

Policy Position:

# RESOURCES & WASTE

January 2019

# ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

## **POLICY POSITION: RESOURCES & WASTE**

### **KEY MESSAGES**

- ADEPT welcomes the Government's commitment to making the UK a world leader in resource efficiency. The new Resources and Waste Strategy for England is essential, providing clarity on policy direction and driving investment, regardless of our future relationship with the EU.
- As a nation, we need to significantly reduce the amount of waste we create, and to reuse and recycle more of what's left, keeping resources in use for as long as possible and extracting the maximum value from them.
- ADEPT supports the Government's commitment to an extended producer responsibility system that helps reduce waste, provides high quality recyclable materials, and meets the whole life cost of managing resources.
- ADEPT considers that greater producer responsibility should drive performance, rather than taxation of incineration. Waste management systems must directly help reduce waste and increase recycling, with funding mechanisms aligned to national strategies and objectives.
- Increased investment in UK processing capacity is essential both to reduce reliance on overseas markets and the environmental impact of transporting recyclables. The producer-focused approach will drive greater certainty in markets for recycled materials, providing incentives for long-term investment.
- We believe that local government has a central role to play in delivering consistent, easy-to-use waste services. ADEPT will work with Government and industry to help meet national strategic ambitions, supporting the economy and conserving the environment.
- It is essential that councils are fully funded for any additional responsibilities flowing from the new Resources and Waste Strategy. Councils should also be free to charge users for some discretionary recycling and waste services in order to generate income that will contribute to the cost of these services and enable them to continue to be provided.

## What ADEPT is doing

- We have successfully lobbied Government departments against introducing an incineration tax in the 2018 budget, and will continue to advise on the potential impacts of any future proposals.
- We have supported the development of the Resources and Waste Strategy through the secondment of a local authority officer into Defra.
- We have fully engaged with Defra, supporting workshops on consistency, metrics, and partnership working as part of the development of the Resources and Waste Strategy.
- We are continuing to work on the development and implementation of the circular economy<sup>1</sup> in partnership with Defra and our private sector corporate partners.
- We will continue to work with our corporate partners to consider the impact of the new Resources and Waste Strategy on recycling and waste services, and use key findings to support our collaboration with Defra.

## A successful strategy – what must it achieve?

A successful strategy for the management and conservation of resources and waste needs to balance the needs of four key stakeholders, who we consider to have varied priorities and objectives:

- **Central Government** – wants to drive a shift to a circular economy. They want to meet current and future recycling targets, reduce litter and ensure easy-to-use, consistent public services, whilst minimising the burden on taxpayers and the economy.
- **Commercial and Industrial Sector (i.e. manufacturers and retailers)** – wants freedom from bureaucracy with low cost compliance, integrated supply chains and confidence in the ability to source high quality secondary materials for use in packaging production. Operators in the waste management and recycle processing sectors need clear national policy and financial frameworks to enable them to plan and manage long-term investment in recycling and disposal infrastructure.
- **Local Government** – wants to reduce waste and increase recycling as part of the shift to a circular economy whilst minimising the cost burden on local taxpayers. Local authorities need the freedoms and flexibilities to provide residents with a service that suits local needs. In addition, they want the producers of packaging and other wastes to meet the full costs of dealing with those materials, and protection from risk, ensuring the security of end markets for all materials collected for recycling.
- **Residents** – want less packaging, particularly plastic, and easy to use services that work for their specific property. They would like clarity on whether materials can be recycled or not through clear and consistent ‘on-pack’ messaging and confidence that the materials they separate for recycling are actually recycled. They want to see value for money and a single point of contact for service complaints and enquiries.

