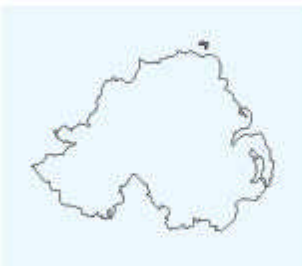
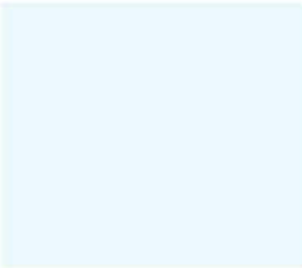
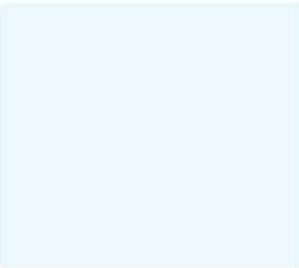


Consultation Paper September 2008

Financial Provision For Waste Management Activities In Northern Ireland



an Agency within the Department of the
Environment
www.doeni.gov.uk



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**Northern Ireland
Environment
Agency**

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1. INTRODUCTION

1.1 The purpose of this consultation:

The Northern Ireland Environment Agency (NIEA), formerly the Environment and Heritage Service (EHS), is an agency of the Department of the Environment. The aim of NIEA is to protect, conserve and promote our natural environment and built heritage and to contribute to the protection and improvement of human health for the benefit of present and future generations.

The aim of the Financial Provision Policy is to ensure waste companies in Northern Ireland (NI) have sufficient, specific resources available to address the environmental and human health impacts of their waste activity.

The aim of this consultation is to gain consultee comments on the proposed policy on the determination and demonstration of financial provision as required by the relevant waste management legislation.

The objectives of the Financial Provision Policy are;

- a) To ensure adequate funding is provided for as long as the waste activity presents a hazard to human health and / or the environment;
- b) In determining “adequate funding”, the operator must ensure all operational obligations and post-closure costs are identified and incorporated within the calculation of financial provision;
- c) The funding is available and readily accessible to the operator when required;
- d) The measures in place must be demonstrated, sound and be auditable by NIEA with minimum impact to business.

The obligation to provide adequate financial provision is laid down in legislation regulating waste management activities. The ‘polluter pays’ principle should apply. Activities that are covered by the legislation can be split into two broad headings; landfill and non-landfill waste management activities.

Financial provision for **non-landfill activities** is required under the Waste and Contaminated Land (NI) Order 1997 (the 1997 Order) and the Pollution Prevention and Control Regulations (NI) 2003 (PPC Regulations). Activities covered include waste treatment and transfer sites subject to waste management licensing and waste treatment sites regulated under the Pollution Prevention and Control Regulations.

For **landfill activities**, the requirement for financial provision is made by the Landfill Regulations (NI) 2003 and the Pollution Prevention and Control Regulations (NI) 2003.

NIEA must enforce the financial provision requirements of the aforementioned legislation. This consultation process sets out the arrangements proposed by NIEA in order to satisfy the legal requirements for financial provision.

1.2 Background information:

The Pollution Prevention and Control Directive 1996 require that activities listed in Annex 1 of the Directive must have a permit for the operation of the installation and must comply with the conditions of that permit. Landfilling activities are listed in paragraph 5 of Annex 1 and are, therefore, required to obtain a PPC permit for the operation of the landfill.

This requirement has been implemented in Northern Ireland through primary legislation in the form of The Environment (Northern Ireland) Order 2002, Schedule 1 of which empowers the Department to attach conditions to permits including a requirement that permit holders are “fit and proper persons”. Paragraphs 5 of Schedule 1 relates specifically to the requirement to determine “fit and proper” status.

The PPC Regulations require NIEA to make an assessment of whether the applicant is “fit and proper”, prior to the issue of a PPC permit. On issue of a permit, a condition is included which requires the permit holder to maintain financial provision throughout the life of the permit.

In addition to the requirement to satisfy the “fit and proper person” requirements, the Landfill Directive 1999 requires that operators of landfill sites are responsible for the closure and aftercare of their sites. As part of this, the operator must put in place adequate provision by way of financial security.

Article 28 of the Directive states that:

(28) Whereas the operator should make adequate provision by way of a financial security or any other equivalent to ensure that all the obligations flowing from the permit are fulfilled, including those relating to the closure procedure and after-care of the site.

The Directive is implemented in Northern Ireland through The Landfill Regulations (Northern Ireland) 2003. Regulation 8 of those Regulations specifies the conditions to be included in a landfill permit, including the following requirement for maintaining financial provision:

8. - (2) (b) Ensure that financial provision required by regulation 4(3)(b)(b) of the 2003 Regulations is maintained until the permit is surrendered in accordance with the Regulations.

In addition, Regulation 11 also specifies that:

11. - (1) The operator shall ensure that the charges it makes for the disposal of waste in its landfill covers all of the following:

(b) the cost of financial provision required by regulation 4(3)(b) of the 2003 Regulations.

It is anticipated that all licensed and permitted sites in Northern Ireland will have demonstrated and provided adequate financial provision within 3 months of the policy implementation. NIEA have assessed all existing sites and foresee applications of financial provision made for the following sites:

	Landfill Sites	Non-Landfill Sites
Number of Waste Management Licensed sites*	62	252
Number of PPC Permitted Installations*	10	13

*As at 11th August 2008

Any new applications made to NIEA for a Waste Management Licence or PPC Permit will also be required to satisfy the legal requirement for financial provision. NIEA is unable to anticipate how many applications will be received in future. This policy will not effect the 240 waste exemptions currently in place in Northern Ireland.

1.3 To whom the Financial Provision Policy will apply:

All waste management activities subject to the waste management licensing requirements of the Waste and Contaminated Land (Northern Ireland) Order 1997. This includes all sites where a Waste Management Licence currently exists and any new applications for Waste Management Licences.

Any specified waste management activity listed in Schedule 1 of the Pollution Prevention and Control Regulations 2003, including, but not limited to; Section 5.2 Disposal of waste by landfill, Section 5.3 Disposal of waste other than by incineration or landfill and Section 5.4 Recovery of Waste.

The policy will extend to current holders of PPC permits for specified waste management activities. The policy will also apply to any new applications for a specified waste management activity as listed in the PPC Regulations.

This paper will be of interest to all operators of waste management facilities. It will also be of interest to finance providers, local authorities and landowners.

The PPC Regulations require NIEA to make an assessment of whether the applicant is “fit and proper”, prior to the issue of a PPC permit. Upon the issue of a permit, a condition will be included that requires the permit holder to maintain financial provision throughout the lifetime of the permit.

1.4 Principles of Better Regulation

NIEA adheres to the five guiding principles of Better Regulation, in informing the development of new policies, regulations or amendments and in delivering existing regulations. These principles are:

a. Proportionate or Risk-based

Regulations and our actions must be appropriate to the risk they aim to address. Resources should be deployed in such a way that higher risk and poorly performing operations receive greatest attention and bespoke conditions and that robust enforcement action should be focused on activities causing, or likely to cause, greatest environmental harm. The need for consistency of approach must be balanced against the operator's performance record, management systems and local environmental conditions.

b. Accountable

As regulators, NIEA must be able to explain and justify our decisions. NIEA must set and publish clear standards and criteria on which it bases its actions.

c. Consistent

Our regulated community needs to be assured that regulation will be applied in a predictable fashion across the board to provide stability and certainty. The same rules and standards must be constant and fairly applied.

d. Transparent

Regulators should be open and ensure that their rules and systems are simple and user-friendly. Our policies and processes should be clearly explained and understood by all stakeholders.

e. Targeted

Our regulatory activity should focus on the problem and on delivering the desired environmental outcomes. Regulatory processes should be periodically reviewed to check their effectiveness and to highlight improvements needed.

2. Executive Summary

The Waste and Contaminated Land (Northern Ireland) Order 1997 and the Pollution Prevention and Control Regulations (NI) 2003 state that the Northern Ireland Environment Agency (NIEA) must be satisfied that an applicant for a Waste Management Licence or PPC Permit is a “fit and proper person” before it grants that licence or permit. This includes the applicant providing adequate financial provision.

As a consequence, this Consultation Paper has been prepared to provide an opportunity for comments to be submitted on the approach to be adopted, in Northern Ireland, relating to financial provision for licensed or permitted landfill and non-landfill waste activities.

NIEA has reviewed the approach to financial provision adopted by other regulatory authorities including the EA (Environment Agency), SEPA (Scottish Environmental Protection Agency) and the EPA (Environmental Protection Agency). A small representative sample of the waste industry has also been consulted prior to full consultation to seek the views, concerns and opinions of the industry.

The policy relating to landfill financial provision requires a greater degree of risk assessment and more robust financial provisions to be made available than for certain non-landfill activities.

