

# Q&A: Stakeholder Event

## No-deal Contingency planning for the Waste Management Industry

Hosted by Defra in London on 3<sup>rd</sup> October 2019 at Mary Sumner House, London

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### **Q1: What will the additional VAT burden be, once we leave the customs union?**

See also response to Q2.

The incineration of RDF is considered to be a “service” which RDF exporters purchase. Therefore, when the UK leaves the EU, exporters of RDF who pay for their RDF to be incinerated will have to pay VAT in the EU Member State where the service is provided. VAT incurred on the incineration service can be reclaimed, but we are unable to comment on the duration of VAT recovery processes in other EU Member States.

The VAT will not be collected by HMRC, but rather the tax administrations of other Member States. Therefore, HMRC do not have the power to make any changes to the associated VAT processes.

Waste exporters are encouraged to consider the costs involved with any changes to export processes as a result of EU Exit as part of their contingency planning.

### **Q2: What are the implications for importers who are receiving a VAT benefit through an existing scheme?**

See also response to Q1.

HMRC have introduced measures on VAT only for goods imported into the UK. HMRC have the power to make changes to the VAT system on these imports, but there isn't an equivalent that can be applied to the RDF incineration service as the VAT is incurred in an EU Member State.

Waste exporters are encouraged to consider the costs involved with any changes to export processes as a result of EU Exit as part of their contingency planning.

### **Q3: There is a specific uncertainty about what method of delivery is required for movement documents for notified shipments. Is the carrier expected to deliver a copy of the movement document to the relevant Union customs offices (e.g. customs offices of exit or entry)?**

The EA will continue to use the same forms as specified in the waste shipment regulations after we leave the EU. EU competent authorities will be notified of UK waste shipments.

**Q4: A specific concern is that there will be a shortage of trucks since European drivers fear being stuck in Britain due to the disruption. Has the Government tried to address this in any way? For example made contact with EU trade associations for truck drivers.**

In a no-deal scenario there is the potential for severe disruption on Kent's roads due to enhanced border checks by French border officials. To mitigate potential traffic disruption in Kent, the department and Highways England have been working closely with the Kent Resilience Forum to ensure there are robust contingency plans to minimise any impacts.

Operation Brock is an interim contingency plan that has been designed to ensure that, unlike Operation Stack, the M20 will be kept open. Operation Brock consists of three phases, involving a contraflow and queuing system between junctions 8 and 9 of the M20, as well as holding areas at Manston Airport and, if necessary, on the M26. The contraflow system on the M20 will allow lorries to queue between junctions 8 and 9 of the coast-bound M20. At the same time, other traffic will be able to proceed using two lanes in both directions on the London-bound side of the motorway, with access to junctions.

We are confident that Operation Brock will ensure that Kent's roads, including those in Dover, remain as free-flowing as possible. There is also an extensive programme of activity to ensure that traders and hauliers can be 'border ready' to avoid disruption at the border.

**Q5: Has the EA undertaken an update of their assessment of landfill capacity since the last Brexit deadline? Does that take into account of what needs engineering work to be operational has there been an update on available landfill capacity since the previous workshop in March?**

Estimates of available landfill capacity have been revised in September 2019. Available engineered (i.e. it is ready to use) capacity has increased substantially since March 2019.

**Q6: Previously the EA has said it would show its discretion to fast track processes only for waste that had been due to be exported which no longer could. It would be good to understand how that process would work in advance, as for residual waste the need to address things fast could develop very quickly and all actors in such a process would need to know their roles early on.**

It is the responsibility of the waste holder to ensure that waste is managed properly. Waste exporters and the waste supply chain have been encouraged to contact their environmental regulator as early as possible if they believe that they will need permission for additional storage of waste. The Environment Agency will respond to

requests on a case by case basis, ensuring that any additional storage does not pose an unacceptable risk to health or the environment. In the first instance operators should contact their local regulator.

**Q7: From a local authorities perspective it would be interesting to know whether the effects of a hard Brexit on waste services would be seen as equivalent to a new burden for local authorities, and if not why?**

No, any impact on local authorities (LAs) waste services from a no-deal Brexit, would not be seen as a new burden as it's not a new statutory duty being imposed on LAs. LA waste services are already subject to price changes from market fluctuations, for example the China waste import ban and more recently restrictions on RDF imports to the Netherlands. Government is not planning on making any additional funding available at this time.

**Q8: What will the difference be when exporting to EU27 countries and European Free Trade Association (EFTA) countries?**

UK registered waste carriers will need authorisation for each EU country you transport waste through or into. The acceptance of waste carrier registrations can vary between countries and requirements can also differ for waste carriers outside the EU or EFTA area. If we leave the EU without a deal, the requirements waste carriers need to meet to carry waste in certain EU member states may change. You will need to contact the relevant authorities in the country you're transporting waste to or through to find out about the authorisation process.

**Q9: Have new guidance issued to the regions in respect of how request for temporary permit changes ought to be managed in order that requests are dealt with in a consistent manner across the country.**

Local Environment Agency teams are able to take a Local Enforcement Position on requests to operate outside of permit conditions. Decisions will always be made on a case by case basis and will be dependent upon a number of factors including the waste type, the environmental risk and local circumstances. Operators of waste management sites have been encouraged to contact their environmental regulator as early as possible if they believe that they need to revise the limits in their permits.

**Q10: The main concern is clearly disruption at ports around the Brexit date, what further work has the UK Government undertaken to address this (amount of customs checks, staff resources, space for doing the checks etc)?**

Pop-up locations have been created to get hauliers ready ahead of entering the port. Approx 100 sites planned across the UK and a further 50 across the EU locations. Pop-ups will provide information and advice to hauliers, largely based around content from the Hauliers Handbook.

The Get Ready for Brexit Campaign which in part focuses on advice/guidance to businesses about having the right documents, paperwork etc. Of most note, the Hauliers Handbook which provides guidance around the documents needed to move goods across the border.

Discussions continue to take place between HMG officials, Local Resilience Forums and Ports to manage delays and disruption, both in Kent but across other UK locations.