Northern Ireland
Producer Responsibility
(Packaging Waste) Regulations

NIEA
Compliance Monitoring Plan for 2019-2020
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1.0 BACKGROUND

1.1 Introduction

The Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 1999 (SR/1999/115) were introduced in Northern Ireland in 1999 as part of the UK implementation of the EC Directive on Packaging and Packaging Waste (94/62/EC). The Directive seeks to reduce the impact of packaging on the environment by setting mandatory targets for the recovery and recycling of packaging waste for Member States to achieve. By placing these obligations on business, the Packaging Waste Regulations encourage minimisation and reuse of packaging, reduce landfill disposal of packaging wastes and support the development of the packaging waste recycling sector.

The Directive was amended in 2004 (2004/12/EC) to set a target of 60% recovery of packaging waste by 2008. Northern Ireland has no specific targets but the data from businesses registered in Northern Ireland contribute to the UK target as the Member State.

In 2018 UK producers had an overall obligation of 8,107,471 tonnes, with Northern Ireland having a specific target of 179,571 tonnes.

There are also Directive targets for the recycling and recovery of specific packaging materials: Paper/Cardboard; Plastic; Glass; Metal and Wood. The UK also introduced additional split targets for glass re-melt and glass other. This was done to encourage additional tonnage of glass recycling via re-melt.

1.2 Obligated Businesses

The Packaging Waste Regulations in the UK place the responsibility for meeting the Member State’s targets on business. The Packaging Waste Regulations place a legal obligation on all businesses with an annual turnover of more than £2 million and who handle more than 50 tonnes of packaging each year. Companies that exceed both thresholds are known as ‘producers’. Producers are required to:

- Register and submit data to the Northern Ireland Environment Agency (NIEA) by the 7th April each year;
- Fulfill their specific recovery and recycling obligations;
- Submit a Certificate of Compliance by 31st January each year and support this with evidence that the required packaging waste recovery and recycling has been carried out; and
- Meet certain ‘consumer information obligations’ if the main activity of the company is ‘seller’.

Producers may join a compliance scheme that will take on their producer responsibility recovery obligations. Scheme members must ensure that the information and data they provide to their scheme are as accurate as reasonably possible (Regulation 19). During the 2018 compliance year, there were 15 GB-based and one NI-based compliance schemes registered with NIEA.

An up-to-date list of registered compliance schemes is available via the following link:

### Table 1 Compliance Schemes registered with NIEA in 2018

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biffpack</td>
<td>Papco</td>
</tr>
<tr>
<td>Compliance Link</td>
<td>Paperpak</td>
</tr>
<tr>
<td>Comply Direct</td>
<td>Pennine-Pack</td>
</tr>
<tr>
<td>Complypack</td>
<td>Recycle-Pak</td>
</tr>
<tr>
<td>Ecosurety</td>
<td>Synergy Compliance</td>
</tr>
<tr>
<td>ERP UK Ltd</td>
<td>Valpak</td>
</tr>
<tr>
<td>Kite Environmental Solutions</td>
<td>Veolia Environmental Services</td>
</tr>
<tr>
<td>Nipak Ltd</td>
<td>Wastepack UK</td>
</tr>
</tbody>
</table>

Recycling and recovery targets on obligated producers have been progressively increasing since 1999. Because not all businesses are obligated (small businesses below the thresholds are exempt), those obligated producers above the thresholds have to recover more packaging waste to enable the Member State to meet its targets. To ensure the UK recovers over 60% of packaging waste, the overall recovery target on obligated businesses was set at 80% in 2018.

Recovery and recycling of packaging waste is carried out by reprocessors and exporters of UK packaging waste. Only reprocessors and exporters that are accredited and monitored by the Environment Agencies (EA, SEPA, NRW and NIEA) may generate evidence of recovery in the form of Packaging Waste Recovery Notes (PRNs) or Packaging Waste Export Recovery Notes (PERNs) for each tonne of packaging waste that is reprocessed or exported.