The preferred option for non-landfill activities would include a simple indicative formula based on waste tonnages to be used for the calculation of financial provision, which would be followed by demonstration of the agreed sum via credit check or other alternative methods of financial “health check”.

For landfill sites NIEA’s preferred option is a detailed cost analysis of total liabilities for the duration of the impacts, including the closure and aftercare period. This would be the amount of financial provision. The amount would then be demonstrated through an Escrow account. It would be the operator’s responsibility to prepare a calculation of financial provision specific to the landfill in question and submit an appropriate level of detail for review by officials of NIEA.

NIEA welcome comments throughout the consultation document on the proposals stated.

NIEA intend to run a 12-week consultation phase and implement the policy by the 1st April 2009.

3. How to Respond

3.1 This paper has been posted on the NIEA website at www.NIEAni.gov.uk. Should any reader wish to pass the consultation onto other parties who may be interested, or contact NIEA to suggest any additional consultees, they should feel free to do so.

3.2 Responses, queries and requests for further copies should be made in writing to:

Colin Millar
Northern Ireland Environment Agency
Land and Resource Management
1st Floor, Klondyke Building
Cromac Avenue
Gasworks Business Park
Lower Ormeau Road
Belfast
BT7 2JA

Or by e-mail to;

colin.millar@doeni.gov.uk.

Or by telephoning: 028 90569357.

Or by faxing: 028 90569376

The closing date for response is the 23rd December 2008. (12-week consultation period).

NIEA would invite any consultee who wishes to meet with the Department as part of this consultation to indicate this in their response. NIEA will consider meeting with responders subsequent to the closing date. The form of the meeting will be determined by the level of interest shown.

Where representative groups provide a response to the proposals, please provide a summary of the authors and the organisations they represent.

NIEA propose to implement the policy by the 1st of April 2009.

A process of review of the consultation responses and discussions will take place prior to the issue of the financial provision policy.

NIEA will endeavour to acknowledge receipt of your response but may not be able to reply to all the points raised.

3.3 Complaints and comments about the consultation process can be made in writing to:

Pamela Patterson
Northern Ireland Environment Agency
Land and Resource Management
1st Floor, Klondyke Building
Cromac Avenue
Gasworks Business Park
Lower Ormeau Road
Belfast
BT7 2JA

3.4 Summary of Consultation Questions

<p>Question 1: Consultees' are invited to make further recommendations for the options available together with a detailed description of the additional option.</p>
<p>Question 2: Consultees' are invited to comment on the proposals in respect of transitional provisions.</p>
<p>Question 3: Consultees' views are invited on the approach to be adopted by NIEA for the initial demonstration and ongoing provision of financial standing.</p>
<p>Question 4: Consultees' views are invited on the proposals in respect of existing sites authorised by the PPC regime.</p>
<p>Question 5: Consultees' are asked to comment on the proposed methods of financial provision calculation and provide details and examples of alternative methods for consideration. (See Annex 1).</p>
<p>Question 6: Consultees' are asked to comment on the proposed methods for demonstrating financial provision and provide details and examples of alternative methods for consideration.</p>
<p>Question 7: Consultees' views are invited on the timescales for submitting financial provision proposals for existing installations.</p>
<p>Question 8: Consultees' are invited to comment on the above stated techniques and state if they have a preference for any of these mechanisms for adoption within Northern Ireland. Please provide a justification for your decision. Where consultees would like to make further recommendations for the options available please provide a detailed description of the additional option.</p>
<p>Question 9: Consultees' views are invited on the proposed method of establishing the level of financial provision as stipulated in Annex 2 of this document.</p>
<p>Question 10: Consultees' views are invited on the indicative costs for landfill activities included in Annex 1 of this consultation document.</p>
<p>Question 11: Consultees' views are invited on the potential impacts upon landfill site operation, if any, that are likely to arise from the application of the proposed policy.</p>

3.5 Freedom of Information

NIEA may publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. NIEA can only refuse to disclose information in exceptional circumstances.

The Department of the Environment's Publication Scheme contains a list of publications produced in the course of its work including guidance on Freedom of Information. The scheme is available on the Department's website at <http://www.doeni.gov.uk/>. You can also apply for access to information at:

Information Management Branch
Room 6-01A
Department of the Environment
Clarence Court
10-18 Adelaide Street
Belfast, BT2 8GB
Tel: 028 9054 1123
Fax: 028 9054 1103
Email: foi@doeni.gov.uk

4. Options

4.1 Status Quo.

Limited checks and measures are carried out with a reliance on information supplied by the operator of any licensed or permitted waste activity in NI.

4.2 One 'fixed' system for all waste facilities.

This would be a scaled risk based system that required the licence or permit holder to demonstrate 'financial competence' through economic measures that would be specifically assigned to 'environmental liabilities' and 'impacts'. This would take the form of an acceptable economic mechanism. The amount of provision must cover the expected life span of all the identified impacts using complex matrixes.

4.3 This is the preferred option of NIEA at this stage in the policy development. A tiered system that distinguishes between 'landfill' facilities and non-landfill facilities that reflects the associated environmental risk. The two aspects for the waste operator to address will be the calculation of the **amount** of financial provision and **how** this will be demonstrated, i.e. which economic measure, agreed with NIEA, will be used. Annex 1 helps identify possible environmental impacts while Annex 2 identifies possible economic instruments to demonstrate how the amount is assigned.

Question 1: Consultees are invited to make further recommendations for the options available together with a detailed description of the additional option.

The policy will apply to any licensed or permitted activity involving the keeping, treating and disposal of waste (including disposal by landfill). Example activities include transfer stations, waste treatment site, civic amenity sites, landfill and end-of-life vehicle dismantlers.

Transitional provisions:

Where an application for a Waste Management Licence or relevant PPC permit has been received by NIEA prior to the implementation date of the Financial Provision Policy, but is yet to be determined, the requirements of the policy will be applied to that application.

Upon the implementation of the Financial Provision Policy, the operators of existing Waste Management Licensed facilities and PPC permitted installations carrying out specified waste

management activities will have a period of 3 months in which to determine and submit proposals for adequate financial provision.

Question 2: Consultees are invited to comment on the proposals in respect of transitional provisions.

NIEA Preferred option for Financial Provision for Non-Landfill Activities

For non-landfill waste management activities, NIEA will accept that the applicant is in a position to make financial provision if they can demonstrate that they have sufficient financial means to fund the requirements of the licence. This amount will be based on the figures determined through the calculation method outlined below.

To demonstrate financial standing, the applicant shall provide to NIEA one of the following options:

- a) A Credit Reference Check. With the authorisation of the applicant, NIEA will carry out a credit check to assess whether they are of suitable financial standing. The applicant will be required to sign an application form authorising NIEA to complete the credit reference check.
- b) Alternative Evidence. The applicant may choose to provide recent evidence (no more than three months old) from a third party such as a financial institution, as to their financial standing. Suitable evidence could include:
 - A statement of account addressed to the applicant from a financial institution.
 - A letter from a financial institution showing that the applicant has overdraft or loan facilities.
- c) Local authorities. Evidence may be provided by showing that the costs of operation will be funded out of a named, dedicated, budget indicating the allocation of funds.

Question 3: Consultees' views are invited on the approach to be adopted by NIEA for the initial demonstration and ongoing provision of financial standing.

NIEA preferred option for non-landfill financial provision would be to calculate the amount of potential financial obligation concerned. This would be based on the maximum quantity of waste that operators can keep, store or treat at

the site under the terms of their licence /permit. This quantity would be converted into the total disposal charge for the nearest landfill licensed for the particular waste stream present.

There may be site/licence/permit specific circumstances which will merit a different/increased multiplier being used. There is a £700 minimum financial provision that must be demonstrated. NIEA may adjust the above figures from time to time to take account of inflation.

NIEA will require the waste operator to review and submit their financial provision at least annually. NIEA may request a review at any stage. Where there is a dispute between NIEA and an operator on either the amount or method of financial provision, NIEA will impose a figure and method of demonstrating financial provision.

NIEA Preferred option for Financial Provision for Landfill Activities

The requirement to provide financial provision will extend to the following:

- a) All new PPC permit applications for landfill installations, received after the date of issue of the financial provision policy;
- b) All PPC permit applications for landfill installations, which have been received by NIEA and have been deemed duly made prior to the date of issue of the financial provision policy;
- c) All existing landfill installations, where a PPC permit was issued prior to the issue of the financial provision policy;
- d) Any landfill sites which are operated under a Waste Management Licence or PPC Permit, but have been deemed by NIEA as closed. There is likely to be a reduced financial provision sum required for closed sites, due to the reduced risk associated with the closure and aftercare period.

Question 4: Consultee views are invited on the proposals in respect of existing sites authorised by the PPC regime.

