



**Proposal to the Department for Environment Food and  
Rural Affairs**

**Operation of a WEEE Compliance Fee for the 2024  
Compliance Period**

**September 2024**



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# 1. Executive Summary

- 1.1. This proposal is submitted by the Joint Trade Associations (JTA). A background to the JTA, its constitution and its membership is provided in Appendix 4.
- 1.2. The detailed JTA proposal for a Compliance Fee mechanism (“JTA Fee Mechanism”) under Regulation 76 of the WEEE Regulations is set out in section 2 below. This proposal is based upon the following work:
  - 1.2.1. A review of the Defra guidance for submission of a Compliance Fee (Fee) methodology<sup>1</sup> (published on 20<sup>th</sup> September 2022);
  - 1.2.2. An assessment of 2024 market conditions and consideration of the aspects that should influence the design of the 2024 JTA Fee Mechanism. The JTA concluded that the market and economic conditions in 2024 did not merit any change to the methodology proposed in 2023. The assessment also considered whether updated professional economic analysis was required and concluded that it was not needed. A summary of the 2024 market conditions identified and how they are reflected in the 2024 JTA Fee Mechanism, is provided, cross referenced to the 2023 FTI Consulting report – Appendix 1;
  - 1.2.3. Professional economic analysis commissioned from FTI Consulting in 2023 – Appendix 2; and
  - 1.2.4. Consultation with stakeholders to assess the disbursement methodology used for the 2023 compliance period – Appendix 8.
- 1.3. Following a review of the market conditions in 2024, the JTA have concluded that the methodology used in 2023 can be fully applied in 2024. The 2023 proposal was based upon economic analysis undertaken by FTI Consulting and concluded the JTA’s “business as usual” Fee methodology should be used for the 2023 compliance year. This is the JTA Fee methodology selected by Defra for the 2021 and 2022 compliance years, with the inclusion of the Reuse Adjustment Premium as proposed and adopted in the 2023 compliance year.

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<sup>1</sup> Defra (2022) *Waste Electrical and Electronic Equipment (WEEE) Regulations 2013: Guidance on submitting proposals for a WEEE methodology* [WEEE: submit a proposal for a compliance fee methodology - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/WEEE_submit_a_proposal_for_a_compliance_fee_methodology_-_GOV.UK.pdf)

1.4. In summary the 2024 JTA Fee Mechanism proposal contains the following features:

Features	Benefits
Fees are stream specific.	Ensures PCSs pay a Fee that is reflective of the cost to collect the relevant stream of WEEE.
The weighted average net cost per tonne of direct WEEE collections from Local Authority (LA) DCFs incurred by PCSs submitting cost data is the underlying basis for the calculation.	As WEEE from LA DCFs is generally more costly, this strengthens the incentive for PCSs to collect directly from LAs, and ensures compliance with Regulation 76 – that the Fee should be set at a level that encourages compliance without resort to the Fee.
A non-linear escalator will be applied to the weighted average net cost of direct WEEE collections from LA DCFs, to reflect the extent that a PCS has met its own target.	Incentivises PCSs to meet their own targets and ensures all PCSs, large and small, and regardless of size of obligation, are encouraged to collect.
Where national collections are in deficit compared to the national target, the Normal escalator will be applied. Where national collections are in surplus to the national target, the Surplus escalator will apply.	The use of the Surplus escalator, where national collections are in surplus compared to the national target, is appropriate because it is more reasonable to expect a PCS to comply without recourse to the Fee, and so a higher Fee in such circumstances encourages the right behaviours by PCSs. A 1.5% tolerance is applied before the Surplus escalator applies, to allow for small shortfalls against the national target.
A WEEE Source Adjustment Premium is included in the Fee calculation, which reflects the extent to which PCSs have collected WEEE from LA DCFs.	<p>A PCS which does not collect its share of WEEE directly from LA DCFs will pay more if it misses its targets.</p> <p>LA DCFs remain the major source of WEEE in most categories yet LA DCFs continue to be placed into the PBS. The WEEE Source Adjustment Premium strengthens the incentive for PCSs to collect WEEE from LA DCFs directly, rather than relying on lower-cost evidence from other sources and supports the intention within the WEEE Regulations to prioritise collections from LAs.</p> <p>During 2024 there has been high use of the PCS Balancing System, with 20 different Local Authorities (excluding those that have submitted vape requests) offering one or more streams to the mechanism. This confirms that there remains a need to incentivise PCSs to collect LA DCF WEEE, rather than relying on other arrangements.</p>

Features	Benefits
<p>A Reuse Adjustment Premium is included in the Fee calculation, which reflects the proportion of WEEE reuse evidence a PCS has collected to meet its target compared to the national average.</p>	<p>A PCS which collects less reuse evidence to meet its target than the national average will pay more if it misses its targets.</p> <p>This is a future focused adjustment to emphasise the importance of, and to encourage, reuse in achieving a circular economy. It also recognises the increased proportion of WEEE collected through retailers and other organisations compared to local authority DCFs, where reuse is more difficult to achieve. It results in a marginal adjustment to the Fee calculation at this stage because it remains important to prioritise local authority DCF collections.</p>
<p>All PCSs that wish to use the Fee must pay an administration charge to cover the cost of undertaking independent verification of PCS data submissions.</p>	<p>Covers the cost of administering the Fee mechanism and further strengthens the incentive for PCSs to collect WEEE rather than have recourse to the Fee.</p>
<p>Stream specific, Variable Administrative Costs are included in the Fee calculation.</p>	<p>The inclusion of stream specific Variable Administrative Costs helps to ensure that the cost of using the Fee is less attractive than collecting WEEE to meet targets and that the Fee is fully reflective of all avoided costs. This also strengthens the incentive to collect directly from LAs.</p> <p>To apply a “flat fee” that is not stream specific would not be equitable. It would either materially understate the Variable Administrative Cost of low unit weight streams such as lamps; or would materially overstate the Variable Administrative Cost of high unit weight streams such as LHA.</p>
<p>All PCSs should be permitted to submit cost data for inclusion in the calculation of the weighted average net cost of direct WEEE collections from LA DCFs, providing this is subject to audit. Those PCSs submitting data but not needing to use the Fee should not pay an administration charge.</p>	<p>Ensures the Fee is based on as wide a pool of data as possible and is therefore fully reflective of the cost of collecting WEEE directly from LAs.</p>
<p>There may be circumstances where some categories should attract a zero Fee (e.g. WEEE that has a net positive value).</p>	<p>Ensures Fees paid by PCSs are reflective of the cost and benefit of collecting WEEE and avoids PCSs paying Fees where WEEE is not accessible to them because collectors are receiving a net income from that WEEE.</p>

1.5. Appendix 7 provides worked examples of the Fee calculations.

1.6. The JTA would welcome the opportunity to discuss any aspect of this proposal with Defra, and is open to any appropriate amendments, and if Defra considers that any of the factors proposed for the 2024 JTA Fee Mechanism are not necessary, we would be happy to discuss removing that element.

## 2. JTA proposal for the 2024 WEEE Compliance Fee calculation methodology

### 2.1. Background to JTA Fee Methodology

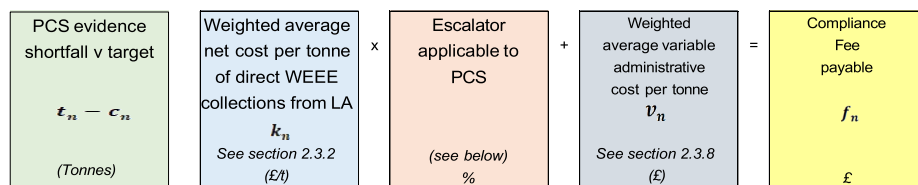
The JTA Fee Mechanism is based on a methodology and formula initially developed and recommended by FTI Consulting LLP (FTI) in 2014. FTI undertook reviews of the methodology in every year from 2016 to 2023, based on the JTA’s assessment of the WEEE market in those years, which were incorporated into the JTA’s proposed Fee Mechanisms for each of those years. A summary of the Fee’s development is provided in Appendix 2 of FTI’s report.

Following its review of the WEEE market conditions in 2024, the JTA has recommended the 2024 Fee methodology should be the same as the 2023 JTA Fee Mechanism.

### 2.2. Fee calculation – overview

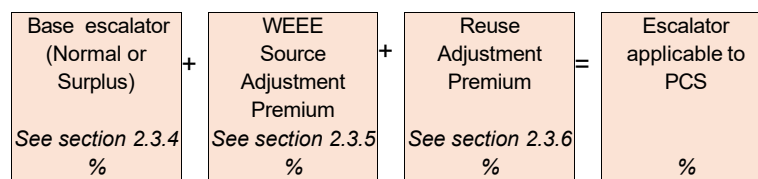
The 2024 JTA Fee Mechanism calculates a Fee for each stream for which a PCS is applying to use the Fee as follows:

- A calculation for each PCS wishing to use the Fee is undertaken for each stream:



The escalator applicable to the PCS is based on four factors:

- Whether national collections in the stream exceed the national target (the base escalator – which may be either Normal or Surplus);
- How far the PCS is from its target (the escalator increases the further a PCS is from its target);
- The extent to which the PCS has been collecting directly from local authorities (the WEEE Source Adjustment Premium); and
- The amount of WEEE reuse evidence a PCS has collected compared to the national average (the Reuse Adjustment Premium).



### 2.3. Fee calculation methodology – in detail

#### 2.3.1. Fees are stream specific

A separate Fee is calculated for each collection stream of WEEE for which a PCS is applying to use the Fee. Costs will be calculated using data submitted on a compulsory basis by those PCSs that decide to use the Fee for any stream, and any other PCSs that choose to submit costs on a voluntary basis. Forvis Mazars LLP (the third-party Administrator) will undertake a review of the data submitted by each PCS using an Agreed Upon

Procedure approach. In line with the successful approach adopted since 2020, the Administrator will undertake these reviews remotely. The reviews will be conducted through web calls and the use of secure portals for the provision of supporting documentation (see section 3.2.2.3 for further information).

### **2.3.2. The weighted average net cost per tonne of direct WEEE collections from LA DCFs incurred by PCSs submitting cost data is the underlying basis for the calculation**

The Fee calculation uses the weighted average net cost of direct collection and treatment transactions incurred by PCSs when directly contracting with a DCF operator to finance WEEE collection and treatment from an LA DCF ( $k_n$ ). This is based on the direct, incremental and avoidable costs and revenues incurred and excludes the costs of indirectly acquired WEEE evidence. Some PCSs still seek to meet their targets using WEEE from non-LA sources, including purchasing evidence, rather than undertaking collections from LAs. This is because LA WEEE is often more expensive to collect and treat than WEEE from other sources, and confirms that the compliance fee should be based on costs of WEEE directly collected from LA DCFs.

During 2024 there has been significant use of the PCS Balancing System beyond the inclusion of vapes, with 20 different Local Authorities offering one or more streams to the mechanism (not including vapes). This confirms that there remains a need to incentivise PCSs to collect LA WEEE, rather than relying on other arrangements.

Making the Fee more reflective of the higher cost of LA WEEE that some PCSs have chosen not to collect should encourage more PCSs to make arrangements to collect LA WEEE. It also ensures that the Fee is set sufficiently high so that it encourages compliance without resorting to the Fee, in compliance with Regulation 76. The JTA recognizes that there is an increasing proportion of WEEE collected through non-LA DCF routes, particularly through retail takeback instore and at the same time as new EEE delivery. However, the UK primarily uses the LA DCF network to meet this national collection infrastructure requirement in the Small Mixed WEEE and Display categories, and LA DCF cooling collections are also significant. In addition, PCSs are only responsible for accepting WEEE collected by retailers for treatment, so the cost of this WEEE is likely to be lower than that of LA DCF WEEE. Likewise, WEEE sourced by PCSs through other non-LA DCF routes is also likely to be lower cost, because the PCS will have more control over collection arrangements than is typically possible for LA DCF collections. Using LA DCF WEEE collection and treatment costs for calculation of the Fee therefore remains appropriate and properly reflects avoided cost.

The weighted average net cost per tonne of direct WEEE collections from LA DCFs, to which any escalators or adjustments are applied, will be calculated using the information provided by the PCSs submitting data as follows:

- calculating the total direct net cost submitted by those PCSs undertaking the direct collection of that stream from LA DCFs and its subsequent treatment; and
- dividing this by the corresponding aggregate tonnage submitted by those PCSs for that stream.

This calculation is illustrated in section C of Appendix 7.

### **2.3.3. A non-linear escalator will be applied to the weighted average net cost of direct WEEE collections from LA DCFs, to reflect the extent that the PCS has met its own target**

The escalator increases the Fee paid per tonne by a greater amount, the further a PCS is from its collection target. The principle underlying the escalator is to encourage PCSs to meet their targets through collection, and to incentivise those that do not collect, whilst recognising that a PCS may have reasonable justification for falling modestly short of its targets for some WEEE categories.

FTI does not recommend an escalator based on a PCS's absolute shortfall (in tonnes) versus the aggregate national target, the detailed reasoning for which is set out in Appendix 1 of FTI's memorandum. In summary, FTI advise that this is less effective in incentivising some PCSs to meet their targets through collection. This is



because PCS obligations can vary substantially in scale, measured by the target applicable to each PCS (in tonnes). FTI advises that such an approach would result in PCSs which have a larger tonnage obligation in a particular stream, and are thus accountable for a greater proportion of total collections, paying a higher Fee for the same relative shortfall (in percentage terms) than a PCS with a smaller tonnage obligation. Instead, FTI considers that the escalator should increase in proportion to the size of the PCS's shortfall relative to its own target, as this encourages all PCSs to collect WEEE, rather than pay the Fee, regardless of the size of their tonnage obligation. FTI reasons that this would also encourage PCSs to be as efficient as possible so as to reduce their costs, and ultimately act as an incentive for innovation for all operators.

The importance of using the PCS target, as opposed to the national target, to encourage target achievement through collection is illustrated in the table below:

	PCS A	PCS B
<b>Key Figures</b>		
National Target (t)	100,000	100,000
PCS Market Share	50%	5%
PCS target	50,000	5,000

<b>Position A</b>		
PCS WEEE collected (t)	40,000	4,000
PCS shortfall v target (t)	10,000	1,000
Shortfall as % of own target	20%	20%
Shortfall as % of national target	10%	1%

<b>Position B</b>		
PCS WEEE collected (t)	45,000	0
PCS shortfall v target (t)	5,000	5,000
Shortfall as % of own target	10%	100%
Shortfall as % of national target	5%	5%

Under position A, both PCSs are 20% short of their respective targets, so have collected proportionately to their scale. However, measured against the national target, PCS A is 10% short, whereas PCS B is only 1% short. Here, PCS B would face a lower Fee escalator than PCS A if the Fee were based on the shortfall from the national target, yet PCS A has contributed 40% toward the national collection target, whereas PCS B has only contributed 4%.

Under position B, both PCSs are 5% short of the national target and would face the same Fee escalator if the Fee were based on the shortfall from the national target, however PCS A has collected 90% of its target and contributed to 45% of the national collection target, whereas PCS B has collected nothing.

**2.3.4. The type of non-linear escalator used will be dependent upon whether national collections are in deficit or in surplus compared to the target**

Two alternative escalation factors (the escalators) are proposed, the Normal and the Surplus escalator. This is to ensure that the Fee takes account of the national position for each stream and reflects the collective responsibility of all PCSs to meet the national targets. Examples of the escalator calculations are provided in sections A and B of Appendix 7.

**Normal escalator**

The Normal escalator applies unless there is a surplus of evidence in a stream against the national target (subject to a 1.5% tolerance explained below). The Normal escalator applicable to a PCS whose collections are below its target is calculated as follows:

$$\left( 1 + \left( \frac{t_n - c_n}{t_n} \right)^2 \right)$$

Where:

$t_n$  is the PCS's target for the stream, in tonnes.

$c_n$  is the total amount of WEEE in that stream collected by that PCS, in tonnes.

**The information on a PCS's target for the stream ( $t_n$ ) and the total amount of WEEE in that stream collected by that PCS ( $c_n$ ) is obtained from the data submitted by those PCSs wishing to use the Fee.**

### **Surplus escalator**

The Surplus escalator applies where national collections in a stream exceed the national target (subject to a 1.5% tolerance explained below) and is calculated as follows:

$$\left( \frac{C_n}{T_n} + 2 \times \left( \frac{t_n - c_n}{t_n} \right)^2 \right)$$

Where:

$C_n$  is the sum of household WEEE collections by all PCSs in the relevant stream in the market, in tonnes.

$T_n$  is the national target for that stream, in tonnes.

And all other terms are as defined for the "Normal" escalator.

The sum of household WEEE collections by all PCSs in the relevant stream in the market, ( $C_n$ ) will be obtained from the Defra WEEE team soon after 1<sup>st</sup> February 2025. We propose that Defra use the tonnage of household WEEE evidence (by stream) held on the Settlement Centre for the 2024 compliance period, unless Defra is of the opinion that another dataset is more accurate. The national target for that stream ( $T_n$ ) will also be obtained from Defra.

