


Local Government Finance (Wales) Special Grant Report (10) (Wales) 2002


Financial Assistance for Local Authorities affected by the EC Regulation on substances that deplete the ozone layer.

Introduction

1. This Report is made by the National Assembly for Wales (the Assembly), under section 88B of the Local Government Finance Act 1988. This Report specifies a determination of special grants which the Assembly proposes to pay to county councils and county borough councils in Wales.
2. This Report specifies the Assembly's determination of:
 - the authorities to which the grants are to be paid;
 - the purpose for which the grants are to be paid; and
 - the amount of the grants which the Assembly proposes to pay to each authority. 

It also sets out such explanation as the Assembly considers desirable of the main features of the determination and specifies the conditions which the Assembly intends to impose on the payment of the special grants.

The purpose

3.  pursuant to section 88B(3)(b) of the 1988 Act, the Assembly hereby determines the following purposes for which special grants are to be paid:

to contribute to local authority funding of the collection, transport, storage and disposal of domestic refrigeration equipment arising from the provisions of the EC Regulation No 2037/2000 on substances that deplete the ozone layer, which came into force for domestic appliances on 1st January 2002. Local authorities may also use the special grant to facilitate, perhaps by community sector organisations, the appropriate re-use of suitable domestic refrigeration units. The funding covers the period 1st April 2002 to the 31st March 2003.

Authorities and amounts payable

4. Pursuant to section 88B(3)(a) and (c)(i) of the 1988 Act the Assembly hereby determines that the authorities to which special grants are to be paid and the amounts payable are those specified in Annex A.
5. In accordance with Special Grant Report 21 (Wales) 2001, audit reports, certified by the auditor appointed by the Audit Commission, have been received for the grants covering January to 31st March 2002. 11 local authorities recorded underspends for the period January to March 2002

and details are specified at Annex B. Those local authorities reporting underspends have advised that due to the lack of available recovery and disposal facilities, only the cost of collection and storage was incurred. As these domestic refrigerators were not disposed of during 2001-02, underspends have arisen and the cost of their disposal now falls in 2002-2003.

6. Notwithstanding the condition set out in paragraph 7 of Annex B to Special Grant Report 21 (Wales) 2001, any underspend in 2001-02 as identified in paragraph 5 above shall not be repaid to the Assembly but shall instead be used for the purposes specified in paragraph 3 of this report.

Conditions for the payment of special grants

7. Pursuant to section 88B(7) of the 1988 Act, the Assembly hereby specifies as the conditions which the Assembly intends to impose on the payment of special grants the conditions set out in Annex C.

Main features

8. Pursuant to section 88B(4) of the 1988 Act, the note at Annex D contains such explanation as the Assembly considers desirable of the main features of the determination specified in this report.

Approved by resolution of the National Assembly for Wales on 22nd October 2002

Annex A

Amount of grant payable to authorities

Local Authority	Percentage based on SSA formula	Total £2400000
Isle of Anglesey	2.58	61920
Blaenau Gwent	2.17	52080
Bridgend	4.25	102000
Caerphilly	5.25	126000
Cardiff	10.51	252240
Carmarthenshire	5.95	142800
Ceredigion	3.06	73440
Conwy	4.05	97200
Denbigshire	3.43	82320
Flintshire	4.77	114480
Gwynedd	5.33	127920
Merthyr Tydfil	1.72	41280
Monmouthshire	2.89	69360
Neath Port Talbot	4.41	105840
Newport	4.31	103440
Pembrokeshire	4.35	104400
Powys	5.72	137280
Rhondda Cynon Taff	7.42	178080
Swansea	7.23	173520
Torfaen	2.74	65760
Vale of Glamorgan	3.9	93600
Wrexham	3.96	95040
Wales	100.00%	2400000

Annex B

Underspends for 2001-02

Local Authority	Allocation 2001-02 £	Underspend £
Isle of Anglesey	16080	9178.27
Blaenau Gwent	13200	7087.32
Bridgend	25320	0
Caerphilly	31500	13560
Cardiff	61440	0
Carmarthenshire	35820	0
Ceredigion	18420	0
Conwy	23100	0
Denbigshire	20580	2240.38
Flintshire	28020	7745.29
Gwynedd	33600	24857
Merthyr Tydfil	10320	5019.1
Monmouthshire	17460	0
Neath Port Talbot	26760	3607
Newport	25920	8288
Pembrokeshire	26280	0
Powys	35280	23460.69
Rhondda Cynon Taff	44520	0
Swansea	43620	0
Torfaen	16500	0
Vale of Glamorgan	22620	1800.77
Wrexham	23700	0
Total	600060	106843.97