The financial liability of the landfills may be calculated through three phases:

Phase 1- the maximum sum that can be accrued during the operational phase to include monitoring and engineering etc.

Phase 2- the post closure and aftercare phase. This usually represents a decrease in costs as a reduction in gas and leachate emissions occur over this period.

Phase 3- site surrender costs. This represents a contingency sum to account for the surrender stage and any unexpected costs.

Environmental liabilities can be subdivided into two main types, known and unknown liabilities. The quantification and costing of these liabilities must be totalled together for the duration of the impacts.

It must be analysed by a suitably qualified person who is independent of the waste operator. Different financial instruments are appropriate for each type of activity / liability. See Annexes 1 & 2. Both the amount and method must be agreed with NIEA. Where there is a disagreement between NIEA and the operator on either the amount or method NIEA will impose a figure and method of demonstration.

Costs associated with the waste activity will be expected to be reviewed annually to reflect market variations and changing site conditions. The emphasis will be on the operator to calculate the costs which may be associated with each of the identified liabilities. A list of possible liabilities associated with waste activities is at Annex 1 together with indicative costs.

Question 5: Consultees are asked to comment on the proposed methods of financial provision calculation and provide details and examples of alternative methods for consideration. (See Annex 1).

Once quantified, there are financial instruments available to demonstrate the amount of provision. These are listed at Annex 2 together with their characteristics. They include cash deposits, escrow accounts, insurance, bonds, letters of credit, parent company guarantee, self insurance and overdrafts. The mechanisms for providing financial provision must be agreed with NIEA. At this stage the preferred method of NIEA is the use of Escrow accounts.

Question 6: Consultees are asked to comment on the proposed methods for demonstrating financial provision and provide details and examples of alternative methods for consideration.

It may be possible, in some cases, to design a financial provision mechanism that brings together more than one of the different types of financial provision. In this way the shortcomings of one mechanism can be offset by the strengths of another.

A draft condition to be included in all new licences and permits for waste activities may be as follows:

“Within 3 months of the date of grant of this licence, the licensee shall make financial provision in a form acceptable to NIEA to cover any environmental liabilities incurred by the licensee. The amount of indemnity must always be capable of covering the liabilities identified as well as unknown liabilities associated with the type of activity”.

For existing licenses and permits the 3 months will be from the date of policy implementation.

Question 7: Consultees' views are invited on the timescales for submitting financial provision proposals for existing installations.

Question 8: Consultees are invited to comment on the above stated techniques and state if they have a preference for any of these mechanisms for adoption within Northern Ireland. Please provide a justification for your decision. Where consultees would like to make further recommendations for the options available please provide a detailed description of the additional option.

Question 9: Consultees' views are invited on the proposed method of establishing the level of financial provision as stipulated in Annex 2 of this document.

Question 10: Consultees' views are invited on the indicative costs for landfill activities included in Annex 1 of this consultation document.

Question 11: Consultees' views are invited on the potential impacts upon landfill site operation, if any, that are likely to arise from the application of the proposed policy.

5. Impact Assessments for Northern Ireland Environment Agency's Policy on Financial Provision for Waste Activities in Northern Ireland. (Pre-Consultation)

As at 29th August 2008

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Areas of Impact

SOCIAL

- Crime
- Community Safety & Victims
- Equality
- Health
- Human Rights
- Rural
- Social Inclusion

ECONOMIC

- Economic Appraisal
- Economic Impact Assessment
- Regulatory Impact Assessment
- Legal Aid Impact
- State Aid Compliance Assessment

ENVIRONMENTAL

- Environmental Assessments
- Strategic Environmental Assessment

Crime Impact Assessment

	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Community Safety	Will the policy impact on the costs of or demand for legal goods or services to consumers, or impact on the costs of disposal of legal goods?		N		N	
	Will the policy involve the introduction, delivery or amendment of a financial measure, i.e. a tax or concession, grant or subsidy?		N		N	
	Will the policy introduce, remove or amend a legal requirement or regulatory power?		N		N	
	Will it impact on funding for law or regulatory enforcement activity including demand for legal aid?		N		N	
	CONCLUSION				N	

Community Safety & Victims

	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Community Safety	Will the policy / project contribute to community safety or impact on fear of crime?		N		N	
	Is it likely to have an impact on any specific type of crime?		N		N	
	Will the policy / project have an impact on victims of crime?		N		N	
	Is there any evidence to suggest that the policy would have a particular impact on victims of the conflict?		N		N	
	CONCLUSION				N	

Equality

	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Equality	Is there any indication or evidence of higher or lower participation or uptake by different groups?		N		N	
	Is there any indication or evidence that different groups have different needs, experiences, issues and priorities in relation to the particular policy?		N		N	
	Have previous consultations with relevant groups, organisations or individuals indicated that particular policies create problems that are specific to them?		N		N	
	Is there an opportunity to better promote equality of opportunity or good relations by altering the policy or working with others in government or in the larger community?		N		N	
	CONCLUSION				N	

Health

Health Determinants

Is the initiative affecting any of the following determinants of health?

LIFESTYLE	Positive Effect	Negative Effect	No Effect
Diet			X
Physical activity			X
Safe sex			X
Substance use: alcohol, tobacco, illegal substances			X
Other			X

PHYSICAL ENVIRONMENT	Positive Effect	Negative Effect	No Effect
Air	X		
Built Environment & Land Use	X		
Noise	X		
Water	X		
Other			

Explanation:

It is considered the policy will help monitor and address environmental impacts from waste activities in Northern Ireland. This will be through enforced financial provision for waste activities where environmental risks are identified or predicted.

Financial Provision for Waste Activities

SOCIO-ECONOMIC ENVIRONMENT	Positive Effect	Negative Effect	No Effect
Crime			X
Education			X
Employment			X
Family Cohesion			X
Housing			X
Income			X
Recreation			X
Social Cohesion			X
Transport			X
Other			

Explanation: If there is likely to be a positive or negative effect on socio-economic factors, note briefly here what those effects may be.

--

Health Care

Is the initiative affecting access to health services?

HEALTH CARE	Positive Effect	Negative Effect	No Effect
Access to Health Services			X

Explanation: If there is likely to be a positive or negative effect on access, note briefly here what those effects are.

--

Population Affected

Considering the health impacts identified above, which of the following sections of the population will be affected (Includes Section 75 groups)

LIFESTYLE	Positive Effect	Negative Effect	No Effect
Whole Population			X
Sub-Populations:			
Children (0-18 years)			X
Older People			X
Marital Status			X
Persons with dependants			X
Persons without dependants			X
Political Opinion			X
Religious Belief			X
Chronically ill			X
Economically Disadvantaged People			X
Gender (specify male/female)			X
Homeless			X
Sexual Orientation			X
People with Disabilities			X
Racial and Ethnic Minority Groups			X
Rural Population			X
Unemployed			X
Other			

Financial Provision for Waste Activities

Explanation: If there is likely to be a positive or negative effect on the whole or a section of the population, note briefly here what those effects are.

Note: The proposal may have a positive impact on one section of the population and a negative effect on another. Specify where this occurs.

--

1. Recommendation

Considering the health impacts, if any, identified above, are these significant enough to warrant a health impact assessment?

YES	
No	X

If No, what are the reasons for not carrying out a HIA.

<ul style="list-style-type: none">• Health impacts not considered significant enough• Lack of evidence to show health impacts
--

Human Rights

Human Right	Does the Policy Engage the Right?	
	Yes/No	Explanation
Article 2 Right to life	N	
Article 3 Prohibition of torture, inhuman and degrading treatment	N	
Article 4 Prohibition of slavery and forced labour	N	
Article 5 Right to liberty	N	

Financial Provision for Waste Activities

Human Right	Does the Policy Engage the Right?	
	Yes/No	Explanation
Article 6 Right to a fair trial	N	
Article 7 No punishment without law	N	
Article 8 Right to respect for private and family life	N	
Article 9 Freedom of thought conscience and religion	N	
Article 10 Freedom of expression	N	

Human Right	Does the Policy Engage the Right?	
	Yes/No	Explanation
Article 11 Freedom of assembly and association	N	
Article 12 Right to marry and found a family	N	
Article 14 Prohibition of discrimination	N	
Protocol 1, Article 1 Right to property	N	Additional costs may be introduced through the implementation of the policy for certain high risk activities. However Financial Provision is a legal requirement for waste activities and the associated environmental impacts are an integral part of the waste industry. The amount of provision required to be demonstrated will be specific to the particular activity. The possible impact from the policy is therefore considered legal, necessary, accountable and proportionate.

Human Right	Does the Policy Engage the Right?	
	Yes/No	Explanation
Protocol 1, Article 2 Right to education	N	
Protocol 1, Article 3 Right to free elections	N	

Rural

Rural	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
	1. Does the policy apply in rural areas and communities? If NO: set out the reasons why If Yes:		N		N	Policy will be applied to specific waste activities. These activities are not specific to either a rural or urban environment.