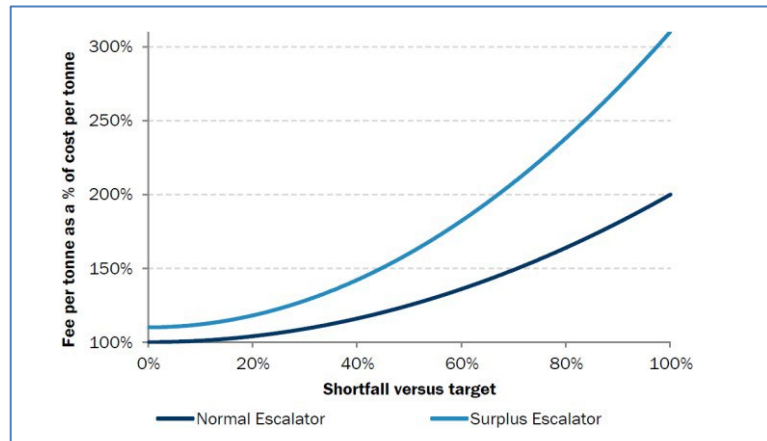
### **Impact of the escalator**

Both escalators are non-linear and so the percentage increase in the Fee for each PCS depends upon how far away that PCS is from its collection target per stream and whether UK WEEE collections for that stream exceed the WEEE collections target set by Defra.

The Administrator will determine whether the Normal escalator or the Surplus escalator applies to each WEEE stream. As indicated above, we propose that a 1.5% threshold amount should be applied above which the stream is assessed to be in surplus for the purpose of the Surplus escalator. That is, if the sum of household WEEE collections exceeds the national target by more than 1.5%, then the Surplus escalator should apply. 1.5% was chosen because, in the opinion of the JTA, it allows for the aggregate effect of PCSs that may inadvertently under or over-collect, and it is a principle that has been accepted in previous JTA proposals.

The Surplus escalator starts at an uplift over the weighted average net cost of direct LA DCF collections which is proportional to the extent of oversupply in that stream. This means that a PCS will pay a Fee per tonne which exceeds the weighted average net cost per tonne of direct WEEE collections from LA DCFs – even for a shortfall of a single tonne. The Surplus escalator also increases the uplift more quickly than the Normal escalator, as the extent of the PCS's shortfall increases.

In the example used for the graph below, the surplus stream is 10% over the national target, and so the starting point for the Surplus escalator is 110% of the base cost. The graph shows the effect of the Normal and Surplus escalator mechanisms on the Fee paid per tonne of shortfall. For PCSs that marginally miss their target and where total UK WEEE collections for the relevant stream are broadly in line with the UK WEEE collections target, the effect of the escalator is minimal. For a PCS making no effort to achieve their collection target per stream, the effect of the escalators is to double the Fee paid under the Normal escalator (assuming no WEEE Source Adjustment Premium was applicable), or to treble it under the Surplus escalator.



### 2.3.5. Application of a WEEE Source Adjustment Premium which reflects the extent to which PCSs have collected WEEE from LA sources

For the reasons set out in section 2.3.2 above and in section A2.57 of Appendix 2 in FTI’s report, we consider that it is important that PCSs remain fully incentivised to collect LA WEEE and that an adjustment should be applied to increase the Fee paid, to reflect the extent to which

(a) non-LA WEEE has been used by a PCS to meet its target rather than LA WEEE and (ii) where that non-LA WEEE has been collected at a lower cost.

In the early years of the WEEE Regulations, it was feasible for some PCSs to claim that they had difficulty winning tenders for direct collection from LAs, particularly where their requirements were not for all WEEE streams. This created a barrier for access to LA WEEE. With the statutory PBS in place for over five years, this is no longer the case. All household PCSs can offer to undertake collection of single streams at stage 1 of the PBS allocation process thereby giving them access to LA WEEE, indeed some of the requests received have been for a small number of a LA’s DCFs rather than all its DCFs. The argument made by some PCSs in the past is therefore no longer valid, and accordingly the inclusion of the WEEE Source Adjustment Premium acts as a further incentive for all PCSs to collect WEEE from LAs.

The WEEE Source Adjustment Premium ( $p_n$ ) is the same as the 2023 JTA Fee methodology. and will be calculated using the formula set out in section 5.4 of the FTI Report:

$$p_n = d * \left( a - \frac{l_n + s_n}{t_n} \right)$$

Where:

$d$  is the percentage amount by which the weighted average net cost of collection from LA-DCF’s for the stream, in GBP per tonne,  $k_n$  exceeds the cost of other WEEE sources, in GBP per tonne, expressed as a ratio.

$a$  is the average share of collections from LA-DCF’s (in tonnes), as a proportion of all household collections in that WEEE stream (in tonnes), expressed as a ratio.

$l_n$  is the actual volume of collections from LA-DCF’s, made by the PCS itself, in tonnes.

$s_n$  is that PCS’s shortfall, in tonnes.

$t_n$  is the PCS’s target for the WEEE stream, in tonnes.

The WEEE Source Adjustment Premium reflects the extent to which a PCS’s collections meet the proportion of national collections from LA DCF’s, and whether the cost of LA DCF collections exceed those of other WEEE sources. Where the PCS collects less than the national proportion of LA DCF WEEE in a stream, and the average cost per tonne of LA DCF WEEE for that stream exceeds that of other WEEE sources, the PCS will pay a WEEE Source Adjustment Premium. If the cost of LA DCF WEEE is lower than that for other sources, no WEEE Source Adjustment Premium is payable.

To undertake the calculation, the Administrator will obtain information as follows:

- The average share of national collections from LA DCFs as a proportion of total national collections ( $a$ ), will be obtained from the quarterly “WEEE Collected in the UK” report issued by the EA. Whilst the figures reported for household WEEE collections from DCFs will contain some non-LA DCF collections, the JTA understands that this will not be significant. The final report for 2024 will not be available until 31 March 2025 so the Administrator will use the interim report, which is expected to be published by the EA on 1 March 2025.
- The percentage amount by which the cost per tonne of LA-DCF collections exceeds the cost per tonne of other WEEE sources ( $d$ ), will be calculated by the Administrator using the weighted average net cost per tonne of direct WEEE collections from LA DCFs calculated in 2.3.2 above, and the average net cost per tonne of other WEEE sources. The average net cost per tonne of other WEEE sources will be calculated by stream by calculating the total net cost provided by PCSs submitting data for that stream and dividing this by the corresponding aggregate tonnage for that stream. The Administrator will review the information provided on the cost of PCS collections from other WEEE sources and after making enquiries may disregard any outlier results. An example of the calculation is provided in section C of Appendix 7.
- The actual volume of collections from LA-DCF, made by the PCS itself ( $l_n$ ), that PCS’s shortfall ( $s_n$ ) and the PCS’s target for the WEEE stream ( $t_n$ ) will be calculated using information obtained from those PCSs wishing to use the Fee.

### 2.3.6. Application of a Reuse Adjustment Premium that reflects the extent to which a PCS has collected WEEE reuse evidence compared to the national average

It remains important for PCSs to continue to prioritise collections from LA DCFs and due to WEEE arising at LA DCFs being less likely to be suitable for reuse this could create a potential conflict in Fee objectives. FTI therefore recommends the Reuse Adjustment Premium should be used as a future indicator of policy intent and to encourage behaviour change in PCSs for future years, rather than act as a material adjustment to the Fee payable by a PCS in 2024. The maximum amount by which a PCS’s Fee could increase as a result of the application of a Reuse Adjustment Premium is therefore set by the calculation methodology and the inclusion of a co-efficient recommended by FTI. In 2023 FTI recommended setting the coefficient at 1 to reflect that the premium should only have a marginal effect in 2023, and the JTA propose that this same approach is taken for the 2024 compliance period.

The Reuse Adjustment Premium will be calculated using the formula set out in section 5.6 of the FTI Report:

$$r_n = h * \left( \frac{W_n}{C_n} - \frac{w_n}{c_n} \right)$$

Where:

- $h$  is the coefficient recommended by FTI.
- $W_n$  is the volume of reuse evidence achieved in the stream, in tonnes.
- $C_n$  is the sum of household WEEE collections by all PCSs in the stream, in tonnes.
- $w_n$  is the volume of reuse evidence achieved in the stream, by the PCS, in tonnes.
- $c_n$  is the total amount of household WEEE in the stream collected by that PCS, in tonnes.

To undertake the calculation the Administrator will obtain information as follows:

- The co-efficient ( $h$ ) will be set at 1 for 2024.
- The volume of reuse evidence achieved in the stream ( $W_n$ ) will be obtained from the quarterly “WEEE

received at an Approved Authorised Treatment Facility (AATF)” report issued by the EA. The final report for 2024 will not be available until 31 March 2025 so the Administrator will use the interim report, which is expected to be published by the EA on 1 March 2025. It is possible the total amount of reuse evidence recorded on PCSs Settlement Centre accounts could slightly differ to the total amount recorded in the “WEEE received at an Approved Authorised Treatment Facility (AATF)” report, however the former information is not publicly available and as the environment agencies undertake quality control on the data provided by both AATFs and PCSs we do not anticipate the difference will be material.

- As used with the Surplus Escalator calculation, the sum of household WEEE collections by all PCSs in the relevant stream in the market, ( $C_n$ ) will be obtained from the Defra WEEE team in early March 2025. We propose that Defra use the total household WEEE evidence held on the Settlement Centre, unless Defra is of the opinion that another dataset is more accurate.
- The actual volume of WEEE reuse evidence in that stream collected by a PCS ( $w_n$ ) and the total amount of WEEE in that stream collected by that PCS ( $c_n$ ) is obtained from the data submitted by those PCSs wishing to use the Fee.

### **2.3.7. All PCSs using the Fee will need to pay an administration charge**

To cover the cost of undertaking independent verification of PCS data submissions, all PCSs needing to use the Fee for any stream will be required to pay £2,750 towards the administrative costs of operating the 2024 JTA Fee Mechanism. If a PCS wishes to submit data voluntarily for use in the calculation of the weighted average cost of direct collections from LA DCFs but does not need to use the Fee, then there will be no administration charge.

### **2.3.8. Stream specific Variable Administrative Costs should be included in the Fee calculation**

As with previous Fee methodologies the JTA proposes to use a stream specific Variable Administrative Cost as part of the Fee calculation ( $v_n$ ). This will reflect the weighted average variable administrative cost per tonne incurred by PCSs for each WEEE stream when undertaking household WEEE collections, and will include costs such as undertaking audits, managing collections and bidding for LA contracts. The JTA considers it appropriate to add the weighted average Variable Administrative Cost per tonne to the Fee calculated for each PCS after the appropriate escalator and WEEE Source Adjustment and Reuse Adjustment Premiums have been applied to the weighted average net cost per tonne of direct WEEE collections from LA DCFs. To add this prior to this calculation could result in an unduly punitive Fee.

Since this component of the Fee was introduced into the JTA’s Fee Mechanism, to ensure that the Variable Administrative Cost figure used is cost reflective and stream specific, the three PCSs advising the JTA – ERP, Recolight and REPIC have provided their variable administrative cost and collections data from the previous compliance year to the consultancy firm Anthesis on a one-to-one confidential basis, accompanied by an auditor’s assurance statement. Other PCSs have also been able to provide their variable administrative cost data for inclusion in the calculation, subject to the same requirement. The JTA proposes to use the same approach for the 2024 compliance year, so the three PCSs advising the JTA will provide their 2023 variable administrative cost and collections data to Anthesis, and other PCSs will also be able to provide this data voluntarily.

As most PCSs are likely to undertake WEEE collections from a variety of sources, in order to identify only the variable administrative cost of undertaking household WEEE collections and avoid inconsistent cost allocations, Anthesis requests information on the variable administrative costs incurred when undertaking all collections, the number of all collections made by the PCS in each WEEE stream, and the tonnage collected for each stream. Anthesis then calculates the average cost per collection, per WEEE stream, and converts this back into a weighted average Variable Administrative Cost per tonne of undertaking household WEEE collections for each WEEE stream using the collection and tonnage data provided.

Using data from the previous compliance year provides sufficient time for this to be calculated robustly and to be externally reviewed, and because it is not anticipated the result will be materially different from using the actual compliance year variable administrative cost data.

The three PCs advising the JTA finance the cost of the work undertaken by Anthesis but the outcome has not, nor will be, shared with them, the JTA or JTAC.

### **2.3.9. The full 2024 JTA Fee Mechanism calculation formulae**

For completeness:

- For streams where national collections fall short of the national target, the full Fee calculation is as set out in section 5.2 of the FTI report.
- For streams where national collections exceed the national target, the full Fee calculation is set out in section 5.7 of the FTI report.

### **2.3.10. There may be circumstances where some streams should attract a zero Fee**

If the sum of the annual weighted average net cost per tonne of direct WEEE collections from LA DCFs calculated by the Administrator (2.3.2 above) and the Variable Administrative Cost per tonne provided to the Administrator by Anthesis (2.3.8 above) generates a positive value for a WEEE stream, the Fee for that stream will be set at zero.

In addition, FTI has recommended that the Fee for positive net value WEEE streams should be set at zero (and no Variable Administrative Cost per tonne should be applied) given that suitable evidence of this has previously been provided to Defra. In the 2023 compliance year, FTI expected this would apply to the LHA stream and we recommend the same applies in 2024. This recommendation is fully in line with Defra guidance which states *“Proposals may consider circumstances where a negligible or zero fee might be appropriate”*.

### **3. Practical operation of the 2024 JTA WEEE Compliance Fee**

#### **3.1. Independent Administrator of the 2024 JTA Fee Mechanism**

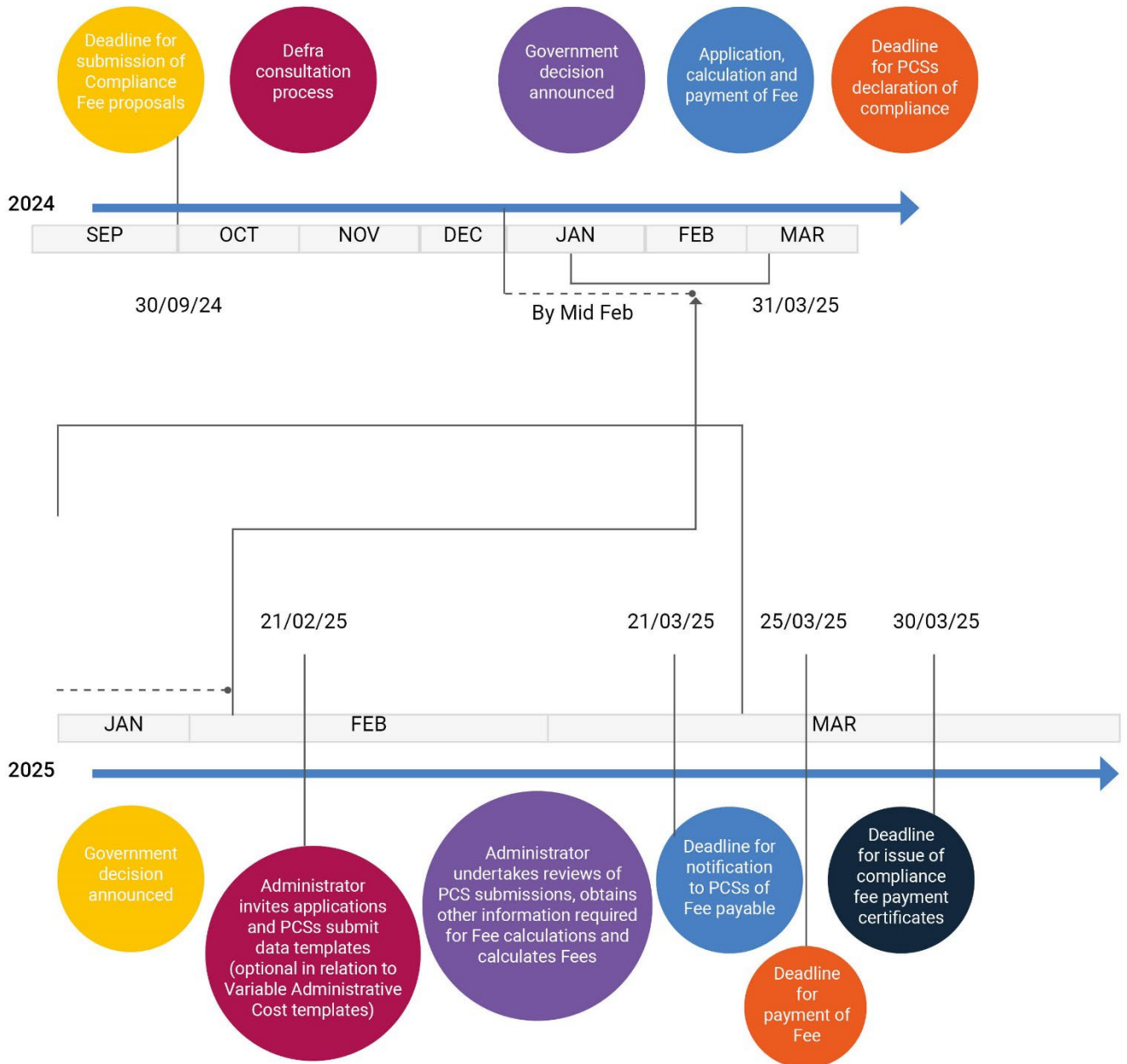
- 3.1.1. Forvis Mazars LLP has been selected by JTAC to be the Administrator for the 2024 JTA Fee Mechanism if Defra select this proposal. The reason for this choice is set out in Appendix 3.
- 3.1.2. The Administrator will be the main contact point for PCSs wishing to use the Fee and for those PCSs who wish to submit cost data voluntarily for use in the calculation of the weighted average cost of direct collections from LA DCFs. The Administrator will undertake the process set out in section 3.2 below to review data provided by PCSs and calculate the Fees that PCSs need to pay.
- 3.1.3. In addition, JTAC will engage the Executive Director of Material Focus (as an Expert Adviser), who has no affiliation to any PCS, to work with Forvis Mazars during the operation of the Fee to ensure that it is administered and managed in a smooth, independent and professional manner. Using this approach ensures that Forvis Mazars has access to an adviser who is fully WEEE literate, and yet is wholly independent of any Trade Association, PCS or producer.
- 3.1.4. To ensure consistency in approach, JTAC has provided the Administrator with a written scope for the data reviews, and the PCS cost and data templates and associated guidance notes, which have been tested in advance by the PCS advisers to the JTA. The Expert Adviser will also review all Fee calculations and invoices prior to issue by the Administrator.