<sup>1</sup> A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life (as defined by WRAP)

## ADEPT position – essential ingredients of a successful strategy

ADEPT believes that it is possible to meet the needs of all these stakeholders by ensuring that the implementation of the Resources and Waste Strategy addresses the following key issues:

- **Move away from weight based measurement** – ADEPT supports proposals to develop new measures for waste and resources. The whole life environmental impacts of materials need to be considered, not simply their mass. This would represent a fundamental shift in measuring the impacts and performance of waste and resources. **ADEPT acknowledges the scale of this challenge, and offers its help and advice to Government to support delivery.**
- **Extended Producer Responsibility Scheme (EPRS)** – In future, producers, not councils, should meet the full costs of collection, recycling and disposal of packaging and other materials covered by any EPRS scheme. The mechanism for councils to recover costs from producers must be fair and transparent taking into account key variables such as demographics and whether their area is urban or rural, and is not just based on performance. The scheme needs to be simple and provide for a single point of contact between local councils and industry. **ADEPT would like to see the creation of an independent and transparent moderating organisation to determine how funding is distributed, with local authorities represented as a major stakeholder.**
- **Collection Systems** – Local government should remain the primary delivery body for the separate collection of household waste, providing a continued safety net for waste material that is not properly separated and presented. The collection of household waste and resources should be carried out in accordance with broad national standards as proposed in the Resources and Waste Strategy, supported by clear and consistent messaging. It is critical that any new system is fair, and does not place increased costs onto local authorities elsewhere. The focus should be on outcomes, leaving local councils free to decide where to place collected materials on the basis of what works for them. **ADEPT recognises that the role of local councils in a new system will be to deliver greater amounts of higher quality recyclables into the supply chain.**



- **Food Waste** – Food waste provides the single largest element of household residual waste and presents a significant opportunity to improve performance. The separate collection of food waste enables cost effective treatment through anaerobic digestion or in vessel composting, but separate collections of food waste add additional cost and can be complex to deliver. **ADEPT advocates against a ‘one size fits all’ approach to food waste unless and until councils receive appropriate support and funding.** We believe councils should be free to decide themselves on the balance of cost and benefit for separate food waste collections, depending on local circumstances. By 2023, Government wants all households in England to have separate weekly food waste collection and has stated that funding will be available for local authorities. We look forward to working with Government to deliver this ambition.
- **Garden Waste** – The widespread roll out of free collections has helped to improve recycling performance, but provided a disincentive to home composting. The introduction of charges for garden waste collection (no charge can be made for disposal) has helped address this imbalance and provided a valuable income stream that is used to offset costs. **ADEPT does not support proposals to remove the ability of councils to charge for the collection of garden waste. The ability to charge should remain.**
- **Mandatory Recycled Content** – Security in end markets will help encourage investment in UK processing capacity, contributing to the green economy and reducing reliance on volatile overseas markets. Mandatory Recycled Content, which would set a minimum requirement for recycled content in new packaging products, will provide this security and help support the Government’s shift towards a circular economy. **ADEPT welcomes proposals in the 2018 Autumn Budget Statement to introduce a tax on low recycled content plastic packaging.**



- **Deposit Return Scheme (DRS)** – This idea has gained a lot of momentum in recent months as a way of increasing recycling rates, reducing litter and tackling the estimated three billion single-use plastic drinks bottles that are incinerated or sent to landfill in the UK every year. **ADEPT supports the proposal that a DRS should be introduced by targeting consumers ‘on the go’ rather than at home. However, we are concerned that a requirement to target householders could undermine the effectiveness of council operated schemes** by diverting material with positive financial value that helps offset the costs of recycling for local authorities. Currently, the technology that would enable consumers to reclaim deposits when their household waste is collected is not available, although in due course this could help to resolve issues. **ADEPT believes that an effective producer responsibility system will render a kerbside DRS unnecessary.**
- **Funding instruments** – Landfill tax continues to be effective in driving waste up the hierarchy and discouraging disposal, but **ADEPT considers that any further fiscal instrument should be focused on the point of production.** For example, an EPRS might include a levy applied to the production of obligated materials based on the proportion of packaging material that cannot be recycled. The levy raised can be used to encourage the use of secondary materials in the production of packaging, as well as investment in reprocessing infrastructure.