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	a. Does the policy have the potential to have a negative impact on rural areas and communities?		N		N	
	b. Does the policy have the potential to have a positive impact on rural areas and communities?		N		N	
	CONCLUSION				N	

Social Inclusion

	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Poverty & Social Exclusion	Will the policy involve the spending of public monies, the allocation of non-financial resources or the delivery of a service?		N		N	
	Will the policy impact on socially excluded or vulnerable groups or involve the delivery of a service within or to socially excluded areas?		N		N	
	Will the policy address or impact on measures to promote employment or employability among the most disadvantaged?		N		N	
	Will the policy address or impact on other areas of inequality and disadvantage such as health, education and housing?		N		N	
	CONCLUSION				N	

Economic Appraisal

ECONOMIC APPRAISAL	Screening Questions	Response to Screening Questions		Full Appraisal Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
	Does the decision/proposal involve the spending or saving of public money?	Y				N
Does the decision or proposal involve changes in the use of public resources?	Y				N	
CONCLUSION					N	

Economic Impact Assessment

ECONOMIC APPRAISAL	Screening Questions	Response to Screening Questions		Full Appraisal Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
	Will the policy impact on the provision of goods or services to consumers, or the uptake of such goods and services to consumers?			N		N
Will the policy impact on the region's infrastructure?			N		N	

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Will the policy impact on investment in research and development or promote innovation and creativity?		N			N	
Will the policy impact on or encourage enterprise?		N			N	
Will the policy impact on the skills level within the economy?		N			N	
Will the policy address negative perceptions of Northern Ireland and /or help promote it as a place to live, work and invest?	Y				N	The Policy will help improve Northern Ireland's perceived level of compliance within the waste industry.
CONCLUSION					N	

Regulatory Impact Assessment

Regulatory	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
	Is the policy or amendment to the policy likely to have a direct or indirect impact on businesses?	Y		Y		Waste operators will be required to demonstrate and make available financial provision specific to their waste activity.
Is the policy or amendment to the policy likely to have a direct or indirect impact on the voluntary / community sector? ¹		N		N		
CONCLUSION				Y		

State Aid Compliance

State Aid	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Will the policy involve undertakings (businesses or any entity involved in economic activity)?			N		N	
CONCLUSION					N	

SCREENING FOR ENVIRONMENTAL IMPACTS

Assessment of Environmental Impacts

	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
Environmental	Will the project / policy impact on air quality i.e. will it lead to a change in emissions of air pollutants or the numbers of people affected by poor air quality?	Y			N	Implementation of the policy will require financial provision to manage predicted and potential environmental impacts from waste activities.
	Will the project / policy impact on climate change i.e. will it lead to changes in emissions of greenhouse gas, consumption of fossil fuels or increase the need to travel within the region?	Y			N	Implementation of the policy will require financial provision to manage predicted environmental impacts from waste activities.
	Will it impact on the landscape or the use of land within the region?		N		N	
	Will it impact on the use of natural resources within the region?		N		N	
	Will it impact on bio-diversity within the region?		N		N	
	Will it involve a proposal that has the potential to impact on levels of noise?		N		N	Implementation of the policy will require financial provision to manage predicted environmental impacts from waste activities.
	CONCLUSION					N

Strategic Environmental Impact Assessment

Strategic Environmental Assessment	Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
		Yes	No	Yes	No	
	1. Is the plan / programme likely to have significant environmental effects? If yes:	Y			N	Potential environmental impacts from waste activities will be addressed through guaranteed financial competence for the specific activity.
a. Is the plan / programme of the type listed in Article 3(2) ² which determine the use of small areas at local level, or which are minor modifications to plans and programmes;		N		N		
b. Where the plan / programme is not of the type listed in Article 3(2), does it set the framework for future development consent of projects?		N		N		
2. Is the sole purpose of the plan / programme to serve national defence or civil emergency?		N		N		
3. Is it a financial or budget plan / programme?	Y			N	Waste activity operators will be required to demonstrate financial competence through designated economic mechanisms.	
4. Is it supported by the EU Structural Funds or the European Agricultural Guidance and Guarantee Fund for the programming periods from 2000 to 2006 or 2007?		N		N		
CONCLUSION					N	

Outcome of Screening Exercise.

IMPACT ASSESSMENT / APPRAISAL	FULL ASSESSMENT / APPRAISAL REQUIRED		REASON
	Yes	No	
SOCIAL IMPACTS			
Crime		N	
Community Safety & Victims		N	
Equality		N	
Health		N	
Human Rights		N	
Rural		N	
Social Inclusion		N	
ECONOMIC IMPACTS			
Economic Appraisal		N	
Economic Assessment		N	
Regulatory		Y	Impacts may be considered significant to some waste operators.
State Aid		N	
ENVIRONMENTAL IMPACTS			
Environmental		N	
Strategic Environmental		N	

ASSESSING THE SOCIAL IMPACTS

Crime Impact Assessment

Will the policy impact on the costs of or demand for legal goods or services to consumers, or impact on the costs of disposal of legal goods?

Part One: Scoping the impact

Scoping:	Is the question relevant? YES	
	If yes:	
	Which of the potential criminal consequences listed below will the proposal impact upon:	What is the nature of the impact? Positive / Negative / Neutral
	i. Avoidance; illegal dumping; contracting others to assist in avoidance; pollution through illegal disposal.	POSITIVE
	ii.	
	iii. Other (detail)	
	If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact?	
Overview of impact:	Policy will help ensure only ‘financially competent’ operators are involved with waste activities where there are direct and potential associated environmental impacts. The amount of financial provision should be proportionate to the level of risk associated with that activity.	

Part Two: Consideration of evidence

Possible Impacts	Supporting Evidence	
	Qualitative	Quantitative
Policy will help reduce the ‘unscrupulous competition’ element through the regulation of ring fenced finances to ensure environmental compliance.	Unknown	Unknown

Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives	
If a negative impact has been identified what measures can be taken to remove or reduce the negative impact of the policy?	NA
If a positive impact has been identified what measures can be taken to enhance the positive impact of the policy?	The policy's impacts will be enhanced through its effective enforcement.

Will the policy involve the introduction, delivery or amendment of a financial measure, i.e. a tax or concession, grant or subsidy?

Part One: Scoping the impact

Scoping:	Is the question relevant? YES	
	If yes:	
	Which of the potential criminal consequences listed below will the proposal impact upon:	What is the nature of the impact? Positive / Negative / Neutral
	i. Avoidance; deception; fraud.	POSITIVE
	ii. Smuggling; black market counterfeiting.	NA
	iii. Other (detail)	
Overview of impact:	Policy will help ensure operators address the associated environmental impacts of their waste activity. Additional costs may have negative impacts on the regulated sector's competitiveness against 'non regulated' activities through potential additional costs.	

Part Two: Consideration of evidence

Possible Impacts	Supporting Evidence	
	Qualitative	Quantitative
Ring fencing of monies to address associated impacts from waste activities.	Unknown	Unknown

Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives	
If a negative impact has been identified what measures can be taken to remove or reduce the negative impact of the policy?	NA
If a positive impact has been identified what measures can be taken to enhance the positive impact of the policy?	The policy's impacts will be enhanced through its effective enforcement. Effective implementation of the policy will in turn lead to the environmental risk from waste activities in NI being reduced.

Will the policy introduce, remove or amend a legal requirement or regulatory power?

Part One: Scoping the impact

Scoping:	Is the question relevant? N	
	Which of the potential criminal consequences listed below will the proposal impact upon:	What is the nature of the impact? Positive / Negative / Neutral
	i. Crime displacement; corruption; bribery.	NA
	ii. Smuggling.	NA
	iii. Other (detail)	
If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact?		

Overview of impact:

Part Two: Consideration of evidence

Possible Impacts	Supporting Evidence	
	Qualitative	Quantitative

Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives

If a negative impact has been identified what measures can be taken to remove or reduce the negative impact of the policy?	
If a positive impact has been identified what measures can be taken to enhance the positive	

impact of the policy?	
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Will it impact on funding for law or regulatory enforcement activity including demand for legal aid?

Part One: Scoping the impact

Scoping:	Is the question relevant? N
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Potential Impact	Potential criminal consequences associated with the measure.	What is the nature of the impact? Positive / Negative / Neutral
	i. Crime displacement	NA
	ii. Capacity to address criminal activity	NA
	iii. Other (detail)	

Overview of impact:	
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Part Two: Consideration of evidence

Possible Impacts	Supporting Evidence	
	Qualitative	Quantitative

Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives

If a negative impact has been identified what measures can be taken to remove or reduce the negative impact of the policy?	
If a positive impact has been identified what measures can be taken to enhance the positive impact of the policy?	