#### **3.2. Calculation and payment of Fees**

##### **3.2.1. Timetable**

- 3.2.1.1. The most time-critical element of the Fee process remains the setting up and completion of the PCS Fee calculation and payment stages. This is due to the limited time that is usually available between the date of the expected announcement by Defra regarding a Fee, and 31<sup>st</sup> March 2025, when all PCSs are required to return their declarations of compliance to the environment agencies.
- 3.2.1.2. The timetable for the 2024 JTA Fee Mechanism is summarised in the diagram below. It is the same as that used in 2023. This timetable is indicative and would be amended if Defra wished to make changes to the JTA's proposal or if the number of participating PCSs necessitated this; for instance, if a longer period were required for review of data by the Administrator.

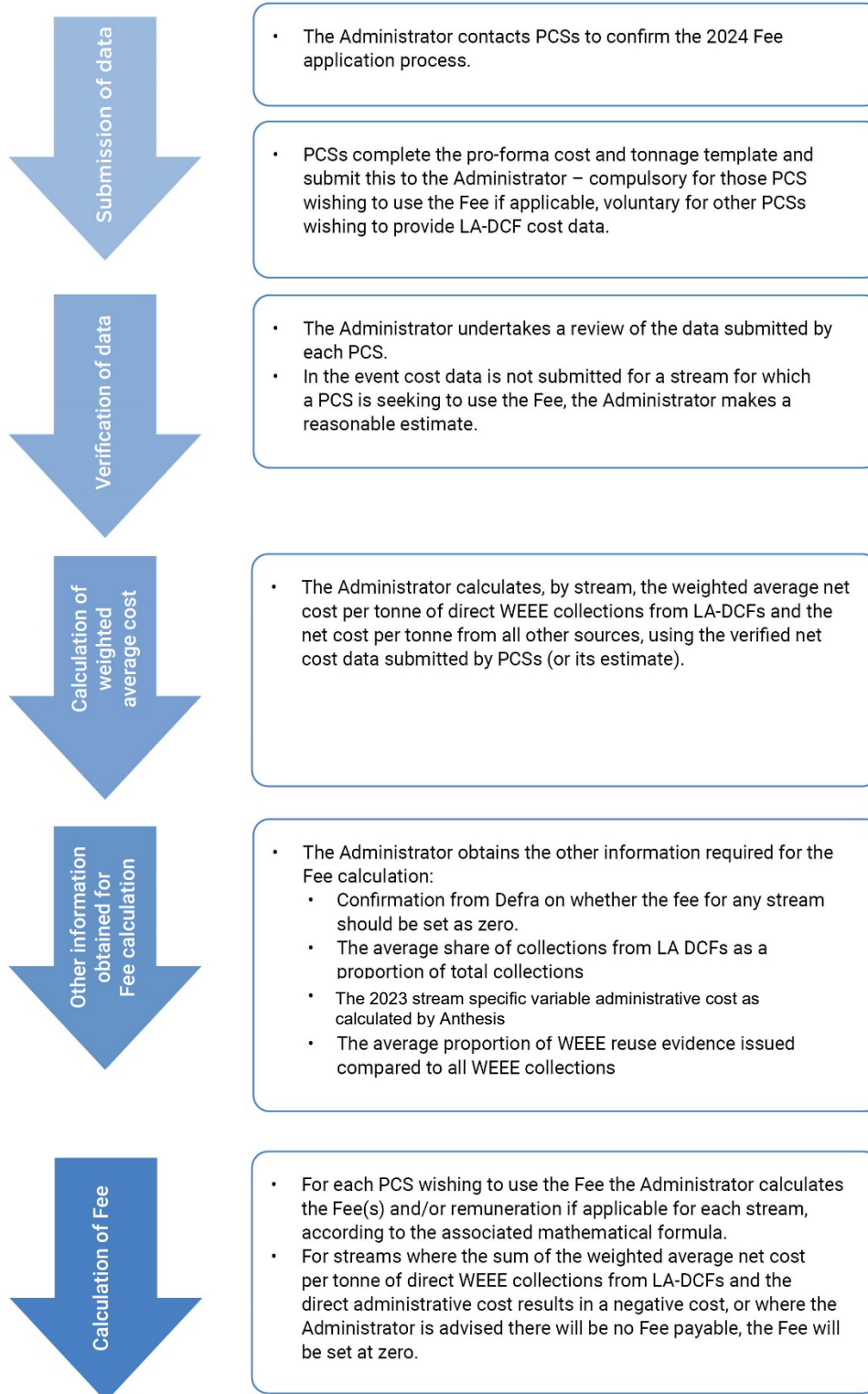
## Compliance Fee Timeline Applying to use the fee





### 3.2.2. Process for the calculation and payment of Fees

The process for the calculation and payment of the Fees is summarised in the chart, below:



Examples to illustrate the Fee calculations are provided in the FTI report and Appendix 7 of this proposal. They use common data and to assist with the review of the two documents, cross references have been inserted in Appendix 7 of the proposal where appropriate.

#### *3.2.2.1. PCSs contacted by the Administrator*

The Administrator will contact all PCSs and ask them to confirm whether they wish to use the Fee or voluntarily submit cost data. PCSs will be asked to sign to confirm their acceptance of the Terms and Conditions covering such matters as confidentiality and compliance with the requirements of the mechanism, as set by the Secretary of State. The terms and conditions used for the 2023 JTA Fee Mechanism will be used, updated where appropriate; they will require PCSs to pay the administration charge of £2,750 if they wish to use the Fee.

#### *3.2.2.2. PCSs submit data to the Administrator*

Having advised the Administrator of their intention to use the Fee or voluntarily submit cost data, PCSs will be asked to submit the data required by the Administrator by 21<sup>st</sup> February 2025, to allow time for data reviews, calculations, invoicing and payment of any resulting Fees. This date is based on the assumption that the Secretary of State decides to operate a Fee for 2024 and announces the methodology to be used by early February 2025. Should this not be the case the deadline may be changed in agreement with Defra and this will be advised to PCSs by the Administrator at the time. However, PCSs will know by the end of January 2025 whether they are short of evidence for any collection streams and therefore wish to use the Fee so the JTA considers it unlikely that such an extension would be required. A non-response from a PCS will be assumed by the Administrator to be a decision that the PCS does not wish to use the Fee, nor wishes to voluntarily submit cost data (the Administrator has no knowledge of PCSs' individual targets or levels of collection achieved).

PCSs must submit data using the pro-forma template supplied to them by the Administrator, which must be signed by a Director. The template will be that used for the 2023 Fee. A proforma is presented in Appendix 5. Due to the tight timescales for data submissions, JTAC will ask the Expert Adviser once again to support the Administrator on any questions raised.

#### *3.2.2.3. Administrator review*

Once a PCS confirms it wishes to use the Fee or voluntarily submit cost data, the Administrator will contact the PCS to agree a suitable date for review of the data. This will be performed remotely by professionally qualified staff of the Administrator on an "Agreed Upon Procedure" basis. Such a review will be naturally proportionate to the activity of the PCS and the amount in tonnes and number of streams involved, and will require the provision of supporting documentation, including transaction sampling. In most cases the data review, on a sampling basis, will be completed within a one-day timeframe, albeit this may extend over a number of days as information will be provided and reviewed remotely.

#### *3.2.2.4. Calculation of weighted average net cost per tonne of direct WEEE collections from LA DCFs by stream*

The Administrator will calculate the annual weighted average net cost per tonne of direct WEEE collections from LA DCFs by WEEE stream (see 2.3.2), using cost data from both PCSs that wish to use the Fee and from those PCSs who have voluntarily submitted cost data.

This calculation results in the  $k_n$  parameter, to be used in the relevant formula as set out in the FTI report, applicable to each stream. There will be six such calculations, assuming at least one PCS needs to use the Fee in every stream.

In the unlikely event that there is no LA DCF cost data submitted to the Administrator for a stream of WEEE, then the Administrator shall seek and assess alternative sources of cost data (for example by submitting

“mystery shopper” requests to waste management companies) that it reasonably considers can be used for the calculation of the Fee for that stream. If no alternative data sources are available, the Administrator shall calculate a weighted average value for  $k_n$  using data from other streams or using prior year data with an adjustment for inflation if appropriate.

#### 3.2.2.5. Administrator obtains information for Variable Administrative Cost calculation

If a PCS choosing to use the Fee or voluntarily submitting cost data wishes to provide its 2023 variable administrative cost information to Anthesis for inclusion in the calculation of the Variable Administrative Cost per tonne (see 2.3.8), the PCS should inform Anthesis and request a data template. The completed template and an assurance report that the scheme itself has had audited via a Registered Auditor should be sent to Anthesis (emily.rae@anthesisgroup.com) by 21<sup>st</sup> February 2025. The Administrator will subsequently contact Anthesis to obtain the calculated Variable Administrative Cost per tonne by stream.

This information provides the  $v_n$  parameter as set out in the FTI report, applicable to each stream. There will be six such calculations, assuming at least one PCS needs to use the Fee in every stream.

#### 3.2.2.6. The Administrator calculates if national collections have fallen short of the national target

The Administrator will contact the Defra WEEE team soon after 1<sup>st</sup> February 2025, to request confirmation of the tonnage of household WEEE evidence (by stream), held on the Settlement Centre for the 2024 compliance period, unless Defra is of the opinion that another dataset is more accurate (see 2.3.4).

The Administrator will then use this data to determine whether each stream is deemed to be in surplus or in deficit for the year so that the appropriate escalator can be used in the calculation of the Fee. A stream will be in surplus if the chosen data set exceeds the 2024 national WEEE collections target set for that stream by Defra by more than 1.5%.

#### 3.2.2.7. Administrator determines whether the Fee for a stream should be set at zero

For each stream the Administrator will add the annual weighted average Variable Administrative Cost  $v_n$  per tonne to the weighted average net cost per tonne of direct collections from LA DCFs  $kn$  and if this results in a negative total cost per tonne (i.e. there is net income per tonne), the Fee for that stream will be set to zero.

The Administrator will also contact Defra soon after 1<sup>st</sup> February 2025 to ascertain if evidence has been provided that the Fee in any stream should be set to zero, irrespective of the calculation undertaken above.

#### 3.2.2.8. Administrator calculates Fee for each PCS by stream

For each PCS that needs to use the Fee, the Administrator will calculate the WEEE Source Adjustment Premium  $p_n$  and Reuse Adjustment Premium  $r_n$  by stream using the formulae set out in sections 5.4 and 5.6, respectively, of the FTI report.

The Administrator will then, by WEEE stream, apply the appropriate escalator, along with the WEEE Source Adjustment Premium and Reuse Adjustment Premium, to the weighted average net cost of direct collections from LA DCFs.

The resulting cost per tonne will then be added to the weighted average Variable Administrative Cost per tonne, and the total multiplied by the calculated PCS tonnage shortfall to calculate the Fee payable by the PCS for that WEEE stream. The PCS tonnage shortfall is calculated by deducting the evidence recorded as being held by the PCS on its Settlement Centre account on 1<sup>st</sup> February 2025 (i.e. at midnight on 31<sup>st</sup> January 2025, the deadline for issuing evidence notes for the 2024 compliance year) from the final target notification received by the PCS from the relevant environment agency for the 2024 compliance year.

All calculations will be quality assured by the Expert Adviser.

#### **3.2.2.9. Invoicing and payment of the Fee**

By 21<sup>st</sup> March 2025 each PCS that has chosen to use the Fee will be advised of its Fee payable, by WEEE stream, and the applicable administration charge. The Fee payable by WEEE stream will include the Variable Administrative Cost, which will not be disclosed separately.

PCSs should pay the Fee and administration charge into the Administrator's dedicated Fee client bank account as soon as possible after being advised by the Administrator of the Fee(s) to be paid, and at the very latest in sufficient time for funds to clear by 25<sup>th</sup> March 2025. Once funds are cleared and in the client bank account the Administrator will issue a Compliance Fee Payment Certificate (CFPC) to the PCS. This will be done as soon as possible after the funds have been cleared and at the latest by 30<sup>th</sup> March 2025. The CFPC will confirm the information provided by the PCS (i.e. PCS target, actual evidence held and the resulting evidence gap in tonnes, per stream), and confirm that the requested Fee and administration charge(s) have been paid into the Compliance Fee Fund. It will not show the value of the Fees paid.

Alongside the Fee notifications, PCSs will be sent an evaluation form which seeks to assess their experience of using the Fee. A draft form is included in Appendix 5. To ensure that PCSs feel free to express their views, PCSs will be invited to submit their evaluations to the Expert Adviser, who will collate anonymised views and prepare a report for JTAC and the JTA.

The Administrator will send a summary to each of the environment agencies concerned, confirming which PCSs have used the Fee, and for which stream(s) and for those streams, the PCS target in tonnes and the tonnes for which a Fee has been paid.

#### **3.2.3. Process for spending Fee Funds**

3.2.3.1. Soon after funds have cleared, the Administrator will confirm to Defra and JTAC the estimated Fee funds available to spend on WEEE projects (the "Fund") as set out in the Defra Guidance. In estimating the Fund expected to be available the Administrator will include the amounts paid by PCSs using the Fee, including the administration charge, and deduct its assessment of the administrative costs expected to be incurred through to the close of the 2024 Fee mechanism.

3.2.3.2. The JTA's proposed 2024 Fund disbursement process is set out in more detail in Appendix 6.

#### **3.2.4. Underwriting of Fee mechanism costs**

3.2.4.1. In the event that Defra do not accept the JTA proposal, the full Administrator 2024 contract will not be activated, and any costs incurred in the preparation work by JTAC directly or through the Administrator will be met by JTAC.

3.2.4.2. In the event that the Fee mechanism is not used by any PCS (or is only used to a very limited extent), any residual costs of the Administrator that are not covered by Fee and administration charge income will also be met by JTAC.

#### **3.2.5. Contingency planning**

The JTA has assessed its plans thoroughly, and is comfortable that all reasonable contingencies have been addressed including:

3.2.5.1. If there is a large number of PCS users of the Fee, the appointment of Forvis Mazars as Administrator means that sufficient staff will be available to cope with the applications.

3.2.5.2. External accountants such as Forvis Mazars routinely conduct audits and other work remotely. Those

PCs that consider they may wish to use the Fee will see the JTA's proposal in October 2024 and will have at least five months to prepare for providing any information Forvis Mazars may require electronically.

3.2.5.3. If there is no, or insufficient, data to support the calculations, then the Administrator may use data from other sources that the Administrator considers are appropriate (for example by submitting "mystery shopper" requests to waste management companies).

3.2.5.4. Should the JTA Mechanism be adopted by Defra, all necessary due diligence steps have already been completed by Forvis Mazars, including the establishment of a client bank account, and dedicated email addresses.

### **3.2.6. Flexibility**

Please note that the JTA considers that this proposal represents an effective turnkey solution to the implementation of the 2024 Fee. However, the JTA is open to discussing any aspects of this proposal with Defra, and where appropriate, amending aspects of the proposal.

## 4. Governance

The 2024 JTA Fee Mechanism, as set out in detail in sections 2 and 3 and the supporting Appendices, incorporates important governance features, these are summarised below.

