



LINCOLNSHIRE WASTE PARTNERSHIP

28 March 2024

SUBJECT :	Environment Act 2021 – Update (March 2024)
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BACKGROUND INFORMATION

This paper follows on from the Environment Act Update provided to Lincolnshire Waste Partnership at their meeting of 21 September 2023. The purpose is to advise on the progress since then and to date of the implementation of the Environment Act 2021.

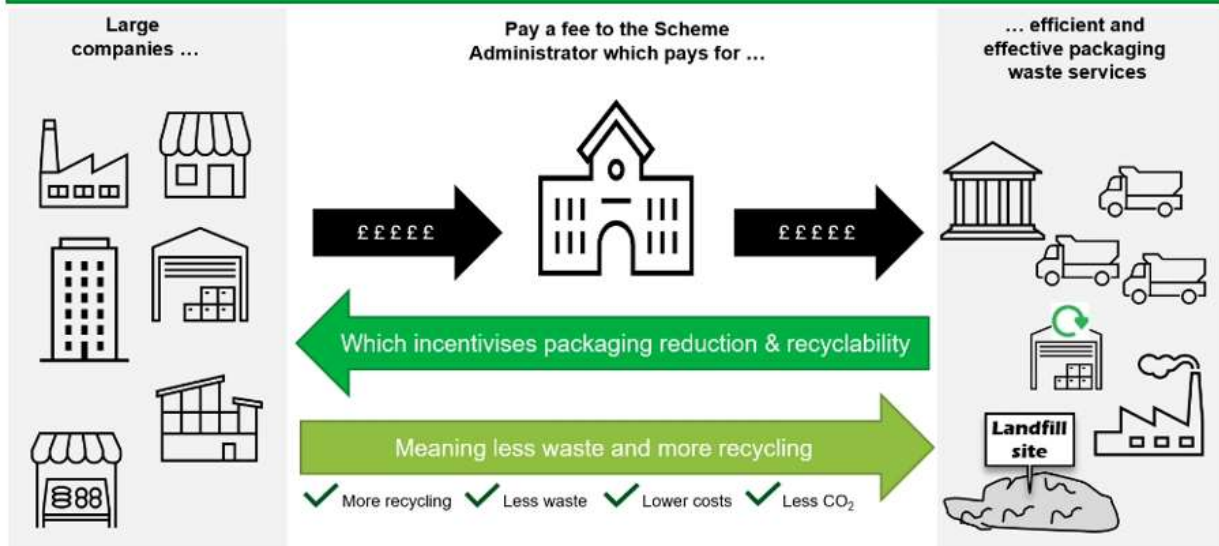
DISCUSSIONS

1. Extended Producer Responsibility

Without Packaging EPR



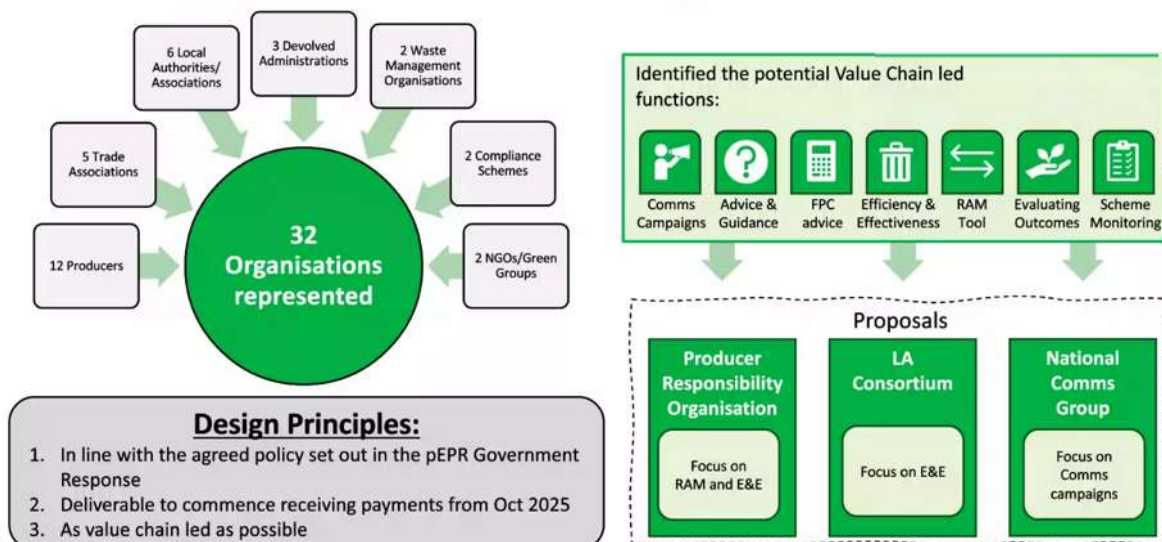
With Packaging EPR



1.1. Extended Producer Responsibility (EPR) will see payments made to local authorities via a Scheme Administrator, to cover the 'necessary' costs of collecting, managing, recycling and disposing of household packaging waste and 'on the go' packaging disposed of in street bins not included in the deposit return scheme. Payments for year 1 (financial year 2025/26) will be modelled with final estimated payments communicated by 1st November 2024, final payment amounts communicated in 2025 and payment received by end December 2025.

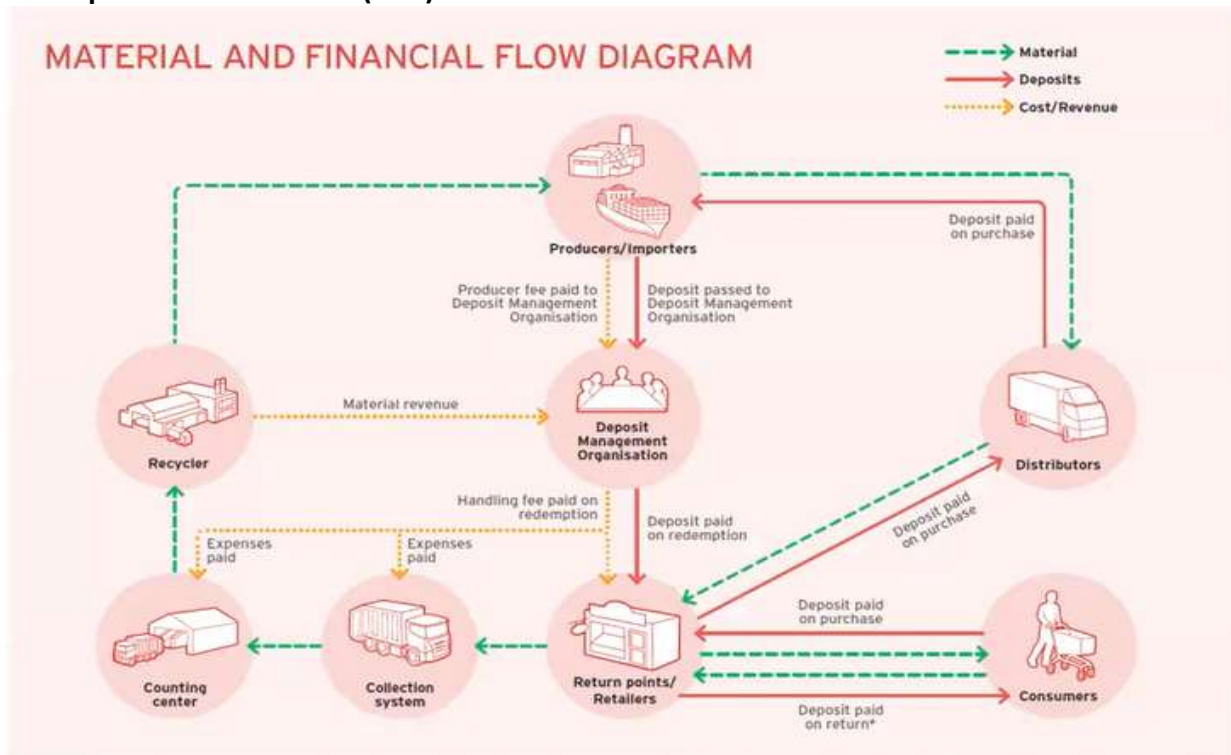
1.2. Payments from year 2 will be made quarterly in arrears on a financial year basis and based on the delivery of an 'efficient' and 'effective' service. An 'efficient' service will be defined in the Statutory Instrument as one where costs are as low as reasonably possible taking into account the nature of the service and any other factors specific to the local authority or its area relating to cost (e.g., rurality). It is known that for the launch of EPR, the Scheme Administrator will be a government organisation, but it is not yet known how they will measure delivery of an 'effective' service although this is likely to relate to the quantity and quality of packaging waste collected and sent for recycling.