Packaging waste reprocessors and exporters that are not accredited are not allowed to issue evidence of recovery. During the 2018 compliance year, there were eight accredited reprocessors and eighteen accredited exporters registered with NIEA (see Table 2). This can change over the year and an up to date list is available at the following link:
Table 2 Reprocessors and Exporters registered with NIEA in 2018

| Eglinton (Timber Products) Ltd | Leinster Environmentals (UK) Ltd |
| Clearcircle Environmental NI Ltd (rep/exp) | Vanden Recycling Ltd |
| T&J Recycling T/A Barrett Recycling | Lets Recycle It Ltd |
| Encirc Ltd | One World Environmental Services Ltd |
| Cherry Plastics (rep/exp) | Volker Gruppe Ltd |
| Huhtamaki (Lurgan) Ltd | HM Recycling Ltd |
| Bryson Recycling | Clearway Disposals Ltd |
| RecyCo (rep/exp) | T-MET Ltd |
| NI Plastics Ltd | Polymer Resource Management |
| Plaswire Ltd | Recycle Plastic UK Ltd |

Obligated producers and compliance schemes must meet their recovery and recycling obligations by buying or obtaining the correct amount of PRNs and PERNs. Reprocessors and exporters are expected to use the income from the sale of PRNs and PERNs to enhance packaging recycling, e.g. to improve collection systems, increase recycling capacity and develop end use markets.

1.3 Changes to the legislation

The original Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 1999 have been amended several times to introduce various technical changes and progressively increase the recovery targets. A consolidated set of regulations came into operation in 2007 and are referred to as the Producer Responsibility Obligations (Packaging Waste) Regulations (Northern Ireland) 2007 (SR/2007/198).

An amendment to the Regulations came into effect from the end of December 2012, which set out new targets from 2013 up to 2017. The main change was to split the glass target to include a percentage of remelt. (See Table 3).

Table 3 Revised UK targets for 2015 to 2017

The table shows the current UK government recycling targets in percentages:

<table>
<thead>
<tr>
<th>Material</th>
<th>2015 (%)</th>
<th>2016 (%)</th>
<th>2017 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>49</td>
<td>52</td>
<td>55</td>
</tr>
<tr>
<td>Glass*</td>
<td>76</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Glass by remelt*</td>
<td>66</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Steel</td>
<td>74</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>Paper/ board</td>
<td>69.5</td>
<td>69.5</td>
<td>69.5</td>
</tr>
<tr>
<td>Plastic**</td>
<td>47</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Wood</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>
A further amendment to the Regulations came into effect from the beginning of January 2018, which set out new targets from 2018 up to 2020. (See Table 4).

**Table 4 UK Targets for 2018 to 2020**

<table>
<thead>
<tr>
<th>Material</th>
<th>2018 (%)</th>
<th>2019 (%)</th>
<th>2020 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>58</td>
<td>61</td>
<td>64</td>
</tr>
<tr>
<td>Glass*</td>
<td>78</td>
<td>79</td>
<td>80</td>
</tr>
<tr>
<td>Steel</td>
<td>79</td>
<td>82</td>
<td>85</td>
</tr>
<tr>
<td>Paper/ board</td>
<td>71</td>
<td>73</td>
<td>75</td>
</tr>
<tr>
<td>Plastic</td>
<td>53</td>
<td>55</td>
<td>57</td>
</tr>
<tr>
<td>Wood</td>
<td>38</td>
<td>43</td>
<td>48</td>
</tr>
</tbody>
</table>

*The glass by remelt target has remained at 67% of the glass obligation.

With regard to increasing transparency on the use of PRN income, applications for accreditation from reprocessors and exporters must include information on how any funds generated will be divided between the following six categories:

- investment in infrastructure and the development of capacity for the collection, sorting, treatment and reprocessing of packaging waste;
- funding provided to other parties involved in the collection of packaging waste;
- reductions in the prices of, and the development of new markets for, materials or goods made from recycled packaging waste;
- the costs of complying with obligations in the regulations;
- funds retained for future investment; and
- development of a communications strategy to promote packaging recycling.

An end of year report is also required to account for how much income was generated and how it was distributed between these six categories, and to discuss any changes from the business plan submitted at the start of the year.

1.4 **The Duty to Monitor Compliance**

Regulation 31 of the Packaging Waste Regulations (Northern Ireland) 2007 places a duty on NIEA to monitor compliance in Northern Ireland. This duty covers:

- obligated producers (direct registrants and members of schemes);
- non-obligated businesses who may exceed the thresholds (potential ‘free riders’);
• compliance schemes; and
• accredited reprocessors and exporters

The monitoring duty covers compliance with the legal obligations of all the businesses affected by the Regulations to ensure that the information provided is ‘as accurate as reasonably possible’.