### 4.1 Independence

- 4.1.1. There is clear separation between the Administrator and JTAC, JTAC and the JTA, and the JTA and the three PCSs that advise the JTA. The Expert Adviser, who supports the Administrator, is employed by JTAC but is independent of the JTA and PCSs. This is crucial in eliminating any conflict of interest, especially when PCSs need to communicate with the Administrator. This also reduces the burden on Defra, who will not need to be involved in the administration process.
- 4.1.2. As explained in Appendix 4, the JTA established JTAC as the legal entity to manage the independent Administrator. JTAC was formed by three Trade Association members of the JTA representing producers with significant household EEE/WEEE obligations. It is a not-for-profit company, limited by guarantee, with no shareholdings and its Constitution prohibits any distribution of funds to its members. It has a Board of Directors, comprising a senior representative from a number of key Trade Association members, who are responsible for the proper running of the Company. The role of the JTAC Board is described in more detail in Appendix 4. JTAC engages with stakeholders and consumers via the brand name "Material Focus".
- 4.1.3. The independent Administrator is solely responsible for the operation of the Fee process in the JTA Fee Mechanism, including the management of the Fund through a dedicated client bank account. The selected Administrator (Forvis Mazars) is a UK Top 10 Accounting firm, experienced in accounting, auditing, managing client bank accounts and managing commercially confidential information in an impartial and independent manner. In addition, although Forvis Mazars provides a wide range of services to many different clients, they are regulated by the Institute of Chartered Accountants in England and Wales and other regulatory authorities and must demonstrate they have appropriate internal "firewalls" in place to ensure confidential information received from a client in relation to one service is not passed on to any other part of the organisation. The number of staff employed by Forvis Mazars in the different services also assists with this and can confidently ensure separate engagement teams are solely utilised on this account. Access to the WEEE email is only available to the direct team that work on this account. The team will comprise fully qualified accountants and other suitably qualified staff that can bring expertise and advice to the role as Administrator. Forvis Mazars successfully operated as Administrator for the 2014 to 2015 and 2017 to 2023 Fee mechanisms. More detail on the JTA's chosen administrator is outlined in Appendix 3.
- 4.1.4. The JTA will continue to provide resource and expertise to JTAC, where needed, and to the Administrator, regarding the content of the WEEE Regulations and the JTA Fee Mechanism. None of the PCSs that provide advice to the JTA will be involved in the operation of JTAC or the Administrator contract, although they may be nominated via the WEEE Schemes Forum to participate in the WEEE Compliance Fee Fund Spending Panels ("Spending Panels") and their sub-panels/judging panels.
- 4.1.5. The process for agreeing the spend of the Fund is outlined in detail in Appendix 6. The Fund currently has spending "pillars" of Insights, Investment and Inspiration. Funds generated from the operation of the 2024 JTA Fee Mechanism will be added to the existing Fund and the disbursement of these will be decided by the relevant Spending Panel. The composition of the Spending Panels and any appropriate sub-panels or judging panels, will be representative of the relevant stakeholders: including central and local government, EEE producers, recyclers, PCSs, waste management and the reuse sector. A new Circular Electricals Fund (with a separate panel) will be launched in 2025. Material Focus' Executive Director will execute any decisions agreed by the Spending Panels and their sub-panels/judging panels.

## 4.2 Professionalism

4.2.1 As outlined in section 2 of Appendix 6, a suite of policies and procedures are in place to ensure robust governance of JTAC including policies on anti-bribery and corruption, conflicts of interest, data protection, business conduct, security, and on handling complaints as well as those covering expenses, privacy, diversity and equality, and employment rights.

## 4.3 Transparency

4.3.1 To deliver transparency regarding the spend of any remaining Fund available, JTAC proposes to continue to ensure:

- All major research projects financed by the Fund are accompanied by a press release once finalised, confirming details of the project, the parties involved and the estimated cost of the project.
- All research reports financed by the Fee are posted on the Material Focus website.
- Regular updates, including financial summaries, are shared with stakeholders (i.e. via the Spending Panel, ICER, WSF and JTA meetings, conferences and other industry events). The [www.recycleyourelectricals.org.uk](http://www.recycleyourelectricals.org.uk) and [www.materialfocus.org.uk](http://www.materialfocus.org.uk) websites provide details on activities and projects being undertaken. Material Focus are happy to provide further details on request.
- Management accounts, providing a more detailed breakdown of Fees received and Fund expenditure, are supplied regularly to Defra to provide an appropriate level of oversight directly to Defra of information that must otherwise remain confidential.
- There is a regular independent review of the Fund to provide assurance to stakeholders of the regularity and propriety in respect of the expenditure of the Fund. The results of the review are shared with Defra. The next review is currently being planned.
- A project-by-project overview of spend for technical and local projects is shared regularly with the relevant Spending Panel. KPIs to monitor spend for communications and behaviour change activities will also be agreed with, and provided to, the relevant Spending Panel.

## 4.4 Quality Assurance

4.4.1 A series of checks and balances will be in place at every appropriate stage of the operation of the Fee to provide quality assurance in the process. As explained in section 3.1.4, this includes pre-testing of Fee calculation spreadsheets with dummy data, the establishment of Agreed Upon Procedures for data reviews, detailed briefing of auditors ahead of data reviews, testing of the PCS data collection forms and a second review of all invoices raised.

4.4.2 Approved applications for project funding from the Fund are subject to independent oversight. The Material Focus staff closely monitor the progress of projects through regular meetings and calls, calling on external resources where appropriate. Where appropriate, any Funds allocated are subject to post-investment validation to ensure that the Funds were applied to the intended use.

## 4.5 Confidentiality

4.5.1 The 2024 JTA Fee Mechanism will be operated by the Administrator, with support from the Expert Adviser, on a professional basis with high levels of integrity and is open to all relevant parties to use.

4.5.2 The Administrator and the Expert Adviser will keep all data they receive and handle as strictly confidential,

as demonstrated in their handling of all previous JTA Fee Mechanisms.

- 4.5.3 Whilst the JTA is the proposer of this mechanism, other than expenses recovered for services provided in relation to the operation of the WEEE Fund, which will be agreed in advance with Defra, it has ensured that neither the JTA, nor JTAC, nor any of their members, can benefit financially from the scheme or access any confidential data. Equally, the three PCSs that advise the JTA cannot access any confidential data. Any PCS or JTA member trade association may however submit proposals to Material Focus for projects, which could include receipt of funds, however this would be subject to judging in the same way as all other proposals. The mechanism is therefore independent, and JTAC manage the performance of the Administrator and Material Focus' Executive Director via a contract and regular reporting.
- 4.5.4 All PCSs submitting data to the Administrator will be required to sign an agreement to keep the Fee payable confidential.

## **4.6 Impact of competition law and other legal requirements**

- 4.6.1 The JTA has carefully considered the impact of this proposal in respect of competition law, and other legal requirements. There are several features of the proposal that are implemented specifically to ensure competition law compliance. These include:
- 4.6.1.1 The requirement for the JTA's chosen Administrator, Forvis Mazars, to be totally independent of any PCS or Producer.
- 4.6.1.2 Forvis Mazars being regulated by the Institute of Chartered Accountants in England and Wales means appropriate measures must demonstrably be in place to ensure confidential information received from clients in connection with one service provided is not shared with any other part of the organisation. This is further safeguarded through the number of employees Forvis Mazars has.
- 4.6.1.3 The establishment of JTAC to ensure that PCSs that support the JTA do not have access to confidential information.
- 4.6.1.4 The requirement for PCSs to sign terms and conditions that keep the Fee actually paid confidential.
- 4.6.1.5 The fact that a PCS pays a Fee based on the shortfall against its own target and that there are escalators based on the extent to which a PCS has used directly collected LA WEEE and obtained WEEE reuse evidence to meet its target means that Fees actually payable will vary materially. This reduces the risk of appreciable cost commonality.
- 4.6.1.6 The Variable Administrative Cost will not be separated out and will be included within the cost per tonne calculated for each WEEE stream, to ensure that PCSs are not given any more cost data than is necessary for the payment of the Fee.
- 4.6.1.7 The Fee process is open to any PCS and all organisations that meet the published criteria may apply for funding from any Fee Funds that are available.
- 4.6.1.8 PCSs using the mechanism and organisations applying for Funds will be required to use the system in accordance with the agreed procedures, including timing of any decisions or applications.



## Appendix 1

### JTA views of the WEEE market in 2024 and the rationale for the 2024 JTA Compliance Fee mechanism

The JTA discussed the WEEE market in 2024 and concluded that the minimal changes in the market meant that an updated economic analysis from FTI was not needed.

We have summarised below the key market conditions in 2024 identified by the JTA, and have stated how they are reflected in the design of the JTA's proposed 2024 Fee methodology:

2024 Market Condition	Impact on the 2024 JTA Fee Mechanism
<p><b>The UK economy</b></p> <p>The Bank of England base rate is now at 5%, but the rate of inflation has fallen to 2.2% in August 2024 and the Bank of England expects it is likely to edge up to about 2.5% towards the end of the year before falling again.</p> <p>2022-23 remains the fiscal year with the largest year-on-year drop in living standards since ONS records began in 1956-57. The Office of Budget Responsibility is however forecasting that real household disposable income per person will recover its pre-pandemic peak by 2027-28.</p>	<p>During late 2023 and into 2024 the high interest rates impacted consumers as fixed rate mortgage deals come to an end. Until a significant fall in interest rates occurs and flows through to households, the EEE placed on the market is expected to be subdued until mid-2025, placing pressure on producers.</p> <p>The Q1 and Q2 2024 EEE POM data shows that there has been an increase in the Display market by 4% compared to the same time last year but this can be accounted for by the Euros and Paris Olympics. There has been an increase of 6% on SMW placed on the market which will be dependent on market trends. All other categories are relatively flat.</p> <p>We expect that EEE POM will remain subdued for the rest of 2024 until the new Government announces their Autumn budget. The Government has warned the budget will be "painful" and this has driven and may continue to drive consumer confidence down for the rest of 2024. Therefore, we do not expect to see a material change until mid-2025 or into, particularly in those streams where new EEE usually results in WEEE arising.</p> <p>As inflationary pressures reduce, it will take time for consumer spending to return to normal levels until household incomes stabilise in mid-2027 to 2028.</p> <p>Overall, we conclude that economic conditions are broadly similar to 2023, so not necessitating a change in compliance fee methodology.</p>
<p><i>Section 3.14 of FTI's report</i></p> <p><b>PCSS not making collections from LA DCFs and growth in the use of the PBS</b></p> <p>A significant proportion of PCSSs do not collect WEEE from LA DCFs. LA DCF WEEE is generally more expensive to</p>	<p>JTA Fee methodologies since 2017 have incorporated an adjustment for the source of WEEE which aims to increase the incentive for PCSSs to collect from LA DCFs.</p> <p>This WEEE Source Adjustment Premium means those PCSSs that do not meet their targets, and who collect below their share of national collections from LA DCFs, will pay a higher Fee/tonne where the data shows that such WEEE is more</p>

<p>collect and treat than other sources of WEEE, and as such there is no incentive for PCSs to increase collections from LA DCFs. This continues to be the case in 2024, with fewer than 10 PCSs out of a total of 26 collecting from LA DCFs. In 2024 there has also been a material increase in the number of arrangements placed into the PBS by PCSs, with 20 different Local Authorities offering one or more streams to the mechanism.</p>	<p>costly to collect and treat than other sources of WEEE.</p> <p>We therefore propose to retain the WEEE Source Adjustment Premium for the JTA's 2024 Fee methodology.</p> <p>The origin of this adjustment is further explained in section A2.57 in Appendix 2 of FTI's report.</p>
<p><i>Section 3.16 of FTI's report.</i></p> <p><b>Low levels of reuse within the WEEE system.</b></p> <p>As focus on a more circular economy gains importance, so there is a greater need to encourage reuse within the WEEE system.</p>	<p>Levels of reuse reported within the WEEE collections data have remained consistently low. In 2022, the data shows that the tonnage of household WEEE reused was only 2.6% of the tonnage of household WEEE that was recycled. The tonnage has not varied significantly over the last five years.</p> <p>Whilst there are many valid reasons for low reported reuse levels, it is widely accepted that levels of reuse must improve. So, the inclusion, once again, of a Reuse Adjustment Premium in the JTA proposal is an important signal for PCSs to consider ways of increasing the level of reuse.</p> <p>It remains important that the Fee methodology continues to encourage PCSs to collect WEEE from LA DCFs, where reuse is more difficult to achieve, and prioritising collections from LA DCFs is a core principle of the Regulations. The Reuse Adjustment Premium has therefore been designed to have a marginal impact in 2024, with the future development of this premium to be considered based upon Defra's Fee methodology guidance and our assessment of reuse market conditions.</p>
<p><i>Section 3.22 of FTI's report.</i></p> <p><b>Increased concentration of WEEE in the hands of a small number of operators.</b></p> <p>Some waste management companies, distributors, and vertically integrated PCS/AATFs collect significant tonnages of WEEE.</p>	<p>The design of the Fee takes this into account in two ways:</p> <ol style="list-style-type: none"> <li>1. Where the Fee calculation for a stream results in a positive value, or where it can be demonstrated that a WEEE stream has a net positive value, a zero Fee applies, and,</li> <li>2. The methodology always results in Fees that are higher than the weighted average net cost of LA DCF WEEE – but not so high as to allow some operators to make excessive charges to PCSs for the WEEE they collect.</li> </ol>
<p><i>Section 3.25 of FTI's report.</i></p> <p><b>Significant increase in disposal of waste vapes.</b></p> <p>This is causing significant pressure on the WEEE system, in large part because many vape producers are free-riders, and because vape treatment is much more expensive than</p>	<p>The design of the Fee takes account of costs incurred by PCSs when collecting SMW containing vapes from LA DCFs through the use of the weighted average net cost of LA DCF WEEE when calculating Fees payable.</p> <p>Vape EEE is reported in Category 7, Toys Sport &amp; Leisure Equipment, however producers are allowed to use evidence generated from any SMW category to meet their obligations. This means there is no current requirement for producers to fund vape WEEE separately. The WSF has amended the</p>

<p>small mixed WEEE. Yet, vape EEE producers only finance a small market share of category 7. The increased costs are placing pressure on AATFs, PCSs, and some producers.</p>	<p>statutory PBS so that vape producers fund the collection and treatment of separately collected vape WEEE deposited at LA DCFs and is implementing a new voluntary PBS to fund the treatment of vape WEEE collected by retailers in store. Currently over 90 local authorities have submitted waste vape Regulation 34 requests to the statutory PBS.</p> <p>No adjustment in relation to the impact of vapes is considered necessary in the Fee methodology.</p>
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**Appendix 2**

**FTI 2023 Consulting Report**

See separate document

## Appendix 3

### JTAC's chosen administrator – Forvis Mazars LLP

#### 1. Background

In considering how the administrator services would be provided, the options studied by JTAC were; the use of in-house resources from a JTA or JTAC member, recruitment of staff by JTAC, and outsourcing the key administrative and data review functions.

#### 2. Decision to outsource

It was decided to outsource the administrator role for the following reasons:

- Ensuring the confidentiality of commercial information;
- Experience in managing client monies;
- Provision of adequate and flexible level of resource to respond to variable workload; and
- Availability of qualified staff to perform data reviews. This is carried out by the Administrator's accounting and outsourcing team, which has proved to be successful, providing consistency and specialist expertise.

#### 3. Services to be provided by the Administrator

The services provided by the Administrator have evolved since the JTA's initial fee methodology in 2014 and now comprise the following:

- Communicating with PCSs about the Fee mechanism, providing support to PCSs in using it, including liaison with the Expert Adviser; calculating Fees (during 2020 this also included calculating remuneration); issuing invoices, collecting payments, issuing Compliance Fee Payment Certificates and advising the environment agencies concerned of appropriate information;
- Undertaking data reviews, conducted remotely using an Agreed Upon Procedure approach, of all PCSs that wish to use the Fee or submit cost data on a voluntary basis;
- Receiving payments of Fees (during 2020 this also included paying remuneration), holding those in a dedicated client bank account, making approved payments from that account and managing the bank account;
- Advising Defra and Material Focus on the Fees available for disbursement, after taking account of necessary Fund expenditure. To disburse Funds to the organisations concerned as instructed by Material Focus;
- To maintain, through to the final close of the Fund, full accounting records of all transactions including VAT returns and annual accounts information. To provide management reports, project tracker updates and payment report updates to JTAC and Material Focus on a regular basis without disclosing any confidential or commercially sensitive information; and
- To be subject to an independent audit as part of the broader audit examining the performance and functioning of JTAC in relation to the commitments outlined in the Fee proposal.

#### 4. Evaluation process

JTAC initially selected a number of potential organisations to deliver Fee services, including Environmental Consultants, Accountancy firms and Trade Associations/outourcing companies. Of these, three were shortlisted for final consideration by JTAC. The decision of JTAC was to appoint Forvis Mazars LLP, a Top 10 UK Accountancy firm, as the Fee Administrator to support the JTA proposal.

The decision to appoint an Accountancy firm rather than an Environmental Consultancy or Trade Associations/outsourcing company as Administrator, was taken because they are subject to strict governance rules that are monitored and enforced by external bodies such as the Institute of Chartered Accountants in England and Wales (ICAEW). This provides JTAC and all Fee users with the assurance that confidential information received by the Administrator in the course of its duties will not be shared with any other parts of the Administrator's organisation, or be used in connection with any other activities undertaken in the course of the Administrator's business. This cannot be guaranteed with "independent" or third-party Environmental Consultancies or other outsourcing companies, who tend to be sector focused. This means there is a real risk that the same consultant could both take responsibility for the Fee administration (and thereby have access to highly sensitive pricing and market share data) and also be providing WEEE related consultancy services to producers and PCSs, when knowledge of confidential Fee data could prove very informative.

Forvis Mazars has successfully carried out the role of independent Administrator to the 2014 to 2015 and 2017 to 2023 Fee mechanisms in accordance with its contract with JTAC. It has demonstrated its expertise, professionalism, and integrity in executing their tasks in all years and JTAC proposes to re-engage with Forvis Mazars for its 2024 Fee proposal.