Community Safety & Victims Impact Assessment

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies³
	Positive Negative None	Qualitative (Detail Evidence)	
Is the policy / project likely to have an impact on any specific type of crime, especially vehicle crime or domestic burglary? Will it divert people away from or prevent crime?	None		
Will the policy / project help victims of crime or reduce fear about being a victim of crime?	None		
Will the policy / project contribute to community safety?	None		
Is there any evidence to suggest that the policy would have a particular impact on victims of conflict?	None		

EQUALITY IMPACT ASSESSMENT

Will the policy impact on persons of different religious belief?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
Will the policy impact on persons of different political opinion?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
Will the policy impact on persons of different racial group?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
Will the policy impact on persons of different age?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>

Financial Provision for Waste Activities

Will the policy impact on persons of different marital status?

Part One: Scoping the impact

Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
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Will the policy impact on persons of different sexual orientation?

Part One: Scoping the impact

Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
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Will the policy impact on persons of different gender?

Part One: Scoping the impact

Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
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Will the policy impact on persons with disabilities and persons without?

Part One: Scoping the impact

Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N</p>
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Will the policy impact on persons with dependants and persons without?

Financial Provision for Waste Activities

Part One: Scoping the impact

Scoping:	Is the question relevant? N What is the likely impact of the policy? Neutral If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? N
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HEALTH IMPACT ASSESSMENT

NA

HUMAN RIGHTS IMPACT ASSESSMENT

- a) The policy/proposal does not engage any Convention rights.
- b) The policy/proposal does engage one or more of the Convention rights, but does not interfere with or limit it/them.
- c) policy/proposal interferes with or limits one or more Convention rights and legal advice is being sought.

Countersign, hold copy with policy papers and refer to your legal advisor

Signed by _____ (Official)

Date _____ Grade _____

Signed by _____ (Senior Responsible Officer)

Date _____ Grade _____

Social Inclusion

	Assessment Of Impacts			Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	Quantitative (Detail Evidence)	
Will the policy involve the spending of public monies, the allocation of non-financial resources or the delivery of a service? N				
Have decisions in relation to the allocation of resources and effort taken account of the principles of New TSN/Anti-Poverty?	NONE			
Is there an opportunity to target resources (whether capital, financial or other) and efforts towards those in greatest objective need in order to positively address poverty and exclusion?	NONE			
Will the policy impact on socially excluded or vulnerable groups or involve the delivery of a service within or to socially excluded areas? N				
How does the policy address/impact on the particular needs of socially excluded groups?	NONE			
How will the policy be delivered to or within socially	NONE			

Social Inclusion

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
disadvantaged communities to ensure engagement and positive outcomes?			
Will the policy impact on access to information or social networks?	NONE		
Will the policy improve or otherwise impact on social, economic and environmental conditions in the most deprived areas?	NONE		
Will the policy improve or otherwise impact on access to and use of basic goods services and amenities within deprived communities?	NONE		
Does the policy address the need to minimise the isolation of vulnerable people?	NONE		

Social Inclusion

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
Will the policy promote user and community involvement in policy development and service delivery?	NONE		
Will the policy address or impact on measures to promote employment or employability among the most disadvantaged? N			
Will the policy address recognised barriers to employability and/or employment?	NONE		
Will the policy impact on the employment needs and aspirations of local communities?	NONE		
Will the policy impact on the development and operation of social enterprises?	NONE		
Will the policy address or impact on other areas of inequality and disadvantage such as health, education and housing? N			

Social Inclusion

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
Will the policy help to dispel negative stereotypes?	NONE		
How will the policy impact on health inequalities among disadvantaged or vulnerable groups?	NONE		
How will the policy impact on inequalities among different groups in educational attainment?	NONE		
Will the policy impact on access to and/or take-up of adult education, particularly in the most deprived communities?	NONE		
Does the policy provide an opportunity to improve numeracy and literacy levels, particularly in the most deprived communities?	NONE		

Social Inclusion

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
Will the policy ensure that the housing stock meets the housing needs of all parts of the community?	NONE		
Will the policy impact differentially on people who are of no fixed address, homeless or residing in temporary accommodation?	NONE		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
1. Service Provision			
Centralised service outlets: rural people or businesses generally need to travel to an urban centre to use service outlets. How will the proposed rural beneficiaries of a policy have reasonable access to it? Does policy delivery depend upon outlets, which are sparse in many rural areas?	NO		
Few information points: rural areas contain fewer (formal) places to obtain advice and information e.g. libraries, Citizens Advice Bureaux, public Internet points. If the policy's successful delivery requires communication with clients, how will those in rural areas have ready access to information	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
and advice?			
2. Mobility			
Greater travel needs: on average rural people and businesses travel further to reach jobs, facilities, clients and other opportunities. What will the policy effects be upon existing requirements to travel, or the time, convenience and costs entailed for rural businesses or people (especially those on low incomes or without easy access to a car or public transport)?	NONE		
Higher service delivery costs: rural distances plus small and dispersed populations can make it more difficult and costly to provide services to rural clients. Does the unit cost of providing the service to rural clients limit the extent or quality of service	NONE		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
provision? Are there alternative ways to reduce costs and increase provision?			
3. Economic Vibrancy			
Employment Opportunities: Will the policy affect the distribution of intended economic activity in different areas, or the level of access to employment or training opportunities, e.g. the distribution of public sector jobs and the relative accessibility of job skills training.	NO		
Employment Flexibility: many households require part-time employment or employment with flexible hours to allow them to balance work and life needs (for example, in maintaining a small farm or	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
balancing care arrangements). Will the policy help or hinder this sort of employment need or reduce the need for flexibility through, for example, encouraging better childcare provision?			
Small firm economy: more businesses are micro-businesses in rural areas (in particular agricultural) and there are few medium-sized or large firms. Will a policy or initiative target and be of benefit to, small (as well as larger) businesses?	NONE		
Weak infrastructure: telecommunications infrastructures are generally less developed in rural areas, especially remoter areas. If a fast or high-capacity infrastructure (e.g. “broadband” telecommunications) will play a	NONE		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
significant part in implementing the policy or initiative, how will it be delivered in rural areas?			
Infrastructure innovations: often, new innovations in infrastructure or service provision are introduced into urban areas first. Can innovations also be tested in rural areas? Might rural areas provide a stronger test in the first instance? Are there plans to roll out new services or infrastructure to rural areas to minimise long periods of inequality?	NO		
High Impact Infrastructure: could a fast or high capacity infrastructure requirement represent a significant impact on environmental or social assets in rural areas (e.g. the impact on	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
social cohesion of increased mobility stemming from the upgrading of roads). Could it be modified to reduce these impacts whilst still delivering policy benefits.			
4. Social Well Being			
Countryside amenity and access: the countryside provides important recreational opportunities and a place to get away from it all for people wherever they live. What will be the impact of the policy or initiative for people wishing to reach and use the countryside as a place for recreation and enjoyment?	NONE		
Needs not concentrated: rural disadvantage and social exclusion does not exist in the	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
types of concentrations found on urban housing estates or in inner city neighbourhoods. It is generally scattered and, in wealthier parts of the countryside, exists side by side with affluence. Will a policy, especially area-based initiatives, have provision for reaching people or households in the open countryside as well as more concentrated locations of disadvantage?			
Different types of need: the mix of deprivation characteristics is somewhat different between rural and urban areas. Poor access to services (including health & social services), low local wages, limited job opportunities and a lack of affordable housing are key rural issues. What needs	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
or deprivation indicators will be used to target an initiative: will they reflect both rural and urban concerns?			
5. Social Capital			
Low institutional capacity: private, public and voluntary sector bodies in rural areas tend to be smaller and often struggle to forge partnerships or submit bids, especially to tight timescales. If a policy or initiative depends upon local institutions, how will it allow for areas with low institutional capacity? How might it avoid a bias in favour of urban representation and influence if partnership formation is a key method for delivery or for subsequent mainstreaming of learning from pilot initiatives?	NONE		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
<p>Social Capital and community cohesion: provision of services or design of village renewal, new or regeneration of housing estates can impact on sense of community and social capital. Will the policy contribute to strengthening or weakening social capital and hence, the health and sustainability of rural communities?</p>	NO		
<p>6. Natural & Cultural Capital</p>			
<p>Land-based industries: land-based industries (e.g. agriculture, forestry, fishing and extraction / mining) have an important impact on the rural landscape, environment and biodiversity, and remain significant employers in certain rural areas (despite being a fairly small element of the overall</p>	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
rural economic base). Will a policy have any particular impacts on –land-based industries and, therefore, on rural economies and environments?			
Landscape quality and character: our rural landscapes are highly valued for their beauty and distinctiveness and contribute significantly to our tourism potential. What will be the likely policy impact upon the quality and distinctive character of natural and built rural landscapes, especially (but not only) on protected landscapes and on biodiversity?	Positive	Assurance that waste facilities will have financial provision to deal with their associated environmental impacts.	339 waste facilities in NI. This excludes the exempted waste activities in NI.
Local Craft and Food production: A key resource for the growth of many micro-businesses in rural areas is the	NO		

Rural

	Assessment Of Impacts		Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	
use of traditional crafts, foods and recipes. Will the policy have an impact on the production of any of these, (e.g. regulations affecting food hygiene and production standards) and if so how might traditional approaches be accommodated.			