Scheme Administrator Design



- 1.3. The role of the Scheme Administrator and how it will perform its required functions is still in the design phase, but it is known that it will be required to forecast the payments each local authority can expect to receive annually before the end of the preceding calendar year to ensure they have time to plan their budgets.
- 1.4. Producers are introducing more recyclable packaging to avoid the levies. Whilst this is a hugely positive step, if services come to rely on levy payments, there is a risk that this would impact on income generated, and therefore create a financial risk.
- 1.5. The impact on recycling (and residual) waste composition is not yet known, but Lincolnshire County Council as Waste Disposal Authority (WDA) will be required to sample against a greater number of material categories and at a higher frequency to ensure that data reported is of high enough quality to support EPR outcomes, including accurate payments and minimising the risk of fraud.
- 1.6. It is not known what mandatory labelling will look like, but primary packaging types (except for plastic films and flexibles) will be required to be labelled as 'recycle' or 'do not recycle' by 31st March 2026. Plastic films and flexibles will need to be labelled as 'recycle' or 'do not recycle' by 31st March 2027. The latter deadline is in line with the timelines for introducing kerbside film collections as part of Simpler Recycling.
- 1.7. Provision of data and receipt of payments will be managed via a 'system' currently in Beta Testing by the Department for Environment, Food and Rural Affairs (Defra). It is anticipated that there will be additional data collection, management, and provision requirements in both areas and there may be additional set up costs, including IT system set up costs. The government has outlined that local authorities will be informed of their estimated 2025/26 payments from producers under EPR in November 2024

2. Deposit return scheme (DRS)



2.1. DRS mandates that consumers will pay a deposit (added by the retailer) on purchase of a drink in a single use container and reclaim that deposit on return of the empty via either reverse vending machine or manually from the retailer. The aim is to reduce littering of items in scope, increase recycling and improve the quality of recycling for the items in scope, supported by clear labelling. Single-use drinks containers containing between 50ml and 3ltr of liquid will be in-scope (single and multipack) as will Polyethylene terephthalate (PET) bottles and steel and aluminium cans. Glass will not be included for England and Wales but instead will fall into the scope of EPR.

2.2. A Deposit Management Organisation (DMO) will be responsible for the overall management of the scheme and for meeting collection targets placed on producers. Producers must register with the DMO and pay a fee and the DMO will then fulfil the obligation on the producer's behalf. The Government have set a 90% collection target to be achieved within 3 years of the operation of the scheme, phased in at 70% in year 1, 80% year 2, and 90% year 3 onwards.

2.3. Defra deem that returning an in-scope drinks container should be easy for the consumer by provision of a comprehensive and accessible return point network across urban and rural areas. On that basis, all retailers selling in-scope containers will be obliged to host a return point (except if the DMO exempts) and the DMO will be required to consider the strategic placement of return points, based on factors such as the local geography and demographic make-up of an area and work closely with retailers, businesses, local authorities and the third sector, to not only identify suitable locations for return points outside retail-specific locations, but to encourage

community groups and not-for-profit organisations to get involved in the scheme, such as by hosting return points themselves.

2.4. It isn't known who the DMO will be, but it will be an independent, not for profit and private organisation that Defra aim to appoint by Summer 2024.

2.5. has been delayed for a number of reasons, not least that retailers and producers were not prepared and felt that the scheme was not industry led resulting in the scheme being 'flawed to the point of unworkable'. The scheme in England is meant to have taken learnings from the Scotland experience.