1.5 The Duty to Provide a Monitoring Plan

The Packaging Waste Regulations include a requirement for NIEA to publish an annual compliance monitoring plan.

Regulation 32 states that the Department shall take such steps as seem to it appropriate to publish, in relation to each year, the following details of the monitoring carried out under regulation 31 –

• the Department’s policy in relation to the monitoring it is required to carry out under regulation 31; and
• an indication of the minimum number of persons which it proposes to monitor in the course of that year.

2.0 MONITORING ACTIVITIES

2.1 Registered Producers

Registered producers include those businesses that register directly with NIEA and those that register via a compliance scheme. There are two main components to compliance monitoring of obligated producers: office based data checks and site audits.

Site visits are a key aspect of effective compliance monitoring as they enable the regulator to observe business processes first hand, investigate packaging flows (inputs and outputs) and ascertain in detail how data for calculation of obligation is derived. The site audit will also investigate and confirm the role of the business in terms of packaging flows between manufacturer, converter, pack filler and seller. For example, some manufacturing companies may not realise they are the seller of transit packaging to their customers, if the latter are the end users who discard the packaging. Helping businesses to understand how to treat imports and exports of packaging is also a key issue.

As a general rule, if a discrepancy of less than 10% of the packaging handled is identified, the business is advised to take on board the recommendations of the NIEA audit in their submission for the next compliance year. If the discrepancy is greater than 10%, the business is required to provide a re-submission and pay an additional fee. A compliance visit can also result in a decrease in obligated packaging. The audit objective is to make sure that the packaging data submitted are as accurate as reasonably possible.

It is the aim of NIEA that a producer will be routinely audited about once every four years. Following a risk based approach to monitoring, there are a number of reasons why more frequent audits may be required:

• Erroneous data were submitted in the previous year requiring a re-submission and there are still concerns about the accuracy of the data;
• The producer has failed to take account of previous audit recommendations from NIEA in their data submission;
• There are significant and unexplained differences from the previous year’s data;
• The producer is a newly registered business and is still uncertain about the requirements of the regulations;
• There have been significant changes to the business (e.g. takeover of another business) indicating that a new baseline for the amount of packaging handled by the business needs to be established;
• The producer has failed to purchase the required PRNs in the previous compliance year;
• The producer requests a compliance visit to help them improve the accuracy of their data submission.

Taking account of the reasons listed above, the overall outcome will be that producers that provide an accurate, soundly based and well explained data submission will receive less frequent audits than businesses that don’t. Normally site visits are pre-arranged with the registered producer. This enables relevant information to be made available for the visit. However there may be occasions when unannounced compliance monitoring visits are deemed to be necessary.

The second main component of compliance monitoring is office based checks. The process of monitoring starts with the receipt of annual registration data in April each year via the National Packaging Waste Database (NPWD). The NIEA Producer Responsibility team is responsible for checking registrations and updating NIEA records. The process of data review includes logic checking to ensure that data in the various tables in the application are not contradictory and also that the recovery and recycling obligations appear correct. In addition business type and description are cross-referenced to declared activities to ensure that the appropriate packaging handling roles have been identified.

Data are compared with previous years’ submissions to note any trends, e.g. has an increase in turnover resulted in an increase in packaging handled. Previous site audit reports will also be consulted to check that the producer has taken on board any recommendations from NIEA to improve the quality of the data. There may also be comparisons with similar sized businesses within the same industrial sector as a broad check on the scale of the figures. Any errors or concerns with the registration data are noted and the producer will either be asked to revise their application or they will be included in the list of producers requiring a compliance monitoring site visit that year.

Visits to both direct registrants and scheme members are preceded by preparatory work, which includes NIEA compliance officers reviewing current and previous registration data forms, any previous requests for re-submissions and any advisory guidance given in previous communications.

All direct registrants must submit an annual Certificate of Compliance (CoC) by 31st January each year via NPWD. This states that the business has met its recovery and recycling obligations for the previous registration year. Direct registrants are monitored to check that CoCs have been submitted on time, that they contain the correct information and that there is appropriate evidence of compliance to back up the CoC.
2.2 Non-obligated businesses - potential free riders

Since the commencement of the Packaging Waste Regulations in 1999, NIEA has built up a database of over 2000 businesses that may be producers as defined in the regulations. This database has been assembled from a range of different sources such as business directories and databases; liaison with other government bodies and official organisations; local intelligence and feedback from compliance schemes and businesses.