Annex C

Conditions for the Payment of Special Grant

1. The grants set out in Annex A shall be used before the end of 31st March 2003 for the purpose set out in paragraph 3 of the Report.
2. Each authority shall record how the grant has been spent.
3. By 30th June 2003, each authority shall provide the Assembly with a return recording the numbers of domestic refrigerators collected during the period 1st April 2002 and 31st March 2003. The Assembly will provide a form for this purpose.
4. Each authority shall supply to the Assembly such further information as may be required for the purposes of determining whether it has complied with these conditions.
5. Each authority shall complete an annual return of grant income and expenditure, which shall include any underspends arising from 2001-2002 detailed at Annex B. This annual return shall be certified by the Chief Financial Officer of the local authority by 30th June 2003. A copy of this shall be sent to the Assembly and the original given to the auditor appointed by the Audit Commission who shall certify it so that it is received by the Assembly no later than 30th September 2003.
6. Under the provisions of the Environmental Protection Act 1990 and the Controlled Waste Regulations 1992, local authorities may make a reasonable charge for the collection of domestic refrigeration equipment where it exceeds 25 kilograms in weight. The special grant provided by the Assembly may be used by an authority to cover the costs of collection. If, however, local authorities charge householders for this collection service, they must identify these costs in their audit report. Depending on the amount of grant spent by an authority, the Assembly may request repayment of part of the grant equivalent to the total charged to householders by an authority.
7. If any authority fails to comply with any of these conditions then the Assembly may require the repayment of the whole or any part of the grant monies paid to the authority, as may be determined by the Assembly and notified in writing to the authority. Such sum as has been notified shall immediately become repayable to the Assembly.
8. Any amount of grant not spent by the authority before the end of March 2003 may be repayable to the Assembly.

Annex D

Background

1. The European Commission's Ozone Depleting Substances Regulation 2037/2000 ('the ODS Regulation'), which came into effect in October 2000, required Member States to remove ozone depleting substances (eg CFC's) from refrigeration equipment before such appliances are scrapped. This requirement came into force immediately for industrial and commercial appliances and applied to domestic appliances from 1 January 2002. From that date, ODS from both the cooling systems and insulation foam had to be removed for safe destruction or recovery before the appliance could be scrapped. In addition the ODS Regulations banned the export of fridges to developing countries a practice which constituted some 40% of the 2.5 - 3 million fridges discarded in the UK each year.
2. When the Regulations came into force for domestic appliances there were, apart from two incinerators, no specialist recycling facilities available anywhere in the UK. As a result, retailer take-back schemes ceased and the burden of storage and disposal of domestic appliances fell solely on local authorities. Whilst local authorities have a statutory duty to collect and dispose of household waste, they were not in a position to manage the numbers of fridges that arose at their civic amenity sites.
3. On 15th January 2002, the National Assembly approved Special Grant Report 21, which allocated £600,060 to local authorities in Wales. This report was designed to contribute to local authority funding of the collection, transport, storage and disposal of domestic refrigeration equipment between January and March 2002. During this period, the grant assisted local authorities in the management of 27908 fridges.
4. Since January 2002, the waste management industry has responded to the need for specialist recycling facilities and there are now currently 8 licensed facilities across England and Wales including 2 static plants in Wales. The two sites in Wales are SimsMetals in Newport and Industrial Plastics Recycling in Knighton and applications for further facilities across Wales and England are currently being assessed by the Environment Agency. Based on the figures for Jan to March, with these two facilities alone, Wales should have sufficient capacity to process the expected 111,600 fridges likely to arise in Wales each year. In addition to these static facilities, with the introduction of the Waste Management Licensing (Amendment)(Wales) Regulations 2002, provision is now also available for mobile plant treatment facilities.
5. Whilst the full impact of the ODS Regulations in Wales is difficult to quantify, estimates from 20 local authorities in Wales indicates that on average they have handled 93% more refrigerators than an equivalent period last year.

6. Since the ODS Regulations came into force, the Assembly Government has been working with the UK Government, local authorities, the Environment Agency and businesses to develop a package of measures to assist in the management of refrigeration equipment. This package includes guidance on the storage of waste fridges, standards for industry and information for consumers advising them how to dispose of them.
7. Despite the development of UK capacity and the option to export refrigerators to other EU member states notably Germany, the management of domestic refrigeration equipment arising from the ODS Regulations remains a significant burden to local authorities. Assembly intervention is therefore justified to provide some funding to cover the costs of collection, transport, storage and disposal of refrigerators for the period in question.
8. Furthermore, ensuring the adequate disposal of waste as well as preventing illegal waste management and fly tipping is one of the Assembly's environmental priorities. The issue of sustainable waste management is addressed in *Wise about Waste: The National Waste Strategy for Wales*.

Further Information

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