## **5. Forvis Mazars' experience**

As of 1st June 2024, Mazars formed a global network with Forvis in the USA. Forvis Mazars remains an independent company within the network and continues to be an international, integrated organisation, specializing in audit, advisory, accounting and tax services. The Group operates in over 95 countries and draws on the expertise of 47,000 professionals to assist major international groups, SMEs, private investors and public bodies at every stage in their development. In the UK, Forvis Mazars has 170 partners and over 2,500 staff serving clients from 14 locations and is ranked as the ninth largest accountancy firm nationally.

The core values of Forvis Mazars define how the firm operates. These values are: Integrity; Responsibility; Diversity and respect for individuals; Technical excellence; Independence; and Continuity. They translate into a clear obligation to provide independent advice of the highest quality.

In understanding that no two clients are the same, Forvis Mazars is practiced in developing and implementing customized solutions. Combining expertise in outsourcing, working with 'public interest' entities and clients across many industries, Forvis Mazars has the capacity and have proven their ability to deliver each element of the administrator role to the highest standards.

## **6. Key areas of Forvis Mazars' proposal**

### *6.1 Segregation of duties and conflicts of interest*

Forvis Mazars will operate a client account on behalf of JTAC, which will be used to collect funds from the relevant PCS organisations. Should conflicts of interest be identified, Forvis Mazars has the scale and resources to mitigate such conflicts through the provision of entirely separate engagement teams. Forvis Mazars are legally bound by the engagement terms and conditions with Joint Trade Associations Contracts Ltd and also as members of a recognised Professional Accountancy body by the rules on confidentiality and integrity.

### *6.2 Industry knowledge*

Forvis Mazars has experience of working with companies in the WEEE sector and has familiarity with the relevant WEEE legislation. They also have substantial experience in the not-for-profit sector and in working with government agencies. This experience combined with their robust conflict of interest policies and knowledge of the Fee process will help to deliver a highly cost effective and commercially confidential solution. It is important to note that Forvis Mazars do not, however, provide consultancy on the application of the WEEE Regulations for producers. This is vital in ensuring that there are no conflicts of interest in acting as the Fee

Administrator.

### 6.3 Flexible solutions

The organisation has the ability to be flexible in the services it provides and can tailor these to the relevant take up of the Fee in any compliance period for which it is appointed as the Administrator. This flexibility has been demonstrated through the successful transition Forvis Mazars has made to conducting remote reviews and ensuring the continuity of its other professional services, which was essential in 2020 and 2021 due to the impact of the Covid-19 pandemic, and which has now been adopted as its standard review methodology. Forvis Mazars use a secure online portal for the provision of information and a web-based system to hold virtual meetings with clients.

### 6.4 IT systems & security

Currently a straightforward offline IT-led solution has been implemented for administering the Fee because this has been most appropriate and has worked well. PCSs email requests to use the Fee and submit cost data using standard templates provided by the Administrator.

Forvis Mazars use cloud-based accounting software to record information on receipts and expenditure into and out of the dedicated client bank account, track Fund spend, approve payments, raise invoices to PCSs, and issue CFPCs.

Forvis Mazars considers the information it holds as of the utmost importance: information held is protected from a wide range of threats in order to preserve confidentiality and integrity. Forvis Mazars protects its information by establishing and maintaining an information management system and is ISO 27001 certified.

Within this context, Forvis Mazars has in place controls over both virtual and physical security including disaster recovery plans, automatic data back-ups and power outages. With regards to access controls, each individual at the firm has separate logins, which are enforced with regular updating of passwords and on-going training regarding information security. Access to networks and data is restricted based on individual credentials and mobile working is supported by full encryption.

From an operational perspective, Forvis Mazars has extensive capabilities to develop technology driven solutions either through intelligent use of software or the development of technology, such as portals, to the benefits of its clients. This could support future innovation in the way the Fee service is delivered both to the PCSs and the organisations when applying to Material Focus for project funding.

## 7. Capacity

The firm has over 170 partners and over 2,500 staff in the UK and offices across the country, covering a wide range of disciplines including audit, taxation and corporate finance. This provides the capacity to deal with the possible fluctuations in demand, support field visits to validate project spending if needed and generally respond to issues that might arise. The benefit of this was illustrated in 2020 when Forvis Mazars was able to advise on, and mobilise swiftly, the COVID loan fund for AATFs and reuse organisations.

## 8. Governance

Forvis Mazars operates in a regulated environment and is principally regulated by the ICAEW. The team members chosen for the assignment are members of their professional body and are bound by its code of conduct. The Administrator services will be led by a Partner, who will be involved in the overseeing of all aspects of the administration of the 2024 JTA Fee Mechanism. A director is allocated to manage the process and system and ensure deadlines are met and that the process is running smoothly. There will also be a team of less senior staff members to work on the processing of transactions and producing the reports for review as required.

Due to the level of Fees received in the period 2017 to 2023, as an additional governance measure, JTAC will arrange for an independent review of Fund disbursements and will provide its report to Defra.

## **9. Administrator 2024 Costs**

Providing an accurate estimate of administrative costs for the Fee mechanism in respect of any particular compliance year is not practical because there are several unknowns that will influence the costs, some examples of which are:

- The number of PCSs that choose to use the Fee or voluntarily submit cost data and the number of streams they wish to use it for;
- The number of organisations that submit applications for Fee funding and the number that are approved for payment; and
- The time it takes to complete the whole process from the time that Defra announce whether there will be a Fee for a particular year through to when all the projects that are funded are completed and report their results.

Part of the costs for the Administrator services and Fund administration support are fixed e.g. managing the client bank account, maintaining full accounting records, including VAT returns, providing details for annual accounts and payroll support, which are charged against the Fund. This represents a small proportion of the overall Fund spend.

It is expected therefore that the net costs of administering and managing the 2024 JTA Fee Mechanism, which are charged against the Fees paid, will represent good value for money for a professional service with high levels of integrity in handling commercially sensitive and confidential information and data.

In respect of these services Forvis Mazars have provided a quote for costs to cover the 2024 compliance period, which reflects their insight and experience gained from the previous processes. As a result, overall costs are projected to be similar to those for the 2023 compliance period, although subject to an annual inflationary increase. The Forvis Mazars financial offer is commercially confidential and therefore is not included in the JTA proposal but can be separately disclosed to Defra upon request.



## Appendix 4

### JTA and JTAC

#### 1. The Joint Trade Association Group (JTA)

To ensure that the opinions of the producer community could be formulated and communicated to the Government in as clear and effective a manner as possible, the major trade associations representing producers of electrical and electronic equipment (EEE) work together on matters of common interest relating to producer responsibility, including the WEEE Regulations. Thus, in 2010 the 'Joint Trade Associations' group was formed. Today, it covers producer responsibility legislation, product policy and chemical legislation and comprises of:

- AMDEA: Association of Manufacturers of Domestic Appliances;
- BEAMA: (Originally an acronym for the British Electrotechnical and Allied Manufacturers' Association);
- BIPBA: British and Irish Portable Batteries Association;
- BIVDA: British in Vitro Diagnostic Association
- BHETA: British Home Enhancement Trade Association;
- BTHA: British Toys and Hobbies Association;
- Make UK: the Manufacturers' organisation;
- Gambica: (Originally an acronym for the Group of Association of Manufacturers of British, Instruments, Control and Automation);
- ICMMA: Industrial Cleaning Machine Manufacturer's Association
- techUK: (The trade association for the Information and Communication Technology and Consumer Electronics sectors);
- LIA: Lighting Industry Association; and
- PETMA: Portable Electrical Tool Manufacturers' Association

Collectively, the members of the trade associations that comprise the JTA employ nearly 1m staff in the UK, in around 7,000 companies across all sizes of producers, from the very small to the very large. The JTA comprises all the major trade associations representing both business-to-consumer and business-to-business EEE producers in the UK. This proposal therefore strongly represents the voice of the producer community, and we believe it is fully consistent with the WEEE Regulations' producer responsibility duties.

Since its formation, the JTA and its members have engaged with Government in a number of WEEE related consultations. The JTA has also submitted proposals for a Compliance Fee methodology for every compliance year it has been in operation. The JTA methodology was chosen by the Government for 2014 to 2015 and 2017 to 2023 compliance years and was used as a basis for the Valpak proposal chosen in 2016.

In preparing this proposal, the JTA has called upon the expertise of three PCSs. These PCSs (ERP, Recolight and REPIC) between them are representative of all WEEE streams and moreover are viewed by the JTA as organisations which seek the long-term success and stability of the WEEE system in the interests of both

producers and other actors in the WEEE system. They are closely linked with JTA members and support the aims of the JTA actively and participate in the JTA by providing expertise and technical support. As PCSs working in the regulated producer responsibility environment, they regularly engage with Government in both formal and informal consultations on future policy development, making proposals both individually and collectively through relevant trade bodies. They also undertake their own related research into areas such as carbon impact, consumer recycling behaviour and EEE data flows. The combination of the JTA and these three PCSs means it is estimated that the combined memberships represents approximately 90% of all WEEE producer obligations in the UK.

The JTA operated on an informal basis until 2014 when it put in place a formal constitution. This body is still a grouping of trade associations i.e. it is an unincorporated body and not a legal entity. The constituted group is known as the Joint Trade Association Group, although for brevity it uses the initials JTA.

## 2. Joint Trade Associations (Contracts) Ltd (JTAC)/Material Focus

As the JTA is not a legal entity, a separate company, Joint Trade Associations (Contracts) Limited (JTAC, now publicly branded as Material Focus), was formed for the express purposes of entering into contracts with third-party organisations for services such as the Fee administration. JTAC is a not-for-profit company, limited by guarantee rather than by shareholdings so that no distribution of funds to its members is possible. The Members of JTAC are four trade associations within the JTA, namely AMDEA, BEAMA, LIA and techUK, whose members have significant household WEEE obligations. The Directors and Company Secretary of JTAC are senior representatives of these four trade associations.

By forming JTAC as described above and contracting-out responsibility for administering the Fee to a well-established, independent, organisation we have ensured that all commercially sensitive information reported into the Fee administration system will be kept confidential within the independent Administrator organisation only. We consider that a clear separation between the entity (JTAC Ltd) that contracts with the Administrator, and the entity that comprises Producer and PCS representatives (in our case the JTA) is vital for all Fee submissions. However, it should be noted that the existence of JTAC does not preclude the Government from taking a role in engaging or contracting with the Fee Administrator should it wish to do so.

JTAC has developed a significant amount of experience through the operation of the Fee in the years 2014 to 2015 and 2017 to 2023. Material Focus has produced an unrivalled set of research, feasibility studies and data to help inform Government Policy with respect to the WEEE regime including:

- [Waste electricals: towards a circular economy](#)
- [Retailer Take-back: An industry briefing for retailers](#)
- [Metrics that could help drive circularity in the UK's waste electricals and portable battery systems](#)
- [Vapes recycling: An industry briefing for retailers and producers](#)
- [Business Electrical Waste - Challenges and opportunities](#)
- [A UK WEEE matching system: a feasibility study](#)
- [Encouraging battery recycling to reduce waste stream fires](#)
- [Fly-tipping and unregistered waste carriers in England](#)
- [Kerbside collections for waste electricals](#)
- [Time for a WEEE infrastructure fund?](#)
- [Electrical Waste – Challenges and Opportunities: An investigation into Waste Electrical and](#)

[Electronic Equipment \(WEEE\) flows in the UK](#)

- [Waste Electrical and Electronic Equipment \(WEEE\): Public Attitudes and Behaviours in the UK](#)

## Appendix 5

# Draft forms for collecting information from PCSs and feedback on the Compliance Fee process

## 1. Administrator data template

The draft data template and instructions for completion are provided below.

All PCSs using the Fee, or choosing to supply collection cost data, will be provided with the data template in an Excel file format for completion and return to the Administrator.

### Instructions for completion of the data template

#### A. General requirements

##### *Scope of information to be provided*

PCSs wishing to use the Fee mechanism are required to complete sections 1, 2 and 3 for all streams for which the PCS has a WEEE financing obligation – even when they do not wish to use the Fee for all streams.

PCSs that do not wish to use the Fee but choose to supply LA DCF cost data on a voluntary basis, are required to complete section 2 for all streams where the PCS collects WEEE from LA DCFs.

All tonnage information should be stated after application of any relevant protocols i.e. it should reflect the tonnage of evidence that was issued to the PCS. Tonnages should be entered to three decimal places (i.e. not rounded to the nearest tonne).

##### *Identify related party transactions requiring disclosure*

Please indicate on the template if data submitted includes any related party transactions. Related party transactions for the purpose of this template are those that take place between the PCS and other organisations within the same corporate grouping as the PCS, for instance with other divisions within the same legal entity as the PCS, or with associate, joint venture, parent or subsidiary companies, as defined by the Companies Act. Examples of related party transactions would be WEEE transport and treatment services provided to, or evidence sold to the PCS by another company within the same corporate grouping, or by an AATF operated by the PCS itself.

If data submitted includes any related party transactions, please provide further explanation with your submission to the Administrator. The Administrator will consider the related party nature of such transactions, and may, at their sole discretion, choose to remove such data from cost/tonne calculations.

##### *Process for handling queries*

If you have any further questions or need to modify the template in any way, please consult the Administrator.

##### *Administrator review requirements*

All backing documentation that supports the data included on the form should be made available to the Administrator for their data review. The PCS should be prepared to demonstrate how the data on the form reconciles to its quarterly WEEE returns to the relevant environment agency, its accounting records, or other supporting documentation, as appropriate.

## B. Guidance for numbered sections of the template

### 1. Shortfall/Surplus

#### *1a. WEEE collection target*

Please enter your PCS's exact household WEEE tonnage target in each stream. This should be the final target for your PCS for the 2024 compliance year as advised by the relevant environment agency.

#### *1b. Total WEEE evidence received*

For all WEEE streams please enter the exact household WEEE tonnage that your PCS has received evidence for by stream for the 2024 compliance year, as recorded in your PCS's Settlement Centre account at close of business on 31<sup>st</sup> January 2025 i.e. column 3 of your Settlement Centre Dashboard for the 2024 compliance year. This may be different to the amount of WEEE your PCS has directly collected, as it may **include** evidence obtained through other routes (e.g. purchased from AATFs or third parties such as other PCSs or waste management companies) and **exclude** any evidence transfers your PCS has made to other PCSs. This will be used to calculate your PCS's shortfall against its target.

Please see the note in section C below about how PBS collections undertaken by your PCS should be dealt with in the template.

#### *1c. Total Reuse evidence received*

For all WEEE streams please enter the exact tonnage of household WEEE reuse evidence that your PCS has received by stream for the 2024 compliance year, as recorded in your PCS's Settlement Centre account at close of business on 31<sup>st</sup> January 2025 i.e. column 4 of your Settlement Centre Dashboard for the 2024 compliance year. This figure should **not** be deducted from the amount of total WEEE evidence received reported in section 1b, the information is used for two different calculations.

### 2. Net costs of directly collected WEEE from LA DCFs

#### *2a. Tonnage of WEEE directly collected by the PCS from LA DCFs*

Please enter the tonnes of household WEEE in each stream directly collected by your PCS from LA- DCFs in the year specified.

Direct collections are those where your PCS has been contracted by the DCF Operator (LA or Waste Management Company operating the DCF on behalf of a LA) to finance the collection and treatment activity. Tonnage in relation to collections from, or evidence obtained from, any other sources (e.g. WEEE collected from other third parties, or evidence purchased from PCSs, AATFs or waste management companies) should not be included.

Please see the note in section C below about how PBS collections undertaken by the PCS should be dealt with in the template.

#### *2b. Total direct costs of collection, transport and treatment*

Please enter, in GBP, the direct, incremental and avoidable costs of the direct collections undertaken for each stream in the year specified, from the LA-DCF's reported in 2a above.

Direct costs may include:

- transport costs;
- container costs (e.g. rental or empty container delivery costs);
- other collection costs;
- treatment costs;
- environmental levies (e.g. waste transfer or consignment notes); and
- any other categories that meet the definitions of direct, incremental and avoidable above.

Direct, incremental and avoidable all relate to the same concept:

- Direct: Direct, or variable, costs and income are those that change in proportion to the amount of WEEE collected by the PCS.
- Incremental: Incremental, or marginal, costs and income are those additional costs and revenues that arise as further WEEE is collected.
- Avoidable: Avoidable, or separable, costs and income are those that could be eliminated if the WEEE was not collected.

Submitting only selected transactions is not acceptable. All transactions meeting these criteria must be included.

Cross-subsidisation of costs and income between streams is not acceptable. All costs and income for the collections reported in each *stream should be included in that stream*.

If you are not able to separate costs and income for a WEEE stream, please leave this section blank. You should exclude direct administrative (overhead) costs and any direct staff costs. Administrative costs, like management, HR, administration, IT, marketing and office rent, do not meet the definitions above and should not be included.

Please see the note in section C below about how PBS collections undertaken by the PCS should be dealt with in the template.

#### *2c. Gross income from resale or reuse of parts*

Please enter, in GBP, any income from the WEEE collections your PCS has reported as directly collected from the LA-DCFs reported in 2a above.

Income may relate to:

- reuse of EEE;
- sale of material parts; and
- any other income that meets the definitions of direct, incremental and avoidable above.