In the current year 397 businesses are registered as obligated producers. Of the 2000 businesses originally identified as being potentially obligated investigation by NIEA has reduced this number to around 75. A further 137 businesses have since been identified in 2018. Unregistered businesses can be divided into two groups:

- Businesses that have provided relevant and accurate information to NIEA and are legitimately under one of the two thresholds: less than £2 million turnover or less than 50 tonnes of packaging handled; and
- Businesses that exceed the two thresholds defined in the Packaging Waste Regulations. Only this latter group are free riders.

NIEA’s free rider monitoring strategy is a combination of written requests for information and site visits.

- Every year NIEA issues a data questionnaire to non-obligated businesses on our database, seeking information on turnover and packaging handled. This is targeted at businesses most likely to be close to or over the thresholds. This is normally sent out in February and if the information returned indicates that the business is above the thresholds, they are advised to join a compliance scheme or register direct with NIEA by the 7th April deadline.
- NIEA carries out a programme of follow up checks and site visits on businesses that are potential free riders. This will include businesses that have not responded to a request for data; businesses that appear to have provided an erroneous data return; businesses that appear close to the thresholds; and businesses that have been identified by local intelligence or feedback from third parties.

Once a free-rider is identified, they are required to register immediately for the current compliance year.
2.3 Compliance Schemes

Monitoring of compliance schemes consists of two main components: analysis of submitted information and site audits. Analysis of submitted information includes:

- review of the scheme’s annual registration data;
- review of changes in membership;
- review of any significant changes in the scheme’s recovery and recycling obligations and the underlying reasons for these changes;
- review of individual member’s data;
- review of the statement of compliance (SoC) for the previous year and the acquisition records of PRNs and PERNs that support this.

NIEA has a particular interest in how GB based schemes communicate with their NI based members and how they check their data and update them on any changes to the regulations. NIEA strongly encourages schemes to conduct a thorough site audit when they sign up new members and also to take appropriate action to rectify weaknesses in their systems when a member is required to provide a re-submission.

The strategy for site visits to monitor compliance schemes needs to balance resources against the risk and potential impact of failure to comply, because most of the schemes are GB based and therefore it is more expensive and time consuming for NIEA to conduct a monitoring visit. NIEA co-ordinates scheme audits with SEPA, NRW and EA wherever possible.

Key issues that are investigated during site visits include:

- the systems the scheme uses to check the accuracy of their members' information and data;
- the scheme’s data management systems;
- progress on implementing previous audit recommendations;
- progress on acquiring evidence to meet their obligations for the current year.
2.4 Compliance with consumer information obligations

These obligations affect companies whose main activity is ‘seller’ of packed products to end users. These companies must, either individually or through a compliance scheme acting on their behalf, inform NIEA of the methodology they are using to notify their customers about:

- the return, collection and recovery systems available to consumers - for example a list of local recycling facilities and initiatives;
- the consumers’ role in contributing to reuse, recovery and recycling of packaging and packaging waste - for example encouraging customers to reuse plastic bags;
- the meaning of markings on packaging existing on the market - for example provision of a list of relevant symbols which may aid the purchase of recycled or recyclable goods; and
- the appropriate elements dealing with the management of packaging and packaging waste in the Waste Management Strategy for Northern Ireland.

Each year, NIEA will monitor all compliance schemes and a sample of direct registrants, whose main activity is that of seller, to determine the methodology used by them to comply with these obligations.

2.5 Accredited Reprocessors and Exporters

NIEA monitors accredited reprocessors and exporters to ensure that PRNs and PERNs are only issued in accordance with the requirements of the regulations. As these evidence notes have a monetary value as a result of the packaging regulatory system, effective monitoring is key to minimise the risk of fraudulent issue of PRNs and PERNs. Monitoring is focused on the following key issues:

- the material accepted for reprocessing or export is packaging material;
- the packaging is UK waste only;
- the recording of input and output weights are accurate; and
- the operator has accurate data and management systems for tracking material through the process.

