

Open Report on behalf of Andy Gutherson, Executive Director – Place

Report to:	Environment and Economy Scrutiny Committee
Date:	26 November 2019
Subject:	Impact of the Government's Resources and Waste Strategy on Waste and Recycling in Lincolnshire

Summary:

The Government intends that the policy changes within their Resources and Waste Strategy published in late 2018 will take effect from 2023. The proposed policies will affect both the Districts as statutory collection authorities and the County Council as the statutory disposal authority. This report outlines the policy changes proposed by the Government and considers their impact on the objectives of the Lincolnshire Waste Partnership.

Actions Required:

- (1) To consider the contents of this report and whether the Committee supports the conclusions reached;
- (2) To agree any additional comments to be passed to the Lincolnshire Waste Partnership with regards to the actions they will take to deliver their objectives and meet the requirements of the Government's Resources and Waste Strategy.

1. Background

In December 2018 the Government published "Our Waste, Our Resources: a strategy for England" (commonly shortened to the Resources and Waste Strategy or RAWs) outlining their ambitions for new policies to increase recycling and implement the principles of the circular economy. In early 2019 they conducted consultations along four main themes and followed this up in July by publishing the results. Their four main themes are:

1. **Consistency in collections from households and businesses:** the materials that must be collected separately (food, recycling, garden waste) and any frequency recommendations (weekly, fortnightly or longer);
2. **Extended producer responsibility (EPR):** manufacturers who place packaged products on the market to be fully responsible for funding the collection of the waste elements and subsequent recycling treatment or disposal;

3. **Deposit return scheme (DRS):** producers of drinks containers to charge a deposit levy at the point of purchase. This will be used to fund collection infrastructure (e.g. reverse vending machines) to incentivise consumers to return the empty package for the return of the deposit;
4. **Plastic tax:** to tax producers who use plastic in their products if they do not have a minimum content of 30% recycled material;

The Joint Municipal Waste Management Strategy (JMWMS) for Lincolnshire was formally adopted by all the LWP members in January 2019 just after RAWs was published. In May 2019 the County Council, both on our own and through the Lincolnshire Waste Partnership (LWP), responded to the first round of consultations on proposals arising from RAWs, including input from this Scrutiny Committee. Recognising the close synergy with the LWP's objectives in the JMWMS, we expressed broad support for the proposals, but we also raised concerns where policies were likely to impose additional duties on local authorities.

The next round of consultations on RAWs is due early in 2020. It is expected that firmer positions on the various policy proposals will be stated and members of the LWP can begin to plan for the new duties and obligations that will be contained in the proposed legislation. The Government have stated that they will use the recently published Environment Bill as the primary legislation to introduce the policies detailed in RAWs and the consultations.

A detailed consideration of the results of the consultations published by Defra and their impact on the LWP is at Appendix 1. The main issues are:

Challenges

1. DRS will remove high value materials (plastic, aluminium) from the mixed dry recycling (MDR) collected by the Districts and put through the contract arranged by the County which is currently in procurement. The new contract seeks to minimise this impact by reducing the risk on material values for bidders. Some Districts also have community recycling facilities (commonly called bring banks) at supermarkets and village halls where residents can deposit various materials, including glass bottles. Even by adopting a more risk based approach for the MDR contract, with the new contract having an initial term to mid-2025, if DRS is successful it will reduce the volume of high value recyclables in the mix and in the bring banks, resulting in higher costs for the County and lower income returns for the Districts.
2. Additional funding will be provided through EPR for those Districts that meet the minimum standards for kerbside collections set by the Government. These will become clearer in the next round of consultations but there may be transition costs for new vehicles (multi compartment) and crews. All the Districts charge for garden waste collections and the potential introduction of statutory free garden waste collections together with separate weekly food waste collections will increase the number of vehicles and crews required. Although the Government have stated this will be fully funded, there are questions about whether this will cover **all** costs, and about the ability of

vehicle manufacturers to meet the increased demand and being able to recruit HGV class drivers at a time when recruiting to these positions is very challenging.

