transactions that do not progress beyond Stage 1: £50.

2.2.2. Transactions that do not progress beyond Stage 2: £200 fee in addition to the fee in 2.2.1.

2.2.3. Transactions that do not progress beyond Stage 3: £50 fee in addition to the fee in 2.2.2.

2.2.4. Transactions that progress to Stage 4: £50 fee in addition to the fee in 2.2.3.

2.2.5. An additional £50 fee applies per evidence note managed through the Settlement Centre, to cover settlement centre evidence transfer and invoicing costs.

2.3. All transactions which result from on-going commitments for collection, will incur a further £50 fee per evidence notes managed through the Settlement Centre.

2.4. Where a single evidence note covers multiple collection sites there is only one fee per stream.

3. Invoicing

Invoicing and reconciliation dates will be in accordance with the Operating Manual.

4. VAT

The above costs are exclusive of VAT which will be added at the prevailing rate.

SIGNED by **[NAME]** for and on behalf of)
WEEE SCHEMES FORUM LIMITED:)

.....

[NAME]

SIGNED by **[NAME]** for and on behalf of **the**)
Administrator:)

.....

[NAME]

A10

Legal competition law advice received by WSF Ltd

Nigel Harvey
WEEE Scheme Forum
Recolight Ltd
Airport House
Purley Way
Croydon
CR0 0XZ

Date: 12 February 2019
Your ref:
Our ref: BORGA\158896.000001
Direct: +44 20 7919 4707
Email: annabelborg@eversheds-sutherland.com

By email

Legally Privileged and Confidential

Dear Nigel

Competition Law Advice

We have been asked to consider whether the disclosure of the input costs charged by the UK PCS Balancing System ("**PBS**") to its Producer Compliance Scheme ("**PCS**") members would breach competition law. We have been provided with the background information set out below.

Background

Regulation 34 of the WEEE Regulations (2013 No. 3113 as amended) give a Local Authority (or their representative) the right to demand that any PCS accredited for household WEEE make a collection of any WEEE deposited at a Local Authority household waste recycling centre. The PCS must make a collection within 5 days, regardless of whether the PCS needs any of that WEEE to meet their PCS target.

The PBS was established by the WEEE Scheme Forum as a voluntary mechanism to share out the costs of the Regulation 34 requests that are received by PCSs that are PBS members ("**PBS members**"). Where such a member receives a Regulation 34 request for WEEE which they do not want, they can choose to submit it to the PBS. The PBS then asks its members whether they want to collect and finance the WEEE (i.e. to meet their WEEE targets) (Stage 1). If no PCS comes forward, the PBS organises a bidding process amongst its members to tender to collect and finance the WEEE (Stages 2 and 3). The lowest price always wins. If there are no bids, the WEEE is allocated to one of the PBS members using a randomly generated list (Stage 4).

As all of the PBS' members are competitors, the PBS has taken a number of steps to ensure that their individual competition sensitive data, such as their historic bids, their winning bids, etc., are not disclosed to other PBS members either directly or indirectly (e.g. through reverse engineering of invoices submitted to the individual PCSs by the PBS).

Information Exchange under Competition Law

The Chapter I Prohibition under the Competition Act 1998 prohibits agreements between undertakings which may affect trade and which have the object or effect of restricting competition in the UK. Breach of the Chapter I Prohibition may result in severe penalties including substantial fines of up to 10% of group worldwide turnover, damages actions and director disqualification orders.

The European Commission ("**Commission**") Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements ("**Guidelines**"), which also apply in the UK, provide guidance on how to determine whether an information exchange can restrict competition. This requires considering the type of information which is exchanged, in particular, the (a) age of the data, (b) individualisation of the data, (c) market coverage, (d) frequency of the information exchange and (e) market characteristics.

Age of the data and individualisation of the data

The Guidelines provide that the exchange of genuinely "historic" data is unlikely to be problematic, as it is not indicative of a competitor's future conduct. Previous Commission decisions have found that individual data should not be exchanged until after a period of 12 months has lapsed between the date of the event constituting the subject of the exchange and the date of the exchange. Further guidance was provided in the UK WhatIf? Private Motor Decision, which concerned the exchange of pricing information through the WhatIf? Private Motor data exchange tool. In that case, the Office of Fair Trading ("**OFT**", now the Competition and Markets Authority), believed that the information, which was exchanged on a regular and frequent basis (monthly), could be characterised as the exchange of future information which was commercially sensitive, non-public, individualised and highly disaggregated. It considered that the exchange of the information gave rise to increased risks of price co-ordination. The OFT concluded that information older than six months could be shared among competitors as long as the data was anonymised, aggregated and across at least five insurers.

Based on the above guidance, PBS should not share its members' individual data (either directly or indirectly) to the other PBS members unless that data is at least 12 months old. Any data which is less than a year old should be aggregated.

Market Coverage

The Guidelines provide that for an information exchange to be likely to have restrictive effects on competition, the companies involved in the exchange have to cover a sufficiently large part of the relevant market. Otherwise, the competitors that are not participating in the information exchange could constrain any anti-competitive behaviour of the companies involved.

We understand that PBS members account for approximately 75 percent or more of all WEEE in the UK. Therefore, the disclosure of their individual data is very likely to lead to price/cost transparency across a significant proportion of the market. This is likely to lead to a reduction in price competition.

Frequency of the information exchange and market characteristics

Generally, the more frequent the information exchange takes place, the higher the probability that it will lead to a better common understanding of the market and allow

easier monitoring of competitors' prices/costs. We understand that PBS (through its third party provider Anthesis) currently provides PBS members with a PBS invoice every three months. The exchange of individual competition sensitive data between competitors (either directly or indirectly) every three months would result in the market being very transparent. Transparency can facilitate collusion by enabling competitors to reach a common understanding on the terms of coordination, and/or by increasing internal and external stability of collusion.

Exemption

The exchange of PBS members' individual data to their competitors could potentially benefit from an exemption under Section 9 of the Competition Act 1998 if it gives rise to benefits which outweighs its anti-competitive effects. For this to be the case, the information exchange must achieve identifiable efficiency gains. Such efficiency gains must be passed onto consumers to an extent that outweighs the restriction on competition caused by the information exchange. We are not aware of any such efficiency gains arising from the potential information exchange.

Conclusion

Based on the information provided, unless the exchange of PBS members' individual data could lead to efficiencies which outweigh its potential anti-competitive effects, we would advise the PBS to continue to aggregate its members' data and ensure that it cannot be reverse-engineered to estimate the costs of any individual WEEE stream.

Please do let me know if you have any queries or wish to discuss.

Yours sincerely



Annabel Borg
Principal Associate
Eversheds Sutherland (International) LLP