Compliance monitoring is a combination of office based checks and site audits, and includes the following activities:

- review of the annual application to be an accredited reprocessor or exporter;
- review of the sampling and inspection plan;
• review of the three year business plan for investment of PRN and PERN income;

• review of quarterly and end of year data returns on the amount of packaging waste received and PRNs and PERNs issued;

• for exporters of packaging waste, review of evidence that overseas reprocessing will be carried out under conditions ‘broadly equivalent’ to the environmental standards that apply in the European Union;

• pre-application site visit (for operators that have not been accredited before);

• pre-arranged annual audit with detailed review of on-site processes and data management systems; and

• periodic, unannounced spot check visits during the year to check data accuracy and ongoing compliance with the conditions of accreditation.

2.6 Provision of advice and guidance

Although this report is focused primarily on monitoring activities, it is noted that NIEA continues to provide advice and guidance to businesses and other organisations, which contributes to the level of compliance with the Packaging Waste Regulations.

This includes a range of activities such as: responses to telephone and e-mail queries; advisory visits; website updates; guidance documents and leaflets; workshops and seminars. Guidance is provided to existing registered producers, non-obligated businesses, trade bodies, consultants, compliance schemes, accredited reprocessors and exporters and other waste management operators that are potential reprocessors and exporters.
3.0 REPORT ON MONITORING ACTIVITIES FOR 2018/189

3.1 Monitoring visits

The total obligation for Northern Ireland has remained around 175,000 tonnes with approximately 400 obligated companies registering each year. NIEA are reasonably confident that the number of registered producers will continue to be around the 400 mark for the purposes of forward planning.

The number of monitoring site visits and audits conducted by NIEA in 2018/19 to the different businesses affected by the Packaging Waste Regulations are summarised in Table 5 below.

Table 5 Monitoring visits in 2018/19

<table>
<thead>
<tr>
<th>Type of visit</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered producer audits</td>
<td>80</td>
<td>87</td>
</tr>
<tr>
<td>Non-obligated business visits/checks*</td>
<td>100</td>
<td>137</td>
</tr>
<tr>
<td>Compliance scheme audits</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters annual audits</td>
<td>All (20)</td>
<td>19**</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters spot checks</td>
<td>All*** (20)</td>
<td>20</td>
</tr>
</tbody>
</table>

*Issue annual data questionnaire and follow up as required
**Auditing remains ongoing; all accreditations where evidence has been issued will be audited
***In the case of accredited exporters, only where they are based in commercial premises

The following points are noted:

- In addition to the visits to non-obligated businesses recorded in Table 5, NIEA also carried out desk-based checks on new businesses that could be producers to see if they merited further investigation. Any businesses which produce packaging and are close to the thresholds in the regulations are added to the NIEA database discussed in Section 2.2.

3.2 Office based monitoring

Although site visits are a key component of an effective compliance monitoring strategy, a number of important monitoring activities can be carried out in the office based on the data submitted by the different businesses affected by the Packaging Waste Regulations. These activities are summarised in Table 6.

Table 6 Office based monitoring in 2018/19
<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct registrants’ 2018 registration data review</td>
<td>100</td>
<td>113</td>
</tr>
<tr>
<td>Compliance schemes’ 2018 registration data review</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Direct registrants’ certificate of compliance for 2018 reviewed</td>
<td>100</td>
<td>113</td>
</tr>
<tr>
<td>Compliance schemes’ statement of compliance for 2018 reviewed</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters quarterly data returns for 2018 reviewed</td>
<td>All</td>
<td>206</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters applications for 2019 assessed</td>
<td>All</td>
<td>26</td>
</tr>
</tbody>
</table>

4.0 MONITORING PLAN FOR 2019/20

4.1 Monitoring visits

NIEA will plan and implement our monitoring activities to minimise the regulatory burdens on business and provide help and guidance to individual businesses wherever possible. Given current economic conditions, it is expected that the number of registered businesses will remain fairly static. NIEA will work closely with relevant government departments and the other agencies to support the recycling sector. The number of monitoring site visits and audits planned by NIEA in 2018/19 are summarised in Table 7 below.

