

Somerset Waste Board meeting
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Report for information

Resources and Waste Strategy Update

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<p>Forward Plan Reference:</p>	<p>SWB/19/01/02</p>
<p>Summary:</p>	<p>The Resources and Waste Strategy was released in December 2018. It is the first major piece of guidance for the waste industry since 2013 and will form the basis of policy for the next few years.</p> <p>Most of the policies are subject to consultation and we are expecting consultations on Extended Producer Responsibility, Deposit Return Schemes and Consistency in Recycling early in 2019. Changes are not likely to be brought in until 2023 and until policy is finalised the overall impact for Somerset and for SWP is hard to assess.</p>
<p>Recommendations:</p>	<p>That the Somerset Waste Board notes the contents of this report and discusses the implications of the proposed policies.</p>
<p>Reasons for recommendations:</p>	<p>To ensure the board are kept up to date with developments in the waste sector. The Strategy will provide the basis of future policy which will affect all authorities in Somerset, and SWP will be responding to consultations on the key proposals.</p>
<p>Links to Priorities and Impact on Annual Business Plan:</p>	<p>Business Plan 2019-24</p> <p>1.4 Reviewing Services - Recycling centre material charges 2.1 Focus on Plastics - Reducing reliance on single use plastic, carrier bag charges 2.2 Campaigns - Food waste, increasing quality recycling 2.5 Community Engagement - Developing partnerships with others 3.2 Strategy and Influence - Developing SWP's strategy, responding to consultations 3.3 Ensure homes are built with waste in mind – Linking planning policy with the strategy 3.4 Improving performance monitoring – A move from weight-based targets, carbon reporting.</p>

Financial, Legal and HR Implications:	<p>Information update only.</p> <p>There are major potential financial implications from key policies such as Deposit Return Scheme and Extended Producer Responsibility, and significant potential legal changes such as the possibility of free garden waste collections and charging for materials at Recycling Centres, but we do not have the details of these policies yet, so the implications are still uncertain.</p>
Equalities Implications:	<p>N/A – Information update only.</p>
Risk Assessment:	<p>The Risk Register has been updated with the risks relating to the strategy. Key risks include the loss of valuable material through a DRS scheme, potential implementation of free garden waste collections, changes to charges at Recycling Centres. There may also be opportunities with Extended Producer Responsibility – particularly if it extends to other difficult to recycle materials such as carpets, furniture and mattresses.</p>

1. Background

- 1.1. The Resources and Waste Strategy is the first major piece of guidance for the industry since the 2011 Waste Review and the 2013 Waste Prevention Programme.
- 1.2. England has lagged behind Wales and Scotland in the form of waste policy and the current recycling rate for England is at 44.8% (having largely stagnated for a few years) compared to 62.7% for Wales and 45.6% for Scotland. SWP's 2017/18 recycling rate was 52.3%.
- 1.3. SWP is recognised in the Strategy (under 'Better waste collection and recycling') for its commitment to collecting quality materials for recycling through its kerbside collection service, how much it recycles in the UK (over 90%), and its innovation in bringing in separate food waste collections. SWP is honoured that it's the only Local Authority case study in the whole of the Government's strategy, recognising our commitment to quality.

Key areas of the strategy:

- Extended Producer Responsibility (producers to pay the full cost of recycling and disposing of their packaging)
- Reducing reliance on single-use plastics and increasing the carrier bag charge
- Deposit Return Scheme for beverage containers
- Separate food waste collections for all, and possibly free garden collections for all.
- Consistency in recycling and improving quality
- Developing Reuse
- Reviewing charging arrangements at Recycling centres

- Reviewing recycling credits
 - Aligning national planning policy with the waste strategy
 - Moving away from weight-based targets with a change in focus from waste to resources
 - Focus on waste crime and development of a national fly-tipping toolkit
 - Potential for a tax on energy from waste if other measures are not successful.
- 1.4. The strategy states that local authorities will receive additional resource to meet set up and ongoing costs of implementing the policies in the strategy but does not provide any further detail at this stage.
- 1.5. The industry reaction to the strategy has been broadly positive, but there is a lack of detail around the key policies as they will be subject to consultation. We expect consultations on Extended Producer Responsibility, Deposit Return Schemes and Consistency in collections early in 2019. Changes are not likely to be brought in until 2023 and until policy is finalised the overall impact for Somerset and for SWP is hard to assess.

Policies potentially affecting kerbside collections

- 1.6. Extended Producer Responsibility should result in businesses and manufacturers paying the full cost of recycling and disposing of their packaging – this is clearly a top priority for Government. We do not yet have detail on how these funds may flow to Local Authorities. This is a potential game-changer as it should drive industry to invest in and develop more sustainable packaging, and that which is easier to recycle.
- 1.7. A Deposit Return Scheme (DRS) on drinks containers is likely to increase national capture rates of drinks containers and reduce littering, but this could have a negative financial impact on SWP because aluminium is one of the more valuable kerbside materials, so removal of aluminium beverage cans would remove a significant amount of value from recyclate. Plastic bottles are a high-quality material and removal of some of these through a DRS would leave a larger proportion of low quality, lower value pots, tubs and trays in the recycling stream. As yet we are unclear about which materials are included, so will look for further detail when the consultation is launched.
- 1.8. To increase high-quality recycling and reduce food waste to landfill, all households and appropriate businesses to have separate food waste collection by 2023 (subject to consultation). The consultation will also explore whether free garden waste collections should be provided to households. The provision of free garden waste collections could have a significant impact on district incomes. Garden waste is estimated to be 7% by weight (15% by volume) of the existing residual bin in our 2018 waste composition analysis, but the provision of free collections may reduce the number of people taking garden waste to Recycling Centres or home composting (which is the best environmental option) so kerbside yields would likely increase significantly. Again, there is no detail in the strategy about how this may be funded. We will try and quantify the potential worst-case impact.

