

## **Waste: developments since the General Election**

### **Purpose of Report**

For discussion and direction.

### **Summary**

This paper:

1. Provides LG Group Executive members with a summary of the main developments on waste policy since the General Election.
2. Summarises the key points made in our response to Defra's review of waste policy.

### **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**

Environment and Housing Programme Board Chair to reflect Members' views and suggestions in continued lobbying on the outcomes of the waste review.

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## **Waste: developments since the General Election**

### **Background**

1. Domestic waste policy in the England and Wales is heavily driven by Europe, with the existing policy system based on the 'waste hierarchy', a large number of targets, landfill tax, LATS and a clear division between arrangements for the collection and disposal of municipal, and commercial and industrial (C&I) waste. There is a largely voluntaristic approach to the private sector and waste minimisation. The Coalition document says "We will work towards a 'zero waste' economy, encourage councils to pay people to recycle, and work to reduce littering." There is also a specific reference to the role of waste with regards to energy and climate change: "We will introduce measures to promote a huge increase in energy from waste through anaerobic digestion.
2. Caroline Spelman is undertaking a review "*of all existing waste policies*", to report in spring 2011.
3. The LGA Chairman, Baroness Eaton DBE has met with the Secretary of State who was sympathetic to the LGA Group position on schedule 2 waste (councils having to collect waste free of charge from schools, hospitals, prisons, etc free of charge). This has resulted in Defra publishing a consultation seeking to change this legislation. As a result of our lobbying, Defra have also abandoned a consultation on costly and impractical proposals for a legal ban on sending certain materials from landfill published by the previous government.
4. The Royal Borough of Windsor and Maidenhead and Halton Borough Councils are trialling schemes that incentivise residents to increase the amount of waste they recycle and therefore reduce the amount of waste that is sent to landfill. Whilst being aware that incentivisation may not be the answer for all local authorities, the Group is keen to see how successful these schemes are. The Government is also committed to repealing Climate Change Act powers to pilot charging regimes for domestic waste collection.
5. As part of the Spending Review Defra announced that the funding for 7 (out of a total of 18) waste infrastructure schemes funded by PFIs would be withdrawn. The LG Group has offered to assist and support those councils who have been affected as required, and Members have raised the impact of the withdrawal of these schemes on councils' ability to achieve diversion from landfill and increased renewable generation.

### **Europe**

6. 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. Councils are major users and providers of energy and are subject to EU rules and targets on energy consumption in municipal buildings and housing stock and public transport.

7. The European Commission 2011 Annual Work Programme was published on 27 October. It includes proposals to revise existing recycling directives including batteries and packaging. We will be working with EU and UK decision-makers to ensure the revision benefits councils. The Commission will also be looking at the implementation of EU environmental law and policy.

### **LG Group Response to Defra's review of waste policy**

8. 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.
9. 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.
10. 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**

11. 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.
12. 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.

### **Current priorities**

13. 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**

14. 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.
15. The LG Group is confident that