



## **INTERIM GUIDANCE NOTE:- Financial Provision for Non-Landfill PPC Specified Waste Management Activity Applications**

The Scottish Environment Protection Agency ("SEPA") has to assess whether applicants for, and holders of, pollution prevention and control (PPC) permits for 'specified waste management activities' are fit and proper persons. Financial provision is part of this assessment.

This note describes what is required from applicants.

### **Applications in relation to PPC 'specified waste management activities'.**

Regulation 4 of the Pollution Prevention and Control (Scotland) Regulations 2000, as amended, states that SEPA must determine whether a person is or is not a fit and proper person to hold a PPC permit for a 'specified waste management activity'. A person shall not be treated as being a fit and proper person if it appears to SEPA that that person "*has not made, or will not before commencement of the specified waste management activity make, adequate financial provision (either by way of financial security or its equivalent) to ensure that –*

- (i) the obligations (including after-care provisions) arising from the permit in relation to that activity are discharged; and*
- (ii) any closure procedures required by the permit in relation to that activity are followed."*

For PPC applications SEPA will accept that applicants are "in a position to make financial provision" if they can demonstrate that they have sufficient financial means to fund the requirements of the permit, including those arising on closure

### **How does an applicant demonstrate financial standing for a non-landfill 'specified waste management activity'?**

This may be demonstrated in either of the following ways for non-landfill applications:

#### **a) Credit Reference Check**

SEPA will carry out a credit check to assess whether applicants are of sufficient financial standing. There may be occasions where the applicant may have to grant SEPA written authorisation to carry out such checks.

#### **b) Provision of Alternative Evidence**

Where a Credit Reference Check has failed (or is not appropriate) an applicant may provide recent evidence (not more than 3 months old) from a third party as to its financial standing. It must be credible evidence stating that the applicant is in a position to access adequate funds. This could include:

- A statement of account addressed to the applicant from a financial institution.
- A letter to the applicant from a financial institution showing that the applicant has sufficient overdraft or loan facilities.

**NB:- It should always be remembered that ultimately the responsibility and onus lies with the applicant to satisfy SEPA as to their financial standing.**

### **How much Financial Provision for non-landfill 'specified waste management activities'?**

SEPA has devised a simple indicative formula to assist in calculating the amount of any potential financial obligation concerned. This is based on the maximum quantity of waste that you can keep, store or treat at your site, as follows:

<b>Waste Type</b>	<b>Cost/Tonne</b>
Hazardous	£250
Non –Hazardous	£35
Inert	£8

The above figures are indicative only. There may be site/licence specific circumstances which will merit a different/increased multiplier being used. There is a **£500** minimum financial provision that must be demonstrated. SEPA may adjust this figure from time to time.

### **Will an applicant have to continue to provide evidence for non-landfill 'specified waste management activities'?**

No. The financial provision test is only at the application stage, and SEPA is not required to continue to check an applicant's financial standing on an ongoing basis.

### **Does it apply to all non-landfill applications?**

Yes. The financial provision test is relevant for new non-landfill permit applications, applications for permit condition modifications where the obligations have increased (e.g. changing waste types, or increasing volumes of waste on site), and on transfer of a permit.