- 1.9. Consistency: a core set of materials to be collected by all LAs and Government to consider which collection systems would be most effective at preserving material quality. This is subject to consultation, likely to be parallel with EPR/DRS consultation in early 2019. SWP expect that kerbside sort (SWP's system) will be a recommended approach, given the strategy's emphasis on quality and SWP's inclusion as a case study.
- 1.10. Recycling Credits: Government will review recycling credits and two-tier cost sharing, and also how to improve joint working in two tier areas. There is no further detail about this yet, but we have an action to review this in the Business Plan (1.1.8) post-Recycle More implementation.

Policies potentially affecting Recycling Centres

- 1.11. Government will review the charging arrangements in the Controlled Waste Regulations and Recycling Centre services and amend them subject to consultation. This could have a negative financial impact on SWP (SCC) and the many other local authorities who currently charge for non-household waste (e.g. rubble).
- 1.12. The strategy also indicates that Government are considering minimum service standards for Recycling Centres. There is no clarity on what this might cover, but it may include setting standards for Recycling Centres per population.
- 1.13. Government want to increase reuse through Recycling Centres possibly through contracts with charities and encouraging more reuse shops at Recycling Centres (like SWP has at Priorswood). Legislation will be amended to make this easier, and possible reuse targets for LAs.

Other proposals:

- 1.14. There is a welcome focus on reuse and repair, including support for Refill (which SWP coordinates for Somerset), a potential performance assurance scheme for remanufactured items, changes to national planning policy to support reuse and repair, and potentially schemes for companies to be able to report on their reuse and repair and recycling activities.
- 1.15. It is welcome that Government recognises the crucial role that EfW plays in a responsible waste management system. There is a clear drive to improve the efficiency of EfW plants, including through encouraging heat networks. There remains a threat that if the new measures proposed (DRS, EPR, increased recycling etc) do not provide the required results, an incineration tax will be considered. Clearly this would be a very significant financial burden on SWP, and we consider it unlikely to achieve the desired policy objectives.
- 1.16. Businesses will be required to present recycling and food separately from residual waste and publish or make available information on what is recycled. Subject to consultation, food waste reporting will be made mandatory for businesses of a certain size and Government will seek powers for mandatory food waste prevention targets and surplus food redistribution obligations. All 'appropriate businesses' will be required to have separate food waste collection by 2023 (subject to consultation). Shared services will be investigated to help reduce costs – this is an area SWP is interested in exploring with local areas.

There is also a commitment to work with transport hubs, hospitals and universities to promote high quality and on the go recycling.

- 1.17. Government commits to reviewing recycling provision in urban areas, engaging with landlords to promote recycling in HMOs, aligning the National Planning Policy for Waste and planning practice guidance with the Resources and Waste Strategy. Given SWP's focus on ensuring that buildings are built with waste in mind this is very welcome. The Waste Management Plan for England will be reviewed in 2019 and this and National Planning Policy for Waste to reflect policies in this Strategy.
- 1.18. A continued focus on reducing our reliance on single-use plastics. In addition to EPR and DRS, this will include (subject to consultation) government increasing the carrier bag charge to a proposed 10p and extending it to all retailers. The carrier bag charge consultation is currently running and ends on 22nd February 2019. <https://consult.defra.gov.uk/environmental-quality/extending-the-single-use-bags-charge/>
- 1.19. Food waste is a clear area of focus, where Government recognises that Anaerobic Digestion is the best way of treating food waste (as SWP do at Walpole, near Bridgwater). In addition to focussing on household and business food waste collections, proposals include setting up a pilot scheme to reduce food waste through redistribution, creating a new 'Food Standard' will for NHS hospital trusts with sustainability and food waste as key priorities, developing and promoting WRAP guidance in schools, and incorporating food waste messages into wider communications on topics such as health and education.
- 1.20. Government commits to continuing to work with partners to develop a shared vision and improve data collection. This will include developing new metrics and indicators for measuring impacts, moving away from weight-based targets. It will also aim to change from a focus on waste to a focus on resources, including measuring waste higher up the waste hierarchy. SWP welcomes this and will seek to work with Government on this. We are already looking towards carbon reporting for our waste services using the Scottish Carbon Metric.
- 1.21. There is a welcome focus on waste crime, including creating a national fly tipping toolkit will be created to help LAs work together, share good practice and advice.
- 1.22. Overall SWP is well-placed to deal with many areas of the strategy. We already offer food waste collections to the majority of households and offer a high-quality kerbside sort recycling collection. A deposit return scheme and the potential for free garden waste collections are a concern, as is the possibility of removal of charges for non-household waste at Recycling Centres and an incineration tax. However, there may be opportunities with the introduction of extended producer responsibility which may extend to other difficult to recycle items such as carpets, mattresses and furniture as well as packaging. We will look for further details and respond to the consultations as they arrive.

2. Options Considered and reasons for rejecting them

- 2.1. N/A - Report for information purposes only

3. Consultations undertaken

- 3.1. Discussed at SMG in February.

4. Implications

- 4.1. Report for information purposes only – no implications recorded.

We will be responding to consultations and working with all partners to do so. We will also work across the SW and with LA partners nationally to influence the policies.

5. Background papers

- 5.1. The Resources and Waste Strategy - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765914/resources-waste-strategy-dec-2018.pdf