3. The Government desire that more business waste is recycled and in the next round of consultations they will review the legislation that defines the differences between household and business waste and what can be charged for. As they have only hinted at the areas they will look at – free garden waste collections, businesses having access to household waste recycling centres (HWRC), more DIY waste being accepted at HWRC sites – the full impact of any changes cannot yet be fully understood. However, an increase in the total volume of waste put through municipal channels will have an impact on the collection, transportation, treatment and disposal costs when business waste and recycling is added.
4. Whilst the Government state that additional burdens such as separate food and free garden waste collections will be fully funded for those Districts that meet any minimum service standards for collections, there does not appear to be additional funding for the County for new reception and treatment infrastructure. The impact modelling undertaken by Defra indicates that this will be funded by savings from diverting food waste from current residual waste treatment solutions. The EfW at North Hykeham, owned by the County and operated by FCC Environment, has a very low cost for treating Lincolnshire's residual waste. Tonnage removed from this facility and diverted to a food waste facility will not produce sufficient savings from avoided gate fees and may not be eligible for additional funding from EPR. The removal of food waste from the residual waste stream may result in problems for the EfW as the remaining residual waste may not be within the operational design parameters of the facility. This could require changes to operational practice or alteration of the equipment. At the moment this will create a funding pressure and the LWP will lobby in the next consultation round for further consideration of this issue by Defra.

Opportunities

5. The standardisation of the range of dry recycling materials and nationwide separated food waste collections will enable national education and information campaigns to be introduced (local designs are in Appendix B). This may reduce the need for local resources and allow LWP councils to use national campaign materials. Residents will experience greater consistency in recycling collection systems if they live, work and holiday in different council areas. This should improve the quality of recycling from holiday related businesses as they will have to separate more recycling by law and their visitors will know how to use the systems as they will be similar to those they use at home and work.
6. Although there will be a need for more infrastructure to receive and process the increased range of separately collected materials (see 4 above), there are technologies that produce outputs that can have positive impacts for the LWP. If food waste is put through anaerobic digestion (AD) facilities the gas produced can be used to generate electricity, replace natural gas in the

mains or be refined into vehicle fuel for use in biomethane engines. Waste and recycling vehicles using biomethane engines produce 60%-85% less CO2 emissions than equivalent diesel engines and this will help the LWP contribute to reducing the carbon impact of our transport operations across Lincolnshire, such as collecting and bulk hauling materials.

7. Whilst the information about the introduction of DRS does not explicitly indicate the opportunity for councils to be involved, the LWP are keen to raise with Defra the option for the LWP to work with community groups to enable the income from DRS to be available to them. We see this working as a partnership arrangement where the LWP provides the DRS machine and the community group the location. The community group can collect DRS eligible containers locally and put them through the DRS machine and the revenue is shared with the LWP. We feel that a strong connection between the DRS and local need will encourage residents to support the community group by providing them with the containers they would otherwise redeem themselves or put through the kerbside recycling system.

2. Conclusion

The new policies detailed in the strategy will be the biggest change for waste and recycling in England in almost a generation. The impact on members of the LWP will be widespread and significant. The new focus on sustainability and resource efficiency moves policy focus beyond avoiding landfill, waste reduction and increased reuse and recycling, and towards increasing the recyclability of products and maximising the recovery of them when they are presented in the collection systems. As more products contain increasing percentages of recycled raw material, the demand for this to replace virgin raw materials will increase and will support the development of more UK based processing infrastructure.

Residents, communities and businesses will all be affected by the new policies and it is the responsibility of the LWP to maximise the benefits for Lincolnshire. This includes using opportunities arising from the changes to leverage further benefits in the form of new local businesses in the recycling and treatment sector or industrial and manufacturing processes that can utilise the increased availability of recycled raw materials. Having already engaged with the first round of consultations the LWP will continue to respond to future consultations in the best interests of member councils and Lincolnshire as a place

3. Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

An impact analysis will be carried out when the policy changes are confirmed in legislation. The Government and Defra have indicated this is currently scheduled

to be laid before Parliament in 2020/21.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Mapping of LWP objectives against the RAWs proposals
Appendix B	Initial local designs for standardised recycling materials marketing

5. Background Papers

The Joint Municipal Waste Management Strategy for Lincolnshire
<https://www.lincolnshire.gov.uk/recycling-and-waste/lincolnshire-waste-partnership/a-waste-strategy-for-lincolnshire/37756.article>

Our Waste, Our Resources: a Strategy for England
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765914/resources-waste-strategy-dec-2018.pdf

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