2.6. There will undoubtedly be an impact on MDR with lower value recycling materials being left for kerbside collections and potential increases in disposal costs for the partnership. The increased sampling being undertaken as a result of EPR will enable us to monitor and measure the impact following implementation of the DRS scheme.

2.7. Defra have announced that local authorities and where relevant, waste operators, can participate in the DRS by separating out in-scope containers collected kerbside and redeeming the deposit on them providing they meet the quality required for return.

3. Simpler Recycling

3.1. On 21st October 2023 Defra published the long-awaited Consistency consultation responses, renaming the measures 'Simpler Recycling' and refocussing the scheme to include household and non-household premises and the following revised schemes:

- Introduction of weekly food waste collections
- Garden waste collections but can make a reasonable charge for collection
- Core set of recyclables to be collected (glass, plastic, metal, paper & card).
- Flexible plastics such as film for collection and recycling.

Summary of the Simpler Recycling reforms

What?	Who?	When?								
<ul style="list-style-type: none"> • Returns to recycling collections in England • Household and non-household premises to have separate collections of 	<p>All households in England including flats </p> <p>Non-household municipal (NHM) premises in England</p> <ul style="list-style-type: none"> • Businesses <table border="1"> <thead> <tr> <th>NHOU</th> <th>SMALL</th> <th>MEDIUM</th> <th>LARGE</th> </tr> </thead> <tbody> <tr> <td>£10</td> <td>£50</td> <td>£250</td> <td>>250</td> </tr> </tbody> </table> <p>(number of full-time equivalent employees)</p> <ul style="list-style-type: none"> • Residential homes • Educational establishments • Hospitals or nursing homes <p>Subject to consultation:</p> <ul style="list-style-type: none"> • Places of worship • Penal institutes • Charity shops • Hostels • Public meeting places <p>Collectors</p> <ul style="list-style-type: none"> • (Subject to consultation) Local authorities / other waste collectors can co-collect dry recyclables and/or co-collect organic waste to reduce the number of containers required • Local authorities must provide a weekly food waste collection to all households • Local authorities must provide garden waste collections to households where requested 	NHOU	SMALL	MEDIUM	LARGE	£10	£50	£250	>250	<p>31st March</p> <p>2025 Small, medium, and large NHM premises recycle all waste streams, except plastic film </p> <p>31st March</p> <p>2026 Households recycle all waste streams, except plastic film </p> <p>31st March</p> <p>2027 Micro-firms recycle all waste streams Plastic film collections from all properties </p>
NHOU	SMALL	MEDIUM	LARGE							
£10	£50	£250	>250							
<p>Why? Contribute towards reaching: municipal recycling rate by 2035</p> <p>65%</p> <p>Environmental, economic or social benefit</p> <ul style="list-style-type: none"> • Reduced landfill and incineration and associated carbon emissions • Reduced carbon emissions as a result of reduced production from virgin materials • Support growth of UK recycling industry 		<p>How?</p> <ul style="list-style-type: none"> • Funding will be provided to local authorities for the household collection requirements • Local authorities will receive payments from packaging producers under EPR from October 2025 • Local authorities will receive new burdens funding for providing food waste collections • Local authorities can charge for garden collections <p>£</p>								

3.2. The revised timeline for Simpler Recycling is as follows:

- Simpler Recycling for non-household premises (such as businesses, schools and hospitals) by 31st March 2025.
- Simpler Recycling for household premises by 31st March 2026.
- Simpler Recycling for micro businesses (fewer than ten full time equivalent employees) by 31st March 2027.
- Plastic films and flexibles for collection and recycling from all premises by March 2027.

3.3. LWP partners' domestic waste collections are broadly compliant with the Simpler Recycling scheme other than the provision of weekly food waste collections and the collection of plastic film and flexible packaging for recycling.

