

# WAS-G-EASR-002

Financial Provision for Waste Management Activities

## June 2025

## Purpose

This guidance describes the assessment of financial provision when a person applies for, or holds, a Permit for a waste management activity under the Environmental Authorisations (Scotland) Regulations 2018.

The requirement to provide financial provision is part of the Fit and Proper Person test.

This guidance is applicable to permits for non-landfill activities only and should be read alongside our “[Guidance on who can hold an authorisation](https://www.sepa.org.uk/media/372007/guidance_on_who_can_hold_an_authorisation.pdf)”.

Our financial provision requirements are subject to review as and when required and any related guidance will be updated from time to time as appropriate.

## Relevant waste activities

The financial provision test is relevant for applications for:

* New permits,
* Permit variation where the obligations have increased (e.g. changing waste types, or increasing quantity of waste), and
* Permit transfers.

## How to demonstrate financial provision

SEPA requires a demonstration of financial provision as part of the permit application. Financial provision may be demonstrated in either of the following ways:

* Credit Reference Check

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

* Provision of Alternative Evidence

Where a Credit Reference Check has failed (or SEPA considers it is not appropriate, for example where the applicant is a relatively new company) 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.

SEPA may consider additional evidence, or an alternative means of financial provision is required: this may be where the evidence submitted by the applicant is not satisfactory or it may be for specific reasons related to the site, the type of activity or the applicant. It will be for the applicant to propose alternative means of financial provision (for example a guarantee from a parent company, bank or other third party or ring-fenced funds) and for SEPA to then consider whether that proposal is acceptable.

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 most non-landfill sites, the following formula in Table 1 can assist the applicant in calculating the amount of any potential financial obligation concerned.

This is based on the maximum quantity of wastes managed at the site, and the haulage costs associated with their removal, as shown in the table below.

SEPA has also produced a spreadsheet by EWC code which can be used to calculate a total financial provision using the multipliers below (available from [wastepermitting@sepa.org.uk](mailto:wastepermitting@sepa.org.uk)).

**Table 1: Indicative costs for site clearance (figures include transport costs)**

|  |  |
| --- | --- |
| **Waste storage and treatment activity** | **Multiplier per tonne - including transport (£’s)** |
| Tyres - baled | £105 |
| Tyres - loose | £215 |
| Green waste | £45 |
| Non-hazardous liquids | £150 |
| Hazardous soils | £160 |
| WEEE | £250 |
| Asbestos | £180 |
| Non-hazardous batteries (except lithium-ion) | £80 |
| Other solid hazardous waste not included in the descriptions above and Lithium-ion batteries[[1]](#footnote-2) | £550 |
| Oil | £90 |
| Other liquid hazardous not included in the descriptions above | £700 |
| Metal | £20 |
| Glass | £20 |
| Inert waste not included in the descriptions above | £25 |
| Construction and demolition waste not included in the descriptions above | £40 |
| Other non-hazardous waste not included in the descriptions above (e.g. Commercial & Industrial Waste) | £45 |

The above figures are indicative only. There may be specific circumstances related to the site, the activity or the applicant 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.

For some permits, a different mechanism is more appropriate.

For remedial treatment authorisations (waste mobile plant), as there can be no specific site at the application stage and therefore a storage capacity is not known, a flat assessment figure of £5,000 will be used.

For permits where multiple sites are used for soil improvement, financial provision will be based on the number of locations where the activity is to be carried out. The assessment will use the square root of the number of locations multiplied by £5,000 (which is based on estimates of the cost of sampling, analysis, calculations and operations at each location).

For other activities where the authorisation intends for wastes to be left in situ (e.g. recovery authorisations in quarries) financial provision will not be based on site clearance but rather a projected cost of restoration.

## Ongoing demonstration of financial provision

Generally, the financial provision test will only be relevant at the application stage, and SEPA would not normally check an authorisation holder’s financial standing on an ongoing basis. However, where specific circumstances related to the site, the activity or the authorisation holder make it appropriate, SEPA may undertake ongoing financial provision checks and may require the authorisation holder to make additional or alternative financial provision.

<Report date here (month, year)>

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1. Lithium-ion batteries are to become hazardous waste at EU level in 2026 and will be treated as hazardous waste for the purpose of this guidance. [↑](#footnote-ref-2)