ASSESSING THE ECONOMIC IMPACTS

Economic Impact Assessment

	Assessment Of Impacts			Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	Quantitative (Detail Evidence)	
1. Consumers				
Will the policy affect the cost, quality or availability of commercially available or publicly provided goods or services.	N			
Will it result in a change in the choice available to consumers, or the availability of information to enable them to exercise choice?	N			
Will it introduce a new technology or process that will make existing goods redundant over time?	N			
2. Infrastructure				

Economic Impact Assessment

	Assessment Of Impacts			Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	Quantitative (Detail Evidence)	
Does the policy enhance the region's infrastructure, including utilities and maximising transport choice and exploiting opportunities offered by information technology?	N			
Will the policy impact on the quality of the built environment, through for example, reclaiming derelict land and buildings and facilitating access to public spaces?	N			
3. Enterprise				
Will the policy promote or impact on enterprise?	N			
4. Innovation				
Will the policy encourage or impact on investment in research and development?	N			

Economic Impact Assessment

	Assessment Of Impacts			Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	Quantitative (Detail Evidence)	
Will the project impact on improving links between research and development and business needs?	N			
Will the policy impact on the development of emerging technologies?	N			
5. Skills				
Will the policy contribute to developing the skills level within the Northern Ireland workforce?	N			
Will the policy impact on levels of vocational or academic training or the development of skills to promote employability?	N			
Does the policy take account of	N			

Economic Impact Assessment

	Assessment Of Impacts			Consideration Of: <ul style="list-style-type: none"> • Mitigating Measures; and • Alternative Policies
	Positive Negative None	Qualitative (Detail Evidence)	Quantitative (Detail Evidence)	
the needs of business and long-term employment opportunities?				

Economic Appraisal

An economic appraisal has not been considered for this policy. The Department considers sufficient appraisal has been undertaken through the Regulatory Impact Assessment (RIA).

Regulatory Impact Assessment

5 Title: Financial Provision for Waste Management Activities in Northern Ireland.

6 Purpose and Intended Effect of Measure

Aim of Policy

The aim of the policy on Financial Provision is to ensure waste companies have sufficient, specific resources readily available to address the environmental and human health impacts of their waste activity.

This policy will be guided by the principles of 'Better Regulation'.

Background

Waste activities have inherent environmental impacts attached to them. The type and severity of the impacts will be specific to each facility and its associated risk. The level of risk will be proportionate to the specifics of the type of facility and the nature and quantity of waste involved as well as other factors. These inherent environmental risks have an associated economic liability that must be factored into the regulation of that facility. This financial provision must therefore be demonstrated by the facility operator until such time as the risk has been reduced to an acceptable level.

Rationale for government intervention

The Waste and Contaminated Land (Northern Ireland) Order 1997 and the Pollution Prevention and Control Regulations (NI) 2003 state that the Northern Ireland Environment Agency (NIEA) must be satisfied that an applicant for a Waste Management Licence or PPC Permit is a "fit and proper person" before it grants that licence or permit. This includes the applicant providing adequate financial provision.

As a consequence, this Consultation Paper has been prepared to provide an opportunity for comments to be submitted on the approach to be adopted, in Northern Ireland, relating to financial provision and competence for licensed or permitted landfill and non-landfill activities.

7 Options

7.1 Status Quo.

Limited checks and measures are carried out with a reliance on information supplied by the operator. This is not the preferred option of the Department at this stage as it offers a low level of checks and measures to ensure compliance with the legislation.

7.2 One 'fixed' system for all waste facilities.

This would be a scaled risk-based system that required the licence or permit holder to demonstrate 'financial competence' through economic measures that would be specifically assigned to 'environmental liabilities' and 'impacts'. This would take the form of an acceptable economic mechanism. The amount of provision must cover the expected life span of all the identified impacts. This option is not preferred by the department, at this stage, as it is complex and can impose 'templates' upon an industry that is varied and diverse.

7.3 A tiered system that distinguishes between 'landfill' facilities and non- landfill facilities that reflects the associated environmental risk. At this stage in the policy development this is the preferred option of NIEA as it offers the required level of regulatory control, with a simple cost effective system with the minimum impact to business.

In identifying this preferred option NIEA hope to contribute to an improvement in waste activities in NI as well as improve the control and management of waste activities in NI. This option also aims to assist NI in meeting its obligations under the Waste and Contaminated Land Order 1997, the Pollution Prevention and Control Regulations and the Landfill Regulations.

8 Benefits

During the pre consultation scoping phase a small representative sample of the industry was consulted on their views, suggestions and concerns regarding the issue of financial provision. During this exercise some benefits were identified by the industry through lowering of costs driven by the reduction of environmental impacts. For example company insurance premiums could be reduced when measures were introduced to reduce environmental impacts. Regulatory charges from inspections may also reduce if the site is able to demonstrate increased environmental compliance.

9 Costs

There may be financial costs involved in some methods of demonstrating financial provision however the policy is making mandatory what many businesses should be and have already done voluntarily. **Sectors and groups affected** are any businesses with a

waste management licence or PPC permit relating to a waste activity operating in Northern Ireland post 1997, regardless of status. It will also apply to any new facilities. Exempted waste activities are not affected by this policy.

	Landfill Sites	Non-Landfill Sites
Number of Waste Management Licensed sites*	64	252
Number of PPC Permitted Installations*	10	13

*As at 11th August 2008

Departmental costs may increase through the necessary extra level of regulatory checks involved in the implementation of the policy. It is envisaged these costs will be reflected in the fees and charges scheme in line with the 'polluter pays' principle.

10 Consultations with Small Business: The Small Business Impact Test

A small representative sample of the waste industry was consulted prior to the drafting of the consultation paper. This included a sample of small waste businesses. The feedback from these firms confirmed the Department's view that the policy will have minimum impact to low impact activities. In many cases the policy will have no impact to existing compliant low impact firms. Small scale waste activities are mostly regulated through the waste exemption procedures. This policy will not effect the 240 waste exemptions currently in place in NI.

11 Enforcement and Sanctions

The policy will be enforced in line with the NIEA Enforcement Policy that can be viewed from the NIEA website at:
http://www.ni-environment.gov.uk/ep_enforcement_policy.pdf

12 Monitoring and Review

A monitoring and review process will take place after the consultation phase and post implementation.

13 Consultation

NIEA has carried out a pre consultation exercise where the views of a representative sample of the waste industry were sought. Consultation has also taken place with other agencies within the UK and Ireland in an attempt to establish best practice prior to full consultation. Responses from the 12-week consultation process will form part of the policy formulation process.

State Aid Compliance

Not Applicable.

ENVIRONMENTAL IMPACT ASSESSMENTS COVERED: Will the policy impact on air quality?	
Part One: Scoping the impact	
Scoping:	Is the question relevant? Y What is the likely impact of the policy? Positive
Overview of impact:	The policy should result in better provision to help deal with environmental impacts from waste which includes impacts to air quality.
Part Two: Consideration of evidence	
Additional guidance:	Supporting Evidence
Will it lead to a change in the emissions of air pollutants?	The Financial Provision calculations will include measures to deal with impacts to air.
Will it impact on the numbers of people affected by existing levels of air pollutants?	Unknown
Will it have a bearing on areas of existing poor air quality?	Unknown
Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives	
If a negative impact has been identified what measures can be taken to reduce the negative impact of the policy?	NA
If a positive impact has been identified what measures can be taken to enhance the positive impact of the policy?	Accurate, site specific calculations and effective enforcement of the policy.

Will the policy impact on climate change?	
Part One: Scoping the impact	
Scoping:	Is the question relevant? Y What is the likely impact of the policy? Positive
Overview of impact:	Releases of greenhouse gases such as CH4 should be reduced.
Part Two: Consideration of evidence	
Additional guidance:	Supporting Evidence
Will it lead to a change in the emissions of any of the six greenhouse gases?	CH4. (Landfill gas emissions).
Will it impact on the need to travel within the region? If yes, will it encourage greater use of public transport or green forms of travel i.e. walking, cycling?	No
Will it affect, or be affected by vulnerability to the predicted effects of climate change i.e. flooding?	No
Part Three: Suggested Improvements / Consideration of mitigating measures and/or policy alternatives	
If a negative impact has been identified what measures can be taken to reduce the negative impact of the policy?	NA
If a positive impact has been identified what measures can be taken to enhance the positive impact of the policy?	Accurate, site specific calculations and effective enforcement of the policy.