**Table 7 Planned monitoring visits in 2019/20**

<table>
<thead>
<tr>
<th>Type of visit</th>
<th>Number of visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered producer audits</td>
<td>608</td>
</tr>
<tr>
<td>Non-obligated business visits/checks</td>
<td>75100</td>
</tr>
<tr>
<td>Compliance scheme audits</td>
<td>5</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters annual audits</td>
<td>All (26)</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters mid-year spot checks</td>
<td>All (26)</td>
</tr>
</tbody>
</table>

Monitoring of unregistered business will focus primarily on businesses that appear to be close to or over the thresholds, but some companies that are far below the thresholds may also be checked and archived from the NIEA database if appropriate. If archived, these businesses will not
be required to complete the annual data questionnaire.

4.2 Office based monitoring

In addition to the monitoring visits outlined in Section 4.1, the following office based monitoring activities will also be undertaken:

Table 8 Planned office based monitoring in 2019/20

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct registrants registration data reviewed</td>
<td>All</td>
</tr>
<tr>
<td>Compliance schemes registration data reviewed</td>
<td>All</td>
</tr>
<tr>
<td>Direct registrants certificate of compliance reviewed</td>
<td>All</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters quarterly data returns reviewed</td>
<td>All</td>
</tr>
<tr>
<td>Accredited reprocessors/exporters applications for 2020 assessed</td>
<td>All</td>
</tr>
</tbody>
</table>

5.0 ENFORCEMENT

5.1 Policy

The Producer Responsibility Unit enforces the Packaging Waste Regulations in accordance with the NIEA Enforcement Policy. The enforcement options available to NIEA include: issue of warning letters, issue of formal notices, formal caution and prosecution. In addition, NIEA can refuse to register a compliance scheme, grant conditional approval or withdraw approval. NIEA can also require a direct registrant to register via a compliance scheme. Reprocessors and exporters can have their accreditation suspended or cancelled.

Regulation 40 of the Packaging Waste Regulations 2007 sets out offences and penalties. Where an offence has been committed, the choice of enforcement response will be assessed on a case by case basis and will take into account the issues set out in the NIEA Enforcement Policy, which is available on the NIEA website. Part 6 of the Regulations sets out the appeals process.

During 2018, NIEA issued three formal notices to a business for non-compliance with the packaging regulations. In 2019/20 NIEA will continue to investigate non-compliance with the regulations and the range of available enforcement options will be used as appropriate.

6.0 FUNDING AND RESOURCES

6.1 Income

The NIEA compliance monitoring activities discussed in this document are funded from annual registration fees paid by producers direct or via their compliance scheme. Accredited reprocessors and
exporters also pay an annual application fee. These fees provided NIEA with an income of £385,474 in 2018/19.

6.2 Funded Activity

The fee income generated is used to fund a team of one senior compliance monitoring officer and four compliance monitoring officers. The compliance monitoring officers are each assigned a geographical region of Northern Ireland which is the focus of their compliance monitoring activities. Each compliance monitoring officer has approximately 100 registered businesses to monitor on a four-year rolling programme and 50 non-obligated businesses to keep under review. The senior compliance monitoring officer is the main point of contact for Compliance Schemes and their auditing, is responsible for monitoring accredited reprocessors and exporters and is also responsible for business development in this area. The fee income also funds team management and administration support.

Team management is responsible for development of policy and guidance and works in close partnership with the other regulatory bodies in the UK: the Environment Agency, Natural Resources Wales and the Scottish Environment Protection Agency. There is also regular liaison with relevant organisations in the Republic of Ireland – the Environment Protection Agency and Repak. NIEA is also a member of the Advisory Committee on Packaging.

It is noted that in addition to the compliance monitoring outlined in this report, the fee income also has to cover activities such as: administration of the registration of schemes and direct registrants; administration of reprocessors and exporters accreditations; data management and reporting; the provision of advice and guidance and general awareness raising activities.

6.3 PRN and PERN Costs and Revenues

The cost of PRNs and PERNs is not controlled in any way by the NIEA or the other regulators. Any charges levied by accredited reprocessors or exporters for the procurement of PRNs and PERNs are controlled by market forces. It is important to note that NIEA does not receive any revenue, either directly or indirectly, from any charges made for PRNs and PERNs.

Revenue raised through PRNs and PERNs is retained by accredited reprocessors and exporters. They are required to provide information to NIEA in their annual application, in the form of a three year business plan, on how the revenue will be used and to provide a report on how the revenue was used at the end of the compliance year (see Section 1.3).