

17 November 2010

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Defra Waste Review submission

Purpose

For discussion and direction

Summary

The Programme Board received a paper at its July meeting that outlined a revised set of key issues that would be fed in to Defra's review of waste policy. The LG Group's response to the Defra review of waste policy was submitted on the 7th October 2010. This paper provides a summary of the issues raised, as well as seeking the views of Members as to how the contents of the Group's submission can continue to be communicated to Government.

Recommendations

Members are asked to:

1. Note the contents of the report.
2. Suggest continued lobbying activity to ensure awareness of the LG Group's position is maintained within Government.

Action

Officers to incorporate Members' views and suggestions in continued lobbying on the outcomes of the waste review.

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Defra Waste Review Submission

Background

1. On 15th June the Defra Secretary of State, Caroline Spelman MP, announced that the Government would undertake a full review of waste policy in England. The Programme Board agreed its key message for inclusion in the Group response to this review at its meeting on the 5th July and the final response was submitted on the 7th October.

LG Group Response summary

2. The LG Group response was broken down into the following sections; why waste matters to councils; current priorities, municipal waste – collection; municipal waste – disposal; commercial and industrial waste and the European dimension.
3. The following key points were made in the submission:
 - 3.1 In the context of significant reductions in public spending the LG Group urges the Government to focus this review of waste policy on creating assurance that EU targets can be met and fines avoided at the minimum possible cost.
 - 3.2 Councils' performance on waste has been outstanding. They have reduced the amount of waste sent to landfill whilst driving up recycling rates from 7.5% in 1996/7 to almost 40% by December 2009.

Why waste matters to councils

3. Waste collection and disposal together are the third largest local government service in terms of spend after education and social care. Costs excluding capital investment are likely to increase from £3.4 billion in 2010/11 to £4.3 billion by 2014/15.
4. Defra forecasts that local authority spending on waste would need to increase by 10 per cent from £3.8 billion in 2010 to £4.2 billion by 2013, to enable councils to manage the pressures associated with changing waste management practices. Our own work, using the latest figures available from local authority budgets, validates this conclusion. It also shows that, whilst the costs of disposal are increasing very rapidly, costs of collection are being reduced through the sensible decisions that local authorities are taking up and down the country to encourage recycling and rationalize collection.

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Current priorities

5. The central objective of the review should be to create assurance that EU targets can be met and fines avoided at the minimum possible cost. To achieve this central Government should create a simple, clear policy and funding framework focusing on meeting EU targets. Decisions on the methods should be left for local authorities to decide, working with private sector delivery partners.

Municipal waste – collection

6. Local authorities must retain the freedom to collect waste in the way that is best suited to their residents. The LG Group acknowledges however that there is a need for some national outcome standards to generate transparency for residents on how successful collection services are and how they could be improved.
7. The LG Group is confident that both IESE and WRAP can deliver national programmes that deliver complimentary programmes of support to the public sector.
8. The LG Group asks the Government to consider the current disincentives on councils to promote home and community composting.

Municipal waste – disposal

9. Whilst the LG Group accepts that the Government will not be able to unravel this in the short-term, we ask that it commits to a review of landfill tax arrangements.
10. We ask the government to introduce a clearer, simpler framework of incentives that focuses on Landfill tax as the key driver.
11. We must rethink how we can plan and manage waste infrastructure; the current pattern of funding to support infrastructure is fragmented vertically across national, regional and local levels and horizontally across government departments, their agencies and the plethora of funding streams that exist within them.
12. The LG Group urges the Government to consider the disposal of all waste as an opportunity for economic development and the generation of renewable energy and heat.

Commercial and Industrial waste

13. Municipal waste makes up only 20% of all waste. Landfill tax is payable on waste collected from businesses as well as households. Councils could be interested in

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extending their services and providing more recycling facilities geared to businesses if it did not expose them to higher landfill tax on residual waste.

The European Dimension

14. The EU has a substantial influence over local environmental services and waste management strategies and also sets targets and legislates on energy efficiency. The Landfill Directive, revised Waste Framework Directive and Waste Electrical and Electronic Equipment (WEEE) Directive, for example, have all radically changed the way councils collect, treat, dispose of and recycle waste and have led to an array of local recycling targets. With councils being major users and providers of energy, they are subject to EU rules and targets on energy consumption of municipal buildings and housing stock and public transport.
15. There are varying views and interpretations about how much UK legislation and regulation stems from the EU. Taking into account the wide spread of views on this issue, we believe that around half of all regulation affecting local councils has its origins in the EU.
16. The European Commission, which initiates EU legislative and policy proposals, published its 2011 Annual Work Programme on 27 October 2010. It contains the following statements on waste:
 - 16.1 Simplifying waste legislation. Full screening of EU recycling Directives to align with Waste Framework Directive including End-of-Life Vehicles, Batteries and Packaging. Need to ensure revision benefits councils. Announced in 2010 programme. **Expected 2012**
 - 16.2 Implementing EU environmental law and policy: a common challenge. This is a non-legislative paper on the implementation of environmental legislation looking at the coherence of legislation; enhancing compliance and strengthening inspections. This may link to plans to consider future biowaste prevention targets. **Expected 2011**
17. The Group's full submission to the Defra review of waste policies can be found at **Appendix A**.

Conclusions and next steps

18. Officer and members will continue to feed in the LG Group's views in discussions with the Government and other waste partners.

Financial Implications

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19. Whilst there are no financial implications for the LGA Group there are of course significant budgetary issues for member authorities, especially in light of the Spending Review. Waste services cost local authorities over £3.1bn in 2008-9 and are expected to increase to £4.2bn by 2013. Apart from education and social care, waste collection and disposal is the biggest area of council spending.

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