Will the policy impact on the landscape or land use?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? No</p>
Overview of impact:	NA

Will the policy impact on the use of natural resources?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p>
Overview of impact:	

Will the policy impact on bio-diversity within the region?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? No</p>
Overview of impact:	

Will the policy impact on levels of noise?	
Part One: Scoping the impact	
Scoping:	<p>Is the question relevant? N</p> <p>What is the likely impact of the policy? Neutral</p> <p>If there is no impact, is there a gap or are there opportunities to develop the policy to promote a positive impact? No</p>

Strategic Environmental Assessment

NA

Consultation

12 week consultation phase starting 7th October 2008.

Prioritising the Impacts

IMPACT S		Negative Impacts		Positive Impacts	
	A			B	
SOCIAL IMPACTS- NA					
ECONOMIC IMPACTS					
Economic Impact Assessment	1.	Direct impact on waste businesses in NI through necessity to provide financial provision	1.	Improvement of the perception of compliance within the waste industry in NI and its associated reduction in environmental risks.	
Regulatory	2.	Waste operators will be required to demonstrate and make available financial provision relative to their waste activity.	2.	Environmental risks from waste activities will be reduced as well as improvements in NI waste businesses' compliance.	
ENVIRONMENTAL IMPACTS					
Environmental	3.	Direct impact on waste businesses in NI through potential costs of financial provision.	3.	Environmental improvements through the provision of financial measures to address environmental impacts specific to the waste activity.	

Negative Impacts							
IMPACT (Insert Number from previous table)	Significance of Impact			Probability of Occurring			
	High	Medium	Low	Highly Likely to Occur	Low probability of Occurring	Unlikely to Occur	
ECONOMIC IMPACTS							
Economic Impact Assessment	1.		X		X		
Regulatory	2.		X		X		
ENVIRONMENTAL							
Environmental	3.		X		X		

Positive Impacts							
IMPACT (Insert Number from previous table)	Significance of Impact			Probability of Occurring			
	High	Medium	Low	Highly Likely to Occur	Low probability of Occurring	Unlikely to Occur	
ECONOMIC IMPACTS							
Economic	1.		X		X		
Regulatory	2.		X		X		
ENVIRONMENTAL							
Environmental	3.		X		X		

Prioritised Positive Impacts	Recommendations to maximise positive impacts
1,2,3	Effective implementation and enforcement of the policy. The application of 'Better Regulation' principles.

Prioritised Negative Impacts	Recommendations to minimise negative impact
1,2,3	Tiered system to ensure the worst polluting activities pay proportionately more than low impact activities. The application of 'Better Regulation' principles to ensure compliance with minimum impact to business.

Declaration and publication

I have read the impact assessments and I am satisfied that the benefits justify the costs

Signed

**Minister's name, title and
department.....**

Date.....

Contact point for enquiries and comments:

**Colin Millar
Northern Ireland Environment Agency
Land and Resource Management
1st Floor, Klondyke Building
Cromac Avenue
Gasworks Business Park
Lower Ormeau Road
Belfast
BT7 2JA**

**Telephone number: 028 90569357
Email address: colin.millar@doeni.gov.uk**

Annex 1. Indicative costs for potential liabilities associated with Landfill.

Activity / Item	Typical Unit Costs from references		Range of Typical Costs inflated to 2007 rates/Comments ³
	IWM ¹	WMP26B ²	
Initial contingency sum:			
Cost for capping of largest phase			See break-down below
Tanker removal and disposal to sewer of leachate		£1 to £4/m ³ per year	Haulage costs can vary significantly by distance. Site specific amount supported by quotations.
Liner failure, Gas migration from site, uncontrolled release of leachate.			Costed for site specific failure scenarios and remedial actions.
Leachate collection and disposal:			Volumes established from water balance calculations & cap infiltration rates.
Basic treatment prior to sewer disposal	£30,078 per site /30yrs		£51,383 per site / 30 yrs
Cost of disposal to sewer		£1 to £4/m ³ per year	£1.21 to £4.87 /m ³ per year but significant risk of variation dependant on water charges.
Advanced leachate treatment	£502,385 per site/30yrs	£0.5 to £1 per M ³	£0.6 to £1.21 /m ³ (£858, 241 per site /30yrs)
Simple leachate re-circulation	£5,040 per pump/30yrs		£8, 610 per pump/30 yrs
Leachate wells replacement	£3,252 per hectare	£2,000 to £4,000 per well	£2,411 to £4,823 per well (% allowance to be made for failure & reinstallation of infrastructure)
Leachate pumps replacement	£10,568 per pump	£500 to £3,000 per pump	£600 to £3,600 per pump (% allowance to be made for failure & reinstallation of infrastructure)
Gas abstraction and flaring:			
Maintain & operate abstraction well field		£9,000 per ha/yr	£ 10,800 per ha/yr
Maintain & Operate gas flare		£5,000/site/yr	£6,000 per ha /yr
Gas well replacement:	£8,536 per hectare		£14, 582 (% allowance to be made for failure & reinstallation of infrastructure)
Abstraction well		£25 to £60 /m	£670 to £2, 520 /well (10m deep well)
Well head		£300 to £1,500 / well	(% allowance to be made for failure & reinstallation of infrastructure)

Activity / Item	Typical Unit Costs from references		Range of Typical Costs inflated to 2007 rates/Comments ³
	IWM ¹	WMP26B ²	
Extraction pipe		£15 to £35 /m	£18 to £42 /m (% allowance to be made for failure & reinstallation of infrastructure)
Condensate trap		£500 to £1,000 /trap	£600 to £1,200 /m (% allowance to be made for failure & reinstallation of infrastructure)
Gas utilisation Plant			The cost associated with only the gas utilisation engines need not be included where such engines will not be operational without an income to offset such costs. The costs associated with the other aspects of the gas management system cannot be offset against income as they will be required regardless of the operation of gas utilisation engines.
Installation of capping, gas & leachate works for last cell:			
Clay using in-situ material	£1/ m ³	£2 to £4 /m ³	£1.1 to £4.8 /m ³
Clay using imported material	£5/ m ³	£5 to £10 /m ³	£6 to £12 /m ³
Bentonite Enriched Soil (0.3m)	£5/ m ²	£5 to £9 /m ²	£6 to £10.8 /m ²
VLDPE membrane cap	£3/ m ²	£1.5 to £3 /m ²	£1.8 to £3.6 /m ²
Geotextile protection	£2/ m ²	£2 to £5 /m ²	£2.4 to £6 /m ²
Subsoil from onsite	£1/ m ³	£1 to £3 /m ³	£1.4 to £3.6 /m ³
Subsoil imported	£5/ m ³	£2 to £6 /m ³	£1.1 to £7.2 /m ³
Field drainage	£2,439 per ha	£3000 /ha	£4167 /ha
Installation of leachate abstraction for last cell	£3,252 per ha	£2,000 to £4,000 per well	£2,400 to £4,066 per well
Installation of gas wells for last cell:	£8,536 per hectare		£14, 511
Abstraction well		£25 to £60 /m	£660 to £2, 520 /well (10m deep well)
Well head		£300 to £1,500 / well	
Extraction pipe		£15 to £35 /m	£18 to £42 /m
Condensate trap		£500 to £1,000 /trap	£600 to £1,200 /m

Activity / Item	Typical Unit Costs from references		Range of Typical Costs inflated to 2007 rates/Comments ³
	IWM ¹	WMP26B ²	
Environmental Monitoring:			
Groundwater	£750 per b/h per year	£5k to £20k /y – small site £25k to £50k/y – large site reducing to £1k/y long term	Site size & sample point related e.g. £6 k/yr to £60k/ yr for 1 st 30 yrs. Reducing to £1.2k /yr in long term
Surface water	£550 per s/p per year		
Leachate	£400 per b/h per year		
Gas	£600 per site per year		
Miscellaneous:			
Treatment of differential settlement		£100/ ha / yr	£120 /ha /yr
Clear site of notice boards, monitoring infrastructure etc			Site specific depends on infrastructure and after use.
Surrender application fee			Cost of surrender application will include; cost for landfill activity, cost for gas engines and cost for leachate treatment.
Annual permit charge			Cost of annual subsistence fee as stated in the EHS charging scheme at the time of application. This may change throughout the life of the permit.
Cost of maintain Bond or surety			Site specific
Maintenance of capping		£200 / ha / yr	£240 /ha /yr
Aggregated Totals:			
Total for post closure landfill gas management and leachate treatment, routine monitoring and regulatory expenses	64.3 pence per tonne for putrescible waste 3.0 pence per tonne for inert waste		£1.09 per tonne for putrescible waste and 51 pence per tonne for inert waste.