**ADEPT strongly believes that the case for an incineration tax cannot be justified and warns that it could be counterproductive should landfill become a more affordable option again.**

If implemented, it would change the economics of waste management and potentially drive waste back to landfill, increasing the export of refuse derived fuel. This has implications for our own local energy generation. Most importantly, an incineration tax would lead to excessive costs falling on local authorities. **For ADEPT, the introduction of an effective extended producer responsibility system would make an incineration tax unnecessary.**

Like other ‘place’ services, waste collection, recycling and disposal are under severe financial pressure due to reductions in local government spending and the increased costs of providing vital ‘people’ services to protect vulnerable children and older people. It is therefore essential that councils are fully funded for any additional responsibilities flowing from the new Resources and Waste Strategy.

In addition, as we say in relation to garden waste collection and household waste recycling centres, councils should also be free to charge users for some discretionary recycling and waste services in order to generate income that will contribute to the cost of these services. Without this funding and income, councils will continue to be faced with difficult and unpopular decisions to reduce the scope and scale of discretionary waste services, with an adverse impact on recycling rates.

- **Improving UK Demand for Secondary Materials** – The UK is reliant on the overseas market for recycling unwanted materials. This has led to poor quality sorting, the transfer of environmental impacts to under-regulated countries and leakage into the environment, causing a global outcry. **ADEPT supports measures to encourage processing capacity in the UK, especially for plastic, which offers significant potential for more inward investment and local economic development opportunities.**

- **Governance** – The efficiency and consistency of local authority waste services are often improved with economies of scale. Where they exist, effective partnerships deliver greater efficiency, but the approach is not universal across the country. Partnerships tend to rely on voluntary arrangements; the benefits are often not sufficient to be able to overcome other barriers to joint working. The statutory framework for waste management in two tier local government is rooted in the 1970s and provides a significant challenge to the delivery of a modern resources and waste strategy.

**ADEPT proposes a fundamental review of delivery and governance models for the management of waste and resources in two tier areas<sup>2</sup>.** We want to see responsibilities moved to upper tier authorities and/or the statutory combining of authorities at regional or sub regional level. Pending such a review, improved partnership working should be incentivised by flowing funding through upper tier authorities, giving them increased powers to compel lower tier authorities to move to consistent collection systems.

- **Household Waste Recycling Centres (HWRC)** – The provision of HWRCs is one of the two primary functions of waste disposal authorities. The requirements are not specific (in terms of numbers of sites to be provided in an area, or the number of sites to serve a given population or number of households), so councils have used the flexibility available to them when making decisions on local levels of service.

Historically, the services provided have far exceeded the statutory minimum, but financial pressures on councils mean that they are cutting back on discretionary services. In some areas this has led to the introduction of charges at HWRCs for some wastes, restrictions on the use of certain vehicles, and either the closure of sites or reduced opening hours. These are all legitimate actions within the current legal framework, but we are concerned that Government wants to limit the application of these powers. Local authorities are currently prohibited from charging even modest fees for the use of HWRCs to dispose of household waste. Councils are being forced to consider the legitimate removal of HWRC services because they are prevented from recovering a contribution towards costs.

**ADEPT wants to work with Government to redefine HWRC services to deliver better outcomes for local residents.** Councils must be able to charge for discretionary services, with residents able to exercise choice in their use of sites, based on a balance of costs and convenience.

While minimising waste through prevention, reuse and recycling is the objective of a circular economy, there will still be a need for residual waste to be managed and treated. Currently, the most effective and reliable way of doing this that avoids the detrimental environmental and financial impacts of landfill is by incineration that generates energy from waste. Well-designed and procured systems can ensure that energy from waste schemes make a positive contribution without undermining the objective of maximising reuse and recycling. The key to this is, as the market for EfW capacity matures and becomes more competitive, to avoid inflexible contracts that contain penalties for avoiding or diverting tonnage to recycling.

<sup>2</sup> Excluding London and other metropolitan areas which have their own distinct governance arrangements.

- ADEPT members are the place-making strategists and policy shapers across top tier local authority areas
- ADEPT members are specialists, delivering services and sharing best practice across key sectors including environment, planning, housing, transport and economy
- ADEPT members design strategies for the future, taking communities beyond 2035
- ADEPT members operate in networks, cutting through boundaries to work with partners across the political, public, private and community sectors
- ADEPT members provide opportunities to develop new talent, supporting the Place Directors of tomorrow

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