Please include all income in respect of the collections reported as directly collected from LA-DCFs, including any income redistributed to LA's or others.

If income for a stream is zero, please enter 0.

If you are not able to separate costs and income for a WEEE stream, please leave this section blank.

Please see the note in section C below about how PBS collections undertaken by the PCS should be dealt with in the template.

#### *2d. Total direct costs minus gross income*

If you were able to complete both the cost and income sections, this section will calculate the net cost automatically. No further data is required.

If you were not able to complete both the cost and income sections, please enter here the overall net cost for each stream of WEEE.

Ensure that all costs and income that comprise net cost relate to the LA-DCF collections you have reported in 2a above and meet the requirements specified in the Cost and Income sections above, including the definition of direct, avoidable and incremental.

Please see the note in section C below about how PBS collections undertaken by the PCS should be dealt with in the template.

### 3. Net costs of WEEE from all other sources

The tonnage and net cost in relation to all other (non-LA DCF) direct WEEE collections or for other evidence obtained by your PCS in the specified year should be included in this section, excluding:

- any tonnage or cost in relation to collections made for the PBS or evidence received from the PBS;
- any tonnage in relation to evidence issued to your PCS where no cost has been incurred by your PCS, for instance in relation to collections undertaken by a PCS Producer member

Where the cost of collections from other direct WEEE collections are included in this section they should be the direct, incremental and avoidable costs relating to those collections and should exclude direct administrative (overhead) costs. Further guidance regarding this is provided in section 2b above.

The PCS should be prepared to provide the Administrator with a reconciliation between the total WEEE evidence it reports in column 1b, and the tonnages reported in columns 2a and 3a. i.e. such that the difference is only accountable to the two exclusions mentioned above and any evidence notes transferred to other PCSs.

### C. Treatment of PBS costs

Throughout the data template, LA-DCF collections made on behalf of the PBS should be handled as follows:

- For LA-DCF collections which your PCS was appointed to manage at stage 1, these should be treated as direct collections from LA-DCFs and all costs and tonnage should be included. This applies to tonnage information required for completion of section 1b and 2a, and cost information required for completion of sections 2b, 2c and 2d (as appropriate).
- For LA-DCF collections which your PCS was appointed to manage at stages 2,3, or 4, you should calculate your PCS's share of the collections (in tonnes) it undertook on behalf of the PBS, and apply the cost per tonne it charged the PBS for those collections, and include the resulting tonnage and cost as direct collections from LA-DCFs. You should use your PCS's market share for the 2024 compliance year as notified by the relevant environment agency in its final household WEEE obligation notification. The calculated tonnage should be included in column 2a. The calculated cost should be included in column 2d.

You should not include any other tonnage or cost for evidence your PCS received from the PBS.

# Data Template

2024 Compliance Year Compliance Fee Mechanism  
 Compliance Fee PCS Request for Information Data Template Private and Business Confidential

PCS NAME

Please refer to the corresponding numbered sections in the instructions provided. This form relates to household WEEE only.

**1. SHORTFALL / SURPLUS**      **1a. Target**      **1b. Evidence**      **1c. Evidence**

PCS WEEE collection target      Total WEEE Evidence received      Total Reuse Evidence received

Year      Year      Year  
 Unit      tonnes (3dp)      tonnes (3dp)      tonnes (3dp)

For the period 1 January to 31 December 2024 - for submission on or before 21 February 2025

	1a. Target	1b. Evidence	1c. Evidence
(1) Large Household Appliances			
(2) Small Mixed WEEE			
(3) Display Equipment			
(4) Cooling Appliances Containing Refrigerants			
(5) Lamps			
(6) Photovoltaics			

**2. NET COST OF DIRECTLY COLLECTED WEEE FROM LA-DCFs**      **2a. Collected**      **2b. Costs**      **2c. Income**      **2d. Net cost**

Tonnage of WEEE directly collected by the PCS      Total direct costs of collection, transport and treatment, Gross income reuse of parts      from resale or Total direct costs minus gross income

From LA DCFs      From LA DCFs      From LA DCFs      From  
 LA DCFs Year      Year      Year        
 Unit      tonnes (3dp)      £ (2dp)      £ (2dp)      £  
 (2dp)

For the period 1 January to 31 December 2024 - for submission on or before 21 February 2025

	2a. Collected	2b. Costs	2c. Income	2d. Net cost
(1) Large Household Appliances				0.00
(2) Small Mixed WEEE				0.00
(3) Display Equipment				0.00
(4) Cooling Appliances Containing Refrigerants				0.00
(5) Lamps				0.00
(6) Photovoltaics				0.00

**3. NET COST OF WEEE FROM ALL OTHER SOURCES**      **3a. Collected**      **3b. Net cost**

Tonnage of WEEE from all other sources      Net cost of WEEE from all other sources

Year      Year  
 Unit      tonnes (3dp)      £ (2dp)

For the period 1 January to 31 December 2024 - for submission on or before 21 February 2025

	3a. Collected	3b. Net cost
(1) Large Household Appliances		
(2) Small Mixed WEEE		
(3) Display Equipment		
(4) Cooling Appliances Containing Refrigerants		
(5) Lamps		
(6) Photovoltaics		

The data above includes related party transactions as described in general requirements section of the instructions      Yes/No (delete as appropriate)

Signature of director authorising submission of the data template        
 Name of director



## 2. PCS Fee Process Evaluation Form

The draft PCS Fee Process Evaluation Form is provided below. All PCSs using the Fee or choosing to supply LA-DCF collection cost data, will be provided with the form by the Administrator and will be invited to provide feedback on the 2024 Fee process.



### Using the 2024 WEEE Compliance Fee Feedback form

Please circle your responses:

1. Was the data (e.g. tonnage, costs) you were asked to supply readily available?
- |                       |   |   |   |                |
|-----------------------|---|---|---|----------------|
| Not readily available |   |   |   | Easy to locate |
| 1                     | 2 | 3 | 4 | 5              |

If you have scored 3 or less, please explain:

2. Did the Compliance Fee administrator (Forvis Mazars) respond rapidly to any information requests?
- |                 |   |   |   |                  |
|-----------------|---|---|---|------------------|
| Slow to respond |   |   |   | Quick to respond |
| 1               | 2 | 3 | 4 | 5                |

If you have scored 3 or less, please explain:

3. Were the instructions for completing the data submission spreadsheet clear and unambiguous?
- |           |   |   |   |       |
|-----------|---|---|---|-------|
| Ambiguous |   |   |   | Clear |
| 1         | 2 | 3 | 4 | 5     |

If you have scored 3 or less, please explain:

4. How would you rate the professionalism of the auditor?
- |                |   |   |   |              |
|----------------|---|---|---|--------------|
| Unprofessional |   |   |   | Professional |
| 1              | 2 | 3 | 4 | 5            |

If you have scored 3 or less, please explain:

5. Any other comments?

## Appendix 6

### JTA process for spending the Compliance Fee Fund in respect of the 2024 Compliance Period

#### 1. 2024 Fund disbursement proposal - summary

The JTA proposes that any Fees paid by PCSs in 2024 be added to the Fee Funds accrued to date and be disbursed as set out below.

Since 2020 the spending priorities of the Funds accrued through the Fee have been determined independently of the JTAC Board through the Spending Panel (previously known as the Advisory Panel).

Since 2021, the Spending Panel has been made up of representatives from the Department for Environment, Food & Rural Affairs (Defra), Approved Authorised Treatment Facilities Forum (AATF Forum), Industry Council for Electronic Equipment Recycling (ICER), Local Authority Recycling Advisory Committee (LARAC), National Association of Waste Disposal Officers (NAWDO), WEEE Schemes Forum (WSF), Reuse Network, three producer trade associations, the Joint Trade Associations (JTA) and the Environmental Services Association (ESA). Each organisation may vote on proposals brought to the panel, unless there are conflicts of interest. The composition of the Spending Panel provides an opportunity for all key stakeholders within the WEEE system to propose and agree spending plans in line with the identified needs of the UK WEEE system. All Spending Panel representatives are appointed on the basis that they consult with their membership and, where appropriate, contribute ideas and worked-up fundable projects for consideration. Stakeholders who are not members of the Spending Panel but have project suggestions can submit these to Material Focus for consideration by the Spending Panel, or any relevant sub-group.

Funds have been divided into three “pillars”: technical projects (Insights); projects covering local authority kerbside support and some reuse and repair (Investment); and a communications and behaviour change programme (Inspiration). Initiatives are in progress under all three pillars, and the JTA proposes to continue with these three Fund pillars.

Material Focus Fund spend and allocations to end June 2024 are as follows:

Activity	Allocation	Spend to date	Remaining
Insights	£3,000,000	£1,671,797	£1,328,203
Investments	£3,500,000	£1,153,303	£2,346,697
Inspiration	£9,000,000	£7,691,647	£1,308,353
Covid-19 grants	£481,223	£481,223	£0
Support and VAT	£11,342,141	£4,782,100	£6,560,041
<b>Total</b>	<b>£27,323,364</b>	<b>£15,780,070</b>	<b>£11,543,294</b>

As summarised above, compliance fee funds raised to date now exceed £27 million, of which £11.5 million remains to be spent. The funding of the Inspirations programme (the Recycle Your Electricals campaign) is currently committed to 31st December 2024. A £750k national TV, radio and social HypnoCat campaign ran in March 2023 and a similar sized campaign ran again in October 2023, March 2024 and is planned for October 2024. Following external independent analysis on the success of the campaign, more national pushes are proposed across 2024 and 2025. The JTA proposes that subject to demonstration of value for money, including impact, a further £2.5 million of the unspent Fund is committed to this pillar to expand and continue the programme through to end December 2025.

Whilst there have been many beneficial projects and activities to date, the JTA considers an additional fund should be launched to recognise the importance of the Circular Economy. The Circular Electricals Fund will focus on initiatives that increase the life of electricals and circular business models and applications for funding would be open to any organisation that undertakes activities in this area, but with a focus on associations that represent multiple organisations, rather than individual organisations. The JTA proposes that £2.5 million of the unspent Fund is allocated to this. The spend would be decided upon by a separate Innovation Spending Panel that is representative of the stakeholders in the sector, the members of this Spending Panel to be agreed in consultation with Defra. The JTA considers a different Spending Panel is appropriate because initiatives should by their nature reduce the amount of WEEE available for collection and this may conflict with the objectives of some of the current Spending Panel members.

Section 2 below explains the development of the current Fund and its governance process. Sections 3 to 5 set out further information on the JTA’s proposal regarding its disbursement.

## 2. Governance of the Fund

Governance of JTAC and Material Focus is subject to a comprehensive suite of policies and procedures including policies on anti-bribery and corruption, data protection, business conduct, security, and on handling complaints as well as those covering expenses, privacy, diversity and equality, and employment rights.

2.1 In 2019/20 an independent third-party “Agreed Upon Procedures” review of Material Focus was carried out by Macintyre Hudson to ensure disbursement was being conducted in line with the JTA’s proposals. The findings were shared with Defra and the recommendations suggested by the auditors – which outlined a small number of administrative improvements have since been implemented. As stated in last year’s JTA Fee proposal, a further independent third-party review took place in 2024 undertaken by Beevers and Struthers and further tweaks have been made to internal processes.

2.2 In 2021, to further increase the transparency of the activities and actions of Material Focus to stakeholders, an annual review was produced which provided an oversight of the structure of Material Focus, how it spent Fund fees, the impacts that were achieved and future vision. This was repeated in 2022 and a dedicated Material Focus website was launched in 2022 which is updated on a regular basis, including a new “live” impacts and KPI reporting.

2.3 The allocation of responsibilities between JTAC and the Spending Panels, including the new Innovation panel, is set out in the table below:

JTAC BOARD	SPENDING PANELS
<b>Remit</b>	
<ul style="list-style-type: none"> <li>Select and appoint an Administrator to carry out the operation of the Fee and an Executive Director to carry out disbursement of the Fund.</li> <li>Employ, review and evaluate the performance of the Administrator and Material Focus’ Executive Director.</li> <li>Determine JTAC policies and provide additional fiscal oversight of the Fund through multi-stage invoice approval process.</li> <li>Ensure that the composition, structure and capability of JTAC are appropriate for implementing agreed strategies.</li> <li>Meet its general governance and fiduciary duties.</li> </ul>	<ul style="list-style-type: none"> <li>To agree on the strategic direction of the Compliance Fee Fund disbursement plan for the pillars covered by the panel.</li> <li>To agree project and programme Fund disbursement strategy for Material Focus.</li> <li>To support appropriate sub-committees or panels to ensure the correct technical expertise is available to evaluate proposals and projects.</li> </ul>
<b>Composition</b>	
<ul style="list-style-type: none"> <li>Chaired by AMDEA, the JTAC Board is currently composed of senior representatives</li> </ul>	<ul style="list-style-type: none"> <li>Chaired by the Executive Director of Material Focus, the Spending Panels will consist of the</li> </ul>

<p>from the Lighting Industry Association, BEAMA, techUK., and the JTA Chair</p>	<p>Chair of JTAC and representatives of the relevant stakeholder community, including where appropriate, but not limited to representatives of EEE producers, WSF, WEEE recyclers, ICER, local authorities, reuse organisations, waste management companies and Defra.</p>
<p><b>Meetings</b></p>	
<ul style="list-style-type: none"> <li>• The Board will meet as required to fulfil its remit and will meet at least every quarter.</li> <li>• Minutes, agenda and papers will be circulated to those in attendance at least four working days in advance.</li> <li>• The quorum for meetings is three.</li> </ul>	<ul style="list-style-type: none"> <li>• The panels will meet as required to fulfil their remit and will meet at least twice a calendar year.</li> <li>• Minutes, agenda and papers will be circulated to those in attendance at least four working days in advance.</li> <li>• The quorum for meetings is six.</li> </ul>
<p><b>Voting / Decision Making</b></p>	
	<ul style="list-style-type: none"> <li>• While every attempt will be made to unanimously agree spending priorities in the event of split opinion the panels will vote on priorities.</li> <li>• Weighting of voting will be adjusted so that actors – government, local authorities, waste &amp; treatment operators, PCSs, and producers – have an equal vote.</li> <li>• In the event of a split of opinion, the Executive Director of Material Focus will take a deciding vote.</li> </ul>

### 3. Progress to date

#### 1. *Technical Projects (Insights):*

£3m was allocated with three open calls for research proposals having now taken place. In addition, specific projects identified by stakeholders and research to support the comms campaign have also been briefed and competitively tendered. Once completed the stand-alone reports are published, promoted and made available at [Publications and research - Material Focus](#). Where possible, technical research has been used to also support PR campaigns. To the end of June 2024 over 20 technical research projects have been funded totaling £1.6 million.

#### 2. *New collection and reuse projects (Investments):*

Following extensive discussions to determine the best way to support local authorities, in August 2019 a £3m small mixed WEEE kerbside collection infrastructure fund was launched alongside a £0.5m fund (making £3.5m in total) to help reuse organisations build capacity and expand their small mixed WEEE collections. Many of these projects were delayed due to the impact of the Covid-19 pandemic and have just been completed. Impact reports for these projects will be published by Material Focus and the findings used to develop case studies and direct future projects and investment. The Investments funding was relaunched as the Electricals Recycling Fund, with a broader scope in late 2022. Over 40 projects have been identified that will make it easier for 10 million more people to reuse and recycle their electricals. To the end of June 2024, over 60 projects have been funded totalling £2.5 million. Appropriate KPIs and reporting metrics are built into each project and case studies have been produced for some of the key ones to help inform new projects when they consider making funding submissions.

### **3. Communications and Behaviour Change (Inspiration):**

Material Focus launched the Recycle Your Electricals campaign in Spring 2020. A new information hub has been developed at [www.recycleyourelectricals.org.uk](http://www.recycleyourelectricals.org.uk) and various PR and marketing activities have taken place.

Material Focus has built appropriate KPI measures into its campaigns so that the contribution of these to higher levels of collection, recycling and re-use, or to wider WEEE objectives where relevant, can be assessed.

Campaign highlights and impacts to date include:

- Material Focus designed and built a best-in-class postcode locator tool that allows for search by type of equipment and by action (donate, fix or recycle). It also flags if particular postcodes might have kerbside in their areas. From circa 3k drop-off points at launch in March 2020, as of March 2024 there are now over 22k listed drop off points for electricals and portable batteries.
- In 2023 over 1 million new users visited the Recycle Your Electricals campaign website.
- The Recycle Your Electricals campaign has now worked with over 200 UK local authorities on a mix of funded collection projects and communication projects.
- To date, Material Focus and Recycle Your Electricals have been mentioned in over 5,000 mainstream media articles, interviews and appearances across BBC National and Local News, ITV National and Local News, BBC Radio 4, BBC Radio 5 Live, all BBC local radio stations, Times Radio, Radio Times, Heart, Absolute, The Voice of Islam, Financial Times, The Daily Mail, The Daily Express, The Sun, The Times, The Guardian, The Telegraph, Grazia, Hello, Which, Country Life and hundreds of trade, specialist and regional titles.
- 47 projects across the UK have been supported through the Electricals Recycling Fund and will make it easier for 10 million more people to reuse and recycle their electricals.
- 8 multi-channel campaigns across the year in 2023.
- 54% campaign recognition across PR, TV, digital and radio in 2023.
- 3,989 pieces of coverage in print, online and broadcast in 2023.
- 8.6 million people reached on social media in 2023.
- For 2023, PR campaign overall reach was 11.6 billion, quadrupled from 2022 where the reach was 3 billion.
- Advertising Value Equivalent of media coverage was over £100 million in 2023.
- Over 100 live brand partnerships with organisations, including major electrical retailers.
- 217 local authorities worked with to date across all campaigns, reaching a potential 39 million people.