3.4. A further consultation on exemptions, statutory guidance and additional policies in relation to Simpler Recycling closed on 20th November 2023 with Defra anticipated to respond early 2024. Exemptions consulted on include the option to:

- Co-collect dry recyclables in one container
- Co-collect organic waste in one container

without the need to complete a written assessment. Councils can offer more containers for additional recycling streams if they want. The general consensus of partners is that there is a preference to collect food waste separately from garden waste rather than co-mingle and collect both on a weekly basis all year round. It is currently uncertain if councils can co-mingle a free weekly food waste service with a chargeable fortnightly garden waste collection service, whilst still charging households for collecting garden waste.

3.5. [New Burdens](#) funding will be available in three 'pots' to assist Local Authorities in funding the implementation of food waste collections:

- Pot 1: Capital New Burdens – Up to £295m of capital funding has been allocated to Local Authorities overall to support the purchase of bins and vehicles. Capital costs will be paid to Local Authorities implementing a food waste service after 1st April 2024 and there will be no retrospective funding. Funding will be provided through [section 31 grants](#).
- Pot 2: Transitional New Burdens – available 2024/25 for communications, delivery of caddies etc. Defra are currently estimating the funding requirement for resource costs. Elements of this will need to be part of a bid to HM Treasury at the next Spending Review.
- Pot 3: Revenue New Burdens – this funding will not be available to Local Authorities until April 2026.

It is yet not known exactly what will be included in each pot, save for WCA *indicative* capital transitional costs for the introduction of weekly food waste collections published by Defra on 9 January as follows:

	Kitchen caddies (plus spares)	Kerbside caddies (plus spares)	Communal wheeled bins (plus spares)	Vehicles (Plus spares)
Boston Borough Council	£65,785	£151,039	£322	£511,500
East Lindsey District Council	£157,500	£362,250	£0	£920,700
Lincoln City Council	£94,962	£196,938	£26,009	£511,500
North Kesteven District Council	£97,793	£224,923	£0	£613,800
South Holland District Council	£89,513	£205,879	£0	£511,500
South Kesteven District Council	£136,500	£313,950	£0	£920,700
West Lindsey District Council	£92,127	£197,402	£17,550	£716,100

3.6. Statutory guidance consultation which sets out what Local Authorities must do to comply with the law, includes:

- Materials in and out of scope to provide further clarity.
- Duties of authorities relating to waste collections from households;
 - Expectation that recycling should be collected kerbside and not via a ‘bring bank’.
 - Recommendation that garden waste is collected at least fortnightly if not more frequently.
 - Expectation that residual waste is collected at least fortnightly if not more frequently.
- Explanation of duties of authorities relating to recyclable waste streams from non-domestic properties to support implementation.

3.7. It isn’t known what the future recycling potential of films and flexible packaging will be. Due to the ongoing challenges in sorting and processing combined with a limited recycling market, these materials are currently excluded from LCC’s contract with Mid-UK. When the full details of this proposal are published, the recycling contract may need to be re-let by LCC with these materials included. The current contract runs until 2025 with the option of a 2-year extension.

4. Businesses and Non-Household Municipal Waste

4.1. Simpler Recycling provides for collections of residual, recycling and food waste from businesses, non-household premises such as schools and hospitals, nursing homes and micro-businesses (those with fewer than ten full-time equivalent employees) – all with varying timelines.



Non-household Recyclin

Simpler Recycling for non-household premises (such as businesses, schools and hospitals) in England will be implemented by **31 March 2025**



Micro-firms

Micro firms (those with fewer than ten full-time equivalent employees) will need to meet requirements by **31 March 2027**



Plastic films

Plastic film and flexibles collections from all premises will be introduced by **31 March 2027**

4.2. As part of Defra’s extended consultation on additional policies for Simpler Recycling, non-household municipal waste from Places of Worship, Penal Institutions, Charity Shops, Hostels and Public Meeting Places may be required to meet the requirements of simpler recycling in either 2025 or 2027 depending on classification.

OPTIONS

Much of the above requires the WDA and WCAs to collaborate. Officers have been and plan to continue to work closely together over the months and years ahead, and to be dynamic to the requests and guidance coming from Defra which have been persistent since their publication of the Simpler Recycling consultation response in October.

RECOMMENDATIONS

That the report be noted and that partners continue to collaborate in achieving compliance with the requirements of the Environment Act 2021, and good outcomes for Lincolnshire.