Activity / Item	Typical Unit Costs from references		Range of Typical Costs inflated to 2007 rates/Comments ³
	IWM ¹	WMP26B ²	
Period of aftercare	Envisage 30 – 50 yrs, up to 100 years in certain cases.	2 no. 30 periods to a total of 60 yrs	Typically a first period (i.e. 30 years) of active management & monitoring, followed by a further period (i.e. 30 years) of passive management & reducing monitoring as site stabilises with environment towards surrender.
<i>Example of capping:</i> 1 ha, membrane seal, 1m imported restoration soils	<i>(using tabulated figures above)</i> £80,000	<i>(using tabulated figures above)</i> £35,000 to £90,000	£42k to £108k
<i>Example of Monitoring</i> 10 year period; 10 GW boreholes; 10 Leachate; 3 SW samples; & gas	<i>(using tabulated figures above)</i> £137, 500	<i>(using tabulated figures above)</i> £200,000 small site £500,000 large site	£165k to £610k for each 10 year period during 1 st 30 yrs of aftercare. Reducing beyond that date.
<i>Example of leachate management.</i> 10 year period; 5 wells replaced; leachate treatment on site; 50m ³ /day; discharge to SW	<i>(using tabulated figures above)</i> £177,121	<i>(using tabulated figures above)</i> £103, 750 to £182, 5353	£125k to £222k for each 10 year period during 1 st 30 yrs of aftercare. Reducing beyond that date.
<i>Example of gas management.</i> 5 ha site; 10 year period; utilisation to produce electricity	-	<i>(using tabulated figures above)</i> £700k	£854k for a 10 year period. This covers gas wells and flaring only and excludes costs for utilisation engines as they will only be present and operational when electricity is being sold and do not directly link to gas control in waste mass.

Notes:

1. IWM: Based on 1994 costs quoted in IWM document 'Position Paper on Financial Provisions for the prolonged aftercare of landfills'; 10 August 1996.
2. WMP26B: Based on mid 1995 prices listed in Appendix F of Waste Management Paper 26B.
3. Typical costs altered to account for inflation as indicative for 2007 rates.
4. For further breakdown and information refer to reference documents.

Annex2: Possible methods of demonstrating Financial Provision.

Instrument	Description	Possible Advantages	Possible Disadvantages
Cash Deposits	Cash deposited in a bank account in the sole name of the regulator, not joint names. Can be paid in as lump sum or set up as accumulating fund.	<ul style="list-style-type: none"> • Ensures that some monies are available in the event of the operator's insolvency. • Provides long term security. • Payment into account are invested rather than consumed in the form of premiums. • Annual cost likely to be equivalent to that of bond or insurance premiums. 	<ul style="list-style-type: none"> • Monies may not be enough to cover the operator's obligations as capital is not pooled. • Start up costs can close the market to small operators. • Can tie up valuable working capital. • Problems arise if a loss occurs at an early stage when the fund is not yet big enough to pay for it. • Operator may be liable to pay tax on the money paid in.
Escrow accounts	A property (cash or other assets, such as gilts) held by a third party (e.g. a lender) on behalf of two people (e.g. the licensee and the regulator) for a specified period of time until one or both parties meets the conditions set out in the escrow agreement (e.g. in the case of the licensee a successful surrender of its licence with no liability having arisen). Escrow can accumulate.	<ul style="list-style-type: none"> • Cannot be unilaterally released by operator. • Secures a definite amount of money to cover environmental liabilities. • Suited to cover liabilities, which are quantifiable before operations commence, e.g. closure costs. 	<ul style="list-style-type: none"> • Ties up valuable working capital. • Potentially high enforcement costs. • Potentially high transactional costs for all parties. • Monies may not be released to cover obligations it is meant to guarantee. • Not suitable for unexpected liabilities such as damage to third parties

<p>Insurance</p>	<p>Risk spreading mechanism for securing environmental liability. Through premiums, the overall cost for the operator of securing risks is reduced. By pooling together resources the insurer is more likely to be able to respond to significant liabilities.</p>	<ul style="list-style-type: none"> • Established and growing market. • Products are available on the market. • Current willingness by insurers and reinsurers to insure. • Pools resources resulting in a greater ability to pay out for claims. • Spreads the risk amongst insurers and reinsurers • Induces better environmental management. • Releases valuable working capital. • Regulated industry. • Cover is flexible and can be structured to include site closure costs. 	<ul style="list-style-type: none"> • Policies contain exclusions and other restrictions. E.g. liability caps and deductible may be difficult for operators to fund. • Larger operators may be able to negotiate better policies to the detriment of the smaller operator. • Cost can be high for small and medium size enterprises. • Claims based insurance restricts cover to claims made during the policy, but cover can apply to prior acts. • Risk of insolvency of the insurer • May attract Insurance Premium Tax, although not VAT • Administrative costs (policy scrutiny) will have to be borne by the prospective insured. • It is possible that some sites may be uninsurable owing to site features or poor site management.
<p>Bonds</p>	<p>Undertakings by banks to pay a third party beneficiary a certain sum of money on a certain event, including in the event of environmental liabilities materialising.</p>	<ul style="list-style-type: none"> • Releases valuable working capital. • Backed by a regulated industry unlikely to default on obligations. • Cannot be cancelled unilaterally by the buyer. • Flexibility; e.g. can be made to pay out if the bond is not renewed • Relatively simple contractual device • Generally not subject to numerous / onerous limitations and restrictions 	<ul style="list-style-type: none"> • Renewable yearly and as no obligation to renew does not prove to be a good long term guarantee. • Costs can be high and are not recoverable.
<p>Letters of Credit</p>	<p>Bought from banks and require that a third party beneficiary be paid the amount represented by the letter of credit if and when the buyer fails to perform certain obligations.</p>	<ul style="list-style-type: none"> • Releases valuable working • Backed by a regulated industry unlikely to default on obligations. • Cannot be cancelled unilaterally by the buyer. • Useful for short-term risks. 	<ul style="list-style-type: none"> • Renewable yearly and as no obligation to renew does not prove to be a good long term guarantee. • May not be available for smaller operators. • Can have a negative impact on the operator's credit rating. • Costly.

<p>Parent company guarantee</p>	<p>Parent company acts as guarantor of the potential future environmental liabilities of a subsidiary company, normally the operating company.</p>	<ul style="list-style-type: none"> • Releases valuable working capital. • Parent company will normally have deeper pockets • Parent company acts as an interested third party overseeing environmental management. 	<ul style="list-style-type: none"> • Parent company may go into liquidation. • Transactional cost, both set up and monitoring costs can be high. • Only available to operators with parent companies of substance. • Parent company may not be in existence when the liability materialises.
<p>Self insurance through charges on the company's assets</p>	<p>A company may allow charges over its assets, including land, to be earmarked to cover possible future environmental liabilities.</p>	<ul style="list-style-type: none"> • This form of guarantee is a safer form of security given that in the event of bankruptcy or liquidation of the company, the realised value of the asset would be reserved specifically to cover environmental liabilities. • The company would benefit from not having to pay out insurance or other premiums or levies and the transaction costs or the company are low. 	<ul style="list-style-type: none"> • Some assets depreciate and reduce in value over time and thus the value of the charge would reduce over time whilst environmental liabilities may increase with time. Thus the asset, when realised, may not be sufficient to cover the actual liability. • Regulator who ends up owning contaminated land may become liable for clean up costs. • The regulator will incur transaction costs in registering the charge and carrying out searches in order to ensure that the asset is free from other charges. • The regulator would also have to invest in continual monitoring and verification of the company's financial performance and its asset value.
<p>Self insurance through accounting</p>	<p>Larger operators will have the capacity to make a provision in their accounts for future environmental liabilities. This accounting provision can be made over retained profits or the company's assets.</p>	<ul style="list-style-type: none"> • Releases valuable working capital. • Low transactional costs for operator. • Corporate social responsibility duties increase transparency in valuating risks. • If audited present and independent record of value of environmental liabilities. 	<ul style="list-style-type: none"> • No assurance that monies will be set aside to pay for environmental liabilities. • No creditor rating in case of insolvency. • Company may not be in existence when the liability materialises. • The regulator will incur financial monitoring costs.

Overdrafts	Operators use an overdraft facility as a way of guaranteeing their environmental liabilities.	<ul style="list-style-type: none">• Banks are good guarantors.• Low transactional costs as the facility does not have to be drawn down.	<ul style="list-style-type: none">• Ties up financial resources.• Likely to guarantee only small amounts.• Overdrafts are payable on demand and may put the operator in an unexpected financial difficulties.• Overdraft facility may not be available when the liability materialises.
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