### **4. Covid-19 loan and grant support scheme:**

Using 2019 Fee payments, and in response to the Covid-19 pandemic impact on WEEE collections, Material Focus put in place a loan and grant support scheme to support commercial WEEE treatment facilities and reuse organisations. Nearly £2 million in interest free loans was provided to 14 commercial electrical waste treatment facilities, repayments over a 24 month period having commenced in July 2021. All repayments due have now been made on time and the loan package is now completely and successfully repaid. In addition, 34 organisations in the charity sector supporting the reuse of electricals received just under £500k in grants.

Funding principles for future projects and research would continue to be as follows.

- All projects and applications for funding must demonstrate how they will improve the UK WEEE system, including increasing collections, environmental outcomes, reuse or circular business models where this is relevant to the project. The funds are not available to meet normal operating costs or to pay for the collection or treatment of non-household WEEE.
- Keep the process as simple as possible, thereby reducing the administrative burden of making an application for funding to a reasonable and proportionate level. Low value applications should require

a lower level of detail than higher value applications.

- Provide clear criteria for organisations to meet when preparing their applications for funding, e.g. demonstrating that the application is in respect of new projects and encourages collaboration. For the avoidance of doubt, EEE producers (individually or collectively) are also eligible to apply for funding, where they can demonstrate they meet the designated criteria.
- All approved funds are drawn down by the applicant organisations and paid by the Administrator. Payment schedules are agreed with the applicants. Typically, a proportion of the funds will be held back until completion of the project.
- On satisfactory completion, and unless there are strong reasons to the contrary, technical research will be made public, circulated to stakeholders and posted on the [www.recycleyourelectricals.org.uk](http://www.recycleyourelectricals.org.uk) site. Additional publicity will be considered on a case-by-case basis.
- The effectiveness of interventions are evaluated using the criteria specified in the relevant project brief and made public via the Material Focus website, following the conclusion of projects using an appropriate range of indicators. This would include how collections or reuse have been increased, where relevant to the project and other relevant reporting metrics.

Prospective applicants would be encouraged to engage with Material Focus when formulating research ideas so that potential synergies and collaborations can be identified and encouraged.

The process for making applications for funding will be tailored to each project, which may include submitting them by email using a standard template form, available via the Material Focus website, or as otherwise requested by Material Focus. Applications would be assessed based on their compatibility with the evaluation criteria. Material Focus will work with the relevant stakeholder groups, Defra and the Environment Agencies to ensure it reaches relevant parties.

Material Focus may also issue tenders requesting applications for research projects that have been approved by the Spending Panels, or for services they procure in relation to other spending agreed by the Spending Panels.

#### **4.1 Processing and approval of Fund applications**

Following approval of Fund disbursements by the Spending Panels, judging panel(s) established by the Spending Panels may be used to further assess and approve applications received for funding and/or tender responses. Where a judging panel is established the Material Focus Executive Director will ensure that: all applications are checked for completeness; any points of clarification are given to potential applicants; all applications are consolidated and submitted to the judging panel for consideration. Costs, if any, associated with the judging panel meeting(s) will be part of the administration costs of the Fee system.

The judging panel(s) will assess all applications using the criteria set out in the request for proposal, or the notification inviting funding proposals or any relevant general criteria above, plus an assessment of factors such as environmental benefits, innovation, sustainability and value for money. The judging panel(s) will instruct the Material Focus Executive Director to implement the decisions. Any panel member with a commercial interest in a particular project will not be eligible to vote on that project to avoid any conflicts of interest.

Material Focus will advise each applicant whether they have been successful or not, the extent of the funds allocated to them, and agree with them the expected drawdown of funds.

Where Fund disbursements are approved by the Spending Panels, but judging panels are not used, the process above will be followed by Material Focus to assess and approve applications or tender responses received.

The Material Focus Executive Director will report to Defra and stakeholders periodically as to progress of the projects.

#### **4.2 Defra Projects**

The JTA recognise that Defra may have some specific WEEE projects for which funding may be required. The JTA welcomed the use of the 2017 to 2022 Funds for such projects if they contributed to the enhancement of the UK's WEEE system and would do so again with the 2024 Fund.

### **5. Continuity of the Fund**

Recognising the substantial funds accrued by the Fee in recent years, the nature of the work being carried out through the Fund (which requires contractual commitments that extend beyond the single Fee year), and the level of commitment required to ensure that JTAC operates as a professional, standalone entity to disperse these funds, JTAC/Material Focus will offer to continue to act as the disbursement entity if any other organisation is appointed as operator of the 2024 Fee. This approach will help to improve the efficiency in the spend of the Fund, avoid the need for duplicating administrative bodies and will reduce confusion in the market. Under this arrangement, funds accrued through the use of the Fee, regardless of the operator, could be transferred to the Administrator and the Material Focus Executive Director will follow the process described in the proposal for disbursement.

Furthermore, the disbursement entity could undertake the function of a central administrative body covering a wider scope of WEEE activities, should Defra consider this appropriate.

### **6. Potential links with other schemes disbursing funding for household WEEE improvements**

This proposal sets out a standalone process. For the 2014 and 2015 Fee Fund process, with the support of Defra, the JTA and the Distributor Take-back Scheme (DTS) cooperated to create a single call for proposals as they both managed funds with very similar criteria for allocation. In the event that the DTS has funds available, JTA would again be pleased to cooperate and, if considered appropriate, act as the management entity for the DTS and the disbursement vehicle for the Funds in the interests of reducing administration work for applicant organisations and ensuring a coordinated approach to how funds generated through both the DTS and the Fee are spent. In such an event, a representative from the retail community would also be offered a seat on the appropriate Spending Panel.

## Appendix 7

### Fee calculation examples

This Appendix provides examples of the Fee calculation for a PCS and is based on the different elements within the Fee formula.

The examples are split into three sections:

- Section A for those streams where national collections are below the national target;
- Section B for those streams where national collections exceed the national target;
- Section C provides examples of other calculations used in the Fee formula, such as the weighted average net cost per tonne of direct WEEE collections from LA DCFs ( $k_n$ ) and the Variable Administrative Cost per tonne ( $v_n$ ).

### Section A – For WEEE streams where national collections fall below the national target

In all examples in this section A the base UK data used is also used in the examples provided by FTI in sections A3.1 to A3.17 of Appendix 3 of the FTI report. The reference to the corresponding Fee cost per tonne calculation in the FTI report is provided where relevant. The third column provides the reference to the relevant part of the Fee formula:

Total national target for all PCS (t)	20,000	$T_n$
Total national collections of all PCS (t)	18,000	$C_n$
Proportion of total national collections from LA-DCF's	70%	$a$
Weighted annual average net cost/tonne of direct collections from LA-DCF's (£/t)	£50	$k_n$
Weighted annual average net cost/tonne of other WEEE sources (£/t)	£30	
Reuse Adjustment Premium co-efficient.	1	$h$
WEEE reuse evidence obtained by all PCSs (t)	900	$W_n$
Variable Administrative Cost per tonne	£3.50	$v_n$

Three examples have been provided to show the operation of the base Fee calculation and the impact of the WEEE Source Adjustment Premium and Reuse Adjustment Premium on this. The core data used in each example will be:

PCS collection target (t)	$t_n$
PCS actual collections (t)	$c_n$
PCS actual collections from LA DCF's (t)	$l_n$
PCS WEEE reuse evidence obtained	$w_n$

Base example 1 shows the relevant part of the formula within the Fee calculation and the high-level pictorial diagram to aid understanding. In example 1a, one element of the PCS data has been amended from that used in base example 1 to show the impact of the WEEE Source Adjustment Premium on the Fee calculation – the element changed is shown in red. In example 1b, one element has been amended from that used in base example 1 to show the impact of the Reuse Adjustment Premium on the Fee calculation – the element changed is shown in red.



## Example 1 – Base

### PCS data:

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	2,500	$l_n$
PCS WEEE reuse evidence obtained (t)	180	$w_n$

The UK has a shortfall in collections compared to target so the Normal escalator will apply:

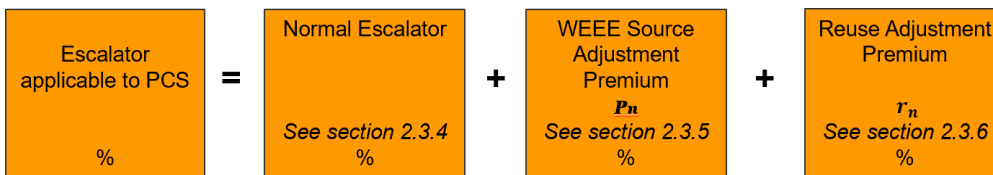
#### a. Calculate the PCS shortfall in evidence against its target ( $s_n$ )

$$(s_n) = (t_n - c_n)$$

$$5,000 - 3,000 = \mathbf{2,000}$$

The PCS has a 2,000 tonne shortfall against its target.

#### b. Calculate the escalator applicable to the PCS



##### i. Calculation of the Normal escalator

The Normal escalator calculation is calculated as follows:

$$1 + \left( \frac{t_n - c_n}{t_n} \right)^2$$

The calculation is therefore:

$$1 + ((5,000 - 3,000)/5,000)^2 = \mathbf{1.16}$$

##### ii. Calculate if the PCS is required to pay a WEEE Source Adjustment Premium ( $p_n$ )

$$p_n = d * \left( a - \frac{l_n + s_n}{t_n} \right)$$

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a WEEE Source Adjustment Premium.

$$0.7 - (2,500 + 2,000)/5,000 = -0.2$$

The WEEE Source Adjustment Premium will be **0.00** for this PCS because the resulting calculation is negative and the WEEE Source Adjustment Premium cannot reduce the Base escalator.

##### iii. Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )

$$r_n = h * \left( \frac{W_n}{C_n} - \frac{w_n}{c_n} \right)$$

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a Reuse Adjustment Premium:

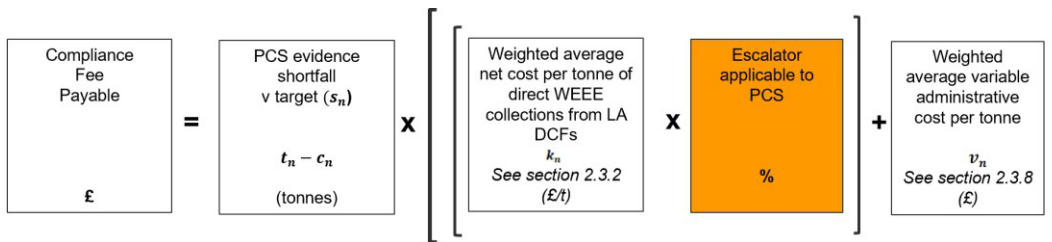
$$900/18,000 - 180/3,000 = - 0.01$$

The Reuse Adjustment Premium will be **0.00** for this PCS because the outcome of the calculation is 0.00 or below which means it's proportion of reuse evidence obtained is better than the national average.

**iv. Calculate the total escalator applicable to the PCS**

$$1.16 + 0.00 + 0.00 = 1.16$$

**c. Calculate the Fee payable by the PCS**



$$2,000 \times ((£50 \times 1.16) + £3.50) = \mathbf{£123,000}$$

This equates to £61.50 per tonne and corresponds to the assumptions used in example A3.4 in Appendix 3 of the FTI report.

**Example 1a**

**PCS data:**

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	1,000	$l_n$
PCS WEEE reuse evidence obtained (t)	180	$w_n$

Calculation of the Fee for the PCS:

**a. Calculate the PCS shortfall in evidence collected against its target ( $s_n$ )**

Unchanged from example 1 – **2,000**

**b. Calculate the escalator applicable to the PCS**

**i. Calculation of the Normal escalator**

Unchanged from example 1 – **1.16**

ii. **Calculate if the PCS is required to pay a WEEE Source Adjustment Premium ( $p_n$ )**

$$0.7 - (1,000 + 2,000)/5,000 = 0.100$$

A WEEE Source Adjustment Premium is payable by this PCS because the resulting calculation is positive.

The combination of the PCS LA-DCF collections  $l_n$  and the tonnes for which a Fee will be paid ( $s_n$ ) result in a ratio that is lower than the national percentage of collections from LA DCFs ( $a$ ).

The calculation is:

$$(50/30 - 1) * (0.7 - (1,000 + 2,000)/5,000) = 0.07 \text{ (rounded to 2dp)}$$

iii. **Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )**

Unchanged from example 1 – 0.00

iv. **Calculate the total escalator applicable to the PCS**

The total escalator applicable to the PCS is:

$$1.16 + 0.07 + 0.00 = 1.23$$

c. **Calculate the Fee payable by the PCS**

$$2,000 \times ((£50 \times 1.23) + £3.50) = £130,000$$

This equates to £65.00 per tonne as set out in section A3.10 of Appendix 3 in the FTI report.

**Example 1b**

**PCS data:**

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	2,500	$l_n$
PCS WEEE reuse evidence obtained (t)	120	$w_n$

Calculation of the Fee for the PCS:

a. **Calculate the PCS shortfall in evidence collected against its target ( $s_n$ )**

Unchanged from example 1 – 2,000

b. **Calculate the escalator applicable to the PCS**

i. **Calculation of the Normal escalator**

Unchanged from example 1 – 1.16

ii. **Calculate if the PCS is required to pay a WEEE Source Adjustment Premium ( $p_n$ )**

Unchanged from example 1 – 0.00

iii. **Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )**

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a Reuse Adjustment Premium:

$$900/18,000 - 120/3,000 = 0.01$$

A Reuse Adjustment Premium is payable by this PCS because the outcome of the calculation is greater than 0.00. The reuse evidence obtained by the PCS compared to its total collections results in a ratio that is lower than the national percentage of reuse evidence generated from collections.

The calculation is:

$$1 \times (900/18,000 - 120/3,000) = 0.01$$

iv. **Calculate the total escalator applicable to the PCS**

The total escalator applicable to the PCS is:

$$1.16 + 0.00 + 0.01 = 1.17$$

c. **Calculate the Fee payable by the PCS  $2,000 \times ((£50 \times 1.17) + £3.50) = £124,000$**

This equates to £62.00 per tonne as set out in section A3.16 of Appendix 3 in the FTI report.

## Section B – For WEEE streams where national collections exceed the national target

The data below is the same as that used in Section A above, other than the level of national collections and reuse evidence achieved.

Total national target for all PCS (t)	20,000	$T_n$
Total national collections of all PCS (t)	22,000	$C_n$
Proportion of national collections from LA-DCFs	70%	$a$
Weighted annual average net cost/tonne of direct collections from LA- DCFs (£/t)	£50	$k_n$
Weighted annual average net cost/tonne of other WEEE sources (£/t)	£30	
Reuse Adjustment Premium co-efficient	1	$h$
WEEE reuse evidence obtained by all PCSs (t) <i>Note 1</i>	1,100	$w_n$
Variable Administrative Cost per tonne	£3.50	$v_n$

*Note 1: Assumed to increase proportionately with the national collections figure.*

As in section A, three examples have been provided, to show the base Fee calculation and the impact of the operation of the WEEE Source Adjustment Premium and Reuse Adjustment Premium. The core data used in each example will be:

PCS collection target (t)	$t_n$
PCS actual collections (t)	$c_n$
PCS actual collections from LA DCFs (t)	$l_n$
PCS WEEE reuse evidence obtained (t)	$w_n$

Base example 2 shows the relevant part of the formula within the Fee calculation and the high-level pictorial

diagram to aid understanding. In example 2a, one element of the PCS data has been amended from that used in base example 2 to show the impact of the WEEE Source Adjustment Premium on the Fee calculation – the element changed is shown in red. In example 2b, one element has been amended from that used in base example 2 to show the impact of the Reuse Adjustment Premium on the Fee calculation – the element changed is shown in red.

## **Example 2 – Base**

PCS data:

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	2,500	$l_n$
PCS WEEE reuse evidence obtained (t)	180	$w_n$

National collections exceed the national target:

$$C_n - T_n$$

$$22,000 - 20,000 = 2,000$$

Calculation of the Fee for the PCS:

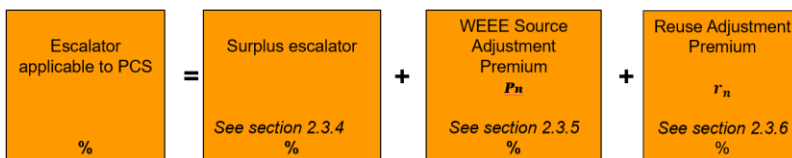
**a. Calculate the PCS shortfall in evidence collected against its target ( $s_n$ )**

$$(s_n) = (t_n - c_n)$$

$$5,000 - 3,000 = 2,000$$

The PCS has a 2,000 tonne shortfall against its target.

**b. Calculate the escalator applicable to the PCS**



**i. Calculation of the Surplus escalator**

The Surplus escalator is calculated as follows:

$$\left( \frac{C_n}{T_n} + 2 \times \left( \frac{t_n - c_n}{t_n} \right)^2 \right)$$

The calculation is therefore:

$$(22,000/20,000) + 2 \times ((5,000-3,000)/5,000)^2 = 1.42$$

ii. Calculate if the PCS is required to pay a WEEE Source Adjustment Premium ( $p_n$ )

$$p_n = d * \left( a - \frac{l_n + s_n}{t_n} \right)$$

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a WEEE Source Adjustment Premium:

$$0.7 - ((2,500 + 2,000)/5,000) = - 0.2$$

A WEEE Source Adjustment Premium is not required because the resulting calculation is negative and it cannot reduce the effect of the escalator.

The WEEE Source Adjustment Premium is therefore **0.00**

iii. Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )

$$r_n = h * \left( \frac{W_n}{C_n} - \frac{w_n}{c_n} \right)$$

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a Reuse Adjustment Premium:

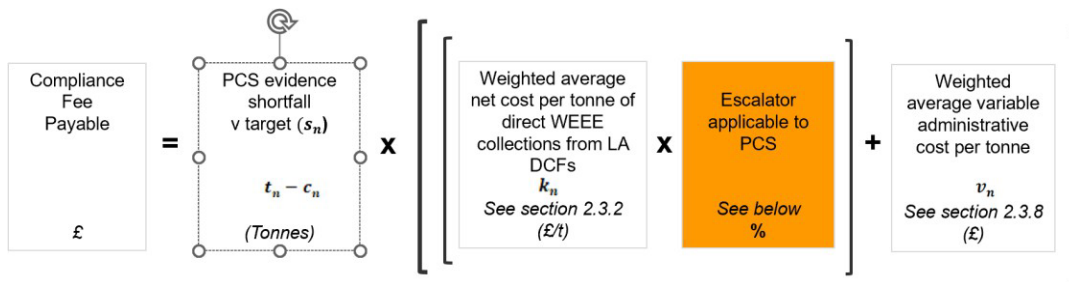
$$1,100/22,000 - 180/3,000 = -0.01$$

The Reuse Adjustment Premium will be **0.00** for this PCS because the outcome of the calculation is 0.00 or below which means it's proportion of reuse evidence obtained is better than the national average.

iv. Calculate the total escalator applicable to the PCS

$$1.42 + 0.00 + 0.00 = 1.42$$

c. Calculate the Fee payable by the PCS (Section 2.2)



$$2,000 \times ((£50 \times 1.42) + £3.50) = \mathbf{£149,000}$$

This equates to £74.50 per tonne as set out in sections A3.6 of Appendix 3 in the FTI report.

## **Example 2a**

PCS data:

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	1,000	$l_n$
PCS WEEE reuse evidence obtained (t)	180	$w_n$

Calculation of the Fee for the PCS:

**a. Calculate the PCS shortfall in evidence collected against its target ( $s_n$ )**

The total shortfall is unchanged from example 2,000.

**b. Calculate the escalator applicable to the PCS**

**i. Calculation of the Base escalator**

Unchanged from example 2 – 1.42

**ii. Calculate if the PCS is required to pay a WEEE Source Adjustment Premium ( $pn$ )**

The calculation within the brackets in the formula is undertaken first to establish if the PCS needs to pay a WEEE Source Adjustment Premium.

$$0.7 - (1,000 + 2,000)/5,000 = 0.10$$

A WEEE Source Adjustment Premium is payable by this PCS because the resulting calculation is positive.

The combination of the PCS LA-DCF collections  $l_n$  and the tonnes for which a Fee will be paid  $s_n$  result in a ratio that is lower than the national percentage of collections from LA DCFs  $a$ .

The calculation is:

$$(50/30 - 1) * (0.7 - (1,000 + 2,000)/5,000) = 0.07 \text{ (rounded to 2dp)}$$

**iii. Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )**

Unchanged from example 2 – 0.00

**iv. Calculate the total escalator applicable to the PCS**

The total escalator applicable to the PBS is therefore:

$$1.42 + 0.07 + 0.00 = 1.49$$

**c. Calculate Fee payable by PCS**

$$2,000 \times ((£50 \times 1.49) + £3.50) = £156,000$$

This equates to £78.00 per tonne as set out in section A3.11 of Appendix 3 in the FTI report

## **Example 2b**

PCS data:

PCS collection target (t)	5,000	$t_n$
PCS actual collections (t)	3,000	$c_n$
PCS actual collections from LA DCFs (t)	2,500	$l_n$
PCS WEEE reuse evidence obtained (t)	120	$w_n$

Calculation of the Fee for the PCS:

**a. Calculate the PCS shortfall in evidence collected against its target**

The total shortfall is unchanged from example 2 – **2,000**.

**b. Calculate the escalator applicable to the PCS**

**i. Calculation of the Base escalator**

Unchanged from example 2 – **1.42**

**ii. Calculate if the PCS is required to pay a WEEE Source Adjustment Premium**

Unchanged from example 2 – **0.00**

**iii. Calculate if the PCS is required to pay a Reuse Adjustment Premium ( $r_n$ )**

$$1,100/22,000 - 120/3,000 = \mathbf{0.01}$$

A Reuse Adjustment Premium is payable by this PCS because the outcome of the calculation is greater than 0.00. The reuse evidence obtained by the PCS compared to its total collections results in a ratio that is lower than the national percentage of reuse evidence generated from collections.

The calculation is:

$$1 \times (1,100/22,000 - 120/3,000) = \mathbf{0.01}$$

**iv. Calculate the total escalator applicable to the PCS**

The total escalator applicable to the PBS is therefore:

$$\mathbf{1.42 + 0.00 + 0.01 = 1.43}$$

**c. Calculate Fee payable by PCS**

$$\mathbf{2,000 \times ((£50 \times 1.43) + £3.50) = £150,000}$$

This equates to £75.00 per tonne as set out in sections A3.17 of Appendix 3 in the FTI report.



## Section C – Examples of other calculations used in the Fee formula

### 1. Weighted average net cost per tonne of direct WEEE collections from LA DCFs ( $k_n$ )

In this example, 3 PCSs are providing cost and collection data to the Administrator (in section 2 of the draft template provided in Appendix 5):

PCS	Tonnage collected (section 2a)	Net cost (section 2d)
PCS 1	1,000	£30,000
PCS 2	1,250	£55,000
PCS 3	750	£65,000
<b>Total</b>	<b>3,000</b>	<b>£150,000</b>

( A )                      ( B )

*Weighted average net cost per tonne of direct WEEE collections from LA DCFs*

$$= £150,000 \div 3,000 = \mathbf{£50.00} \text{ per tonne}$$

### 2. Variable Administrative Cost ( $v_n$ )

In this example, 2 PCSs' provided cost and collection data to Anthesis:

Stream	PCS 1		PCS 2		Total		Admin cost/tonne
	No. of collections	Weight of collections (tonnes)	No. of collections	Weight of collections (tonnes)	No. of collections	Weight of collections (tonnes)	
	<b>A1</b>	<b>B1</b>	<b>A2</b>	<b>B2</b>	<b>1 + A2 = A3</b>	<b>1 + B2 = B3</b>	<b>A3 x D / B3</b>
LHA	100	7	-		100	7	£7.14
SMW	75,000	750	-		75,000	750	£50.00
Display	5,000	150	7,500	263	12,500	413	£15.13
Cooling	20,000	1,400	-		20,000	1,400	£7.14
Lamps	1,000	2	-		1,000	2	£250.00
PV Panels		-	100	2	100	2	£25.00
Non- WEEE	100	3	-		100	3	
<b>Total</b>	<b>101,200</b>	<b>2,312</b>	<b>7,600</b>	<b>265</b>	<b>108,800</b>	<b>2,577</b>	

	PCS 1	PCS 2	Total
Admin Cost	£50,000	£4,000	£54,000

( C )

$$\text{Admin Cost/Collection (C} \div \text{A)} = £54,000 \div 108,800 = \mathbf{£0.50} \text{ (rounded) D}$$

### 3. Weighted annual average net cost/tonne of other WEEE source collections

In this example, 3 PCSs are providing cost and collection data to the Administrator (in section 3 of the draft template provided in Appendix 5):

<b>PCS</b>	<b>Tonnage of WEEE from all other sources (section 3a)</b>	<b>Net cost of WEEE from all other sources (section 3b)</b>
PCS 1	2,000	£55,000
PCS 2	1,150	£35,000
PCS 3	850	£30,000
<b>Total</b>	<b>4,000</b>	<b>£120,000</b>

Weighted average net cost per tonne of other WEEE source collections:

$$= £120,000 \div 4,000 = \mathbf{£30.00} \text{ per tonne}$$

## Appendix 8

### Stakeholder Feedback

Two organisations used the feedback form provided to give further information regarding the compliance fee process. One, a PCS, was happy with every aspect of the process. Details of the comments from the other respondent are below. Please note they have been edited to retain anonymity of the responding organisation.

**1. Do you think Material Focus has sufficient oversight to ensure that the compliance fee is being spent in line with the aims and objectives set out by Government? If not, please let us know how you think it can be improved.**

Yes, Material Focus has sufficient knowledge and experience and is doing a good job in raising awareness of WEEE in general and encouraging increased collection rate of SMW. BUT: The aims and objectives set out by Government could be clearer. There appears to be confusion as to whether or not Compliance Fee money can only be spent on projects to increase collection of household WEEE or whether other projects which improve the overall WEEE system. It would be helpful if this were made clear. At a recent meeting it was acknowledged that because the Compliance Fee arises from under-collection of household WEEE, a major part of the fund should be spent on increasing collection. Our understanding however is that the much smaller 'Ad Hoc Fund' - on which the Spending Panel advises - is also able to fund other sorts of projects which will improve the overall WEEE system but not necessarily increase collection. If this is correct, it would be helpful to make it clear that projects are not 'out of scope' because they do not contribute to increased collection and, if possible, to give an indication of the sorts of projects that could be funded.

**2. Do you think the spending panel is the correct way to agree spending priorities? If not, how do you think spending priorities should be agreed?**

The Spending Panel is the best way we can think of to approve (or reject) proposals for projects put to the 'Ad Hoc' fund. BUT

i., Given the disparate interests of the Spending Panel ICER is not sure that it is appropriate for the panel to set priorities for spending; more to comment on/approve/reject project proposals which are submitted.

ii. Members of the Spending Panel need to act in the interests of overall WEEEE system, not in the interests of the groups they represent.

**3. Do you think the make-up of the spending panel has the right balance? If you believe the mix should be different, how do you believe the mix should change?**

We think the make-up of the panel has a good balance. It was suggested at our meeting that a retailer be added. We could support that, but it is important to get 'positive' retailer input.

**4. Do you believe that the Material Focus campaigns are having an impact?**

Yes

**5. Do you think that the projects allocated funds by the spending panel have been delivered in line with the 3 pillars of the compliance fee allocation?**

In general, yes, but there was a request at our meeting for the concept of the '3 pillars of compliance fee allocation' (see below) to be expressed in simpler, more 'robust' language.

**6. Are there any areas where money is not currently being allocated which you think would fit with the**

**3 pillars for compliance fee funding? If there are, would you be willing to submit a bid to the spending panel for consideration?**

Yes

**7. Do you have any other comments?**

It would be useful to expand the first 'pillar of compliance fee allocation', see below, to make it clear that it includes projects that will improve the WEEE system overall, including but not limited to, research." Insights - Identifying, producing and sharing insightful, timely and impactful research that fill knowledge gaps to help build a better UK e-waste/ WEEE system. Investments - Identifying and funding projects which help make it easier for people to reuse and recycle electricals. Inspiration - Creating and delivering communications which help make it feel easier for people to reuse and recycle electricals through MF's Recycle Your Electricals campaign.)

**Action taken to address Stakeholder Feedback**

We have agreed with this organisation that the JTA chair and the executive Director of Material Focus will join their next meeting and will discuss/ address the issues raised.

## Appendix 9

### WEEE Compliance Fee Fund Spending Panel: Terms of Reference 2024

#### Background

[Material Focus](#) is an independent not-for-profit organisation working to stop electricals being hoarded and thrown away, and working to ensure that they're reused and recycled instead.

The Material Focus WEEE Compliance Fee Fund comes from UK WEEE Regulations Compliance Fees. Fees are paid by electrical producers if they don't meet annual recycling targets set by the Government.

The Material Focus Board is made up of four producer trade associations who are also members of the Joint Trade Associations (JTA). These are the [Association of Manufacturers of Domestic Appliances](#) (AMDEA), [BEAMA](#), the [Lighting Industry Association](#) (LIA) and [techUK](#), whose members have significant household WEEE obligations.

#### Purpose

1. The WEEE Compliance Fee Fund Spending Panel (Spending Panel) provides support and advice for the disbursement of the funds collected through the UK WEEE Compliance Fee process.

#### Responsibilities

2. The Spending Panel operates independently of the Material Focus Board.
3. The Spending Panel has two roles:
  - To advise on the strategic direction of the fund disbursement plan, and
  - To review specific project proposals submitted on a case by case basis.
4. Members of the Spending Panel are expected to engage in debate and discussion and should be ready and willing to openly discuss issues with stakeholders and other members in every Spending Panel meeting.
5. Members of the Spending Panel are expected to consult with their own members on matters, agenda items and projects to be discussed by the Spending Panel, and to present these member views in every Spending Panel meeting.
6. All Spending Panel meetings will operate in full compliance with all aspects of UK competition law, and no discussions will be held that could breach such laws.
7. Members of the Spending Panel agree not to use or disclose to others, or permit the use or disclosure of, any Confidential Information, except as may be authorised in writing by the chair of the Spending Panel.

#### Membership

8. The Spending Panel will be chaired by the Executive Director of Material Focus.
9. The Secretariat for the Spending Panel will be provided by Material Focus.
10. The Spending Panel will be made up of the chair/specialist policy lead (or nominated representatives) of the following stakeholder groups:
  - Defra
  - AATF Forum

- ICER
- LARAC
- NAWDO
- WEEE Schemes Forum (WSF)
- Reuse Network
- Three producer trade associations
- Joint Trade Associations (JTA)
- Environmental Services Association (ESA)

11. If appropriate and agreed by members of the Spending Panel, other stakeholders can be invited to attend meetings on a regular basis.

### **Meetings**

12. The Spending Panel will meet at least two times a calendar year, with further meetings to be scheduled as required/agreed by the membership.
13. Meetings will be minuted unless a private session is requested and agreed to by the Chair.
14. The quorum for meetings is six, including the Chair.

### **Decision-making process**

15. A high level of consensus is required for all decisions by the Spending Panel.
16. The Spending Panel can consider specific proposals for fund disbursement, reserving the right to reject, make suggested amendments and/or to approve any such proposals received.
17. A conflict of interest occurs when an individual involved in the assessment of a proposal for funding has a personal, professional or organisational relationship with the applicants or will receive funding as a result of the proposal, thereby affecting their ability to undertake their role in an objective and unbiased way. Panel member(s) who have a conflict of interest in relation to a proposal for funding will not be included in the funding decision.
18. Where a potential study or project is discussed at a Spending Panel meeting, the Secretariat will only develop an outline once at least three members of the Spending Panel have indicated a willingness to support the preparation.

### **Secretariat**

19. Material Focus will manage and resource the work of the Spending Panel.
20. The Secretariat comprises of:

Scott Butler, Executive Director, Material Focus [scott@materialfocus.org.uk](mailto:scott@materialfocus.org.uk)

Alice Brady, Project Manager, Material Focus [alice@materialfocus.org.uk](mailto:alice@materialfocus.org.uk)

## Appendix 10

### Updated tables to be viewed in conjunction with the FTI Consulting 2023 report

**TABLE 1 - POM Data**

<b>Items</b>	<b>Q1 and Q2 2023</b>	<b>Q1 and Q2 2024</b>	<b>% change in EEE POM</b>
Large Household Appliances	266,719	267,639	(0%)
Display Equipment	36,855	38,405	(4%)
Cooling Appliances Containing Refrigerants	100,783	100,710	(0%)
Gas Discharge Lamps and LED Light Sources	2,734	2,208	-(20%)
Mixed WEEE	240,941	255,508	(6%)
Photovoltaic Panels	72,318	82,352	(14%)
<b>Total</b>	<b>720,350</b>	<b>746,822</b>	<b>(4%)</b>

**TABLE 2 - WEEE Collection Data**

<b>Items</b>	<b>Q1 and Q2 2024</b>	<b>Q2 2024 Targets</b>	<b>Pro-rata 2024 target</b>	<b>% of pro-rata 2024 target</b>
Large Household Appliances	83,588	159,273	79,637	(105%)
Display Equipment	23,616	46,239	23,120	(102%)
Cooling Appliances Containing Refrigerants	66,502	135,075	67,538	(98%)
Gas Discharge Lamps and LED Light Sources	1,913	4,059	2,030	(94%)
Mixed WEEE	71,383	137,185	68,593	(104%)
Photovoltaic Panels	206	504	252	(82%)
<b>Total</b>	<b>247,208</b>	<b>482,335</b>	<b>241,168</b>	<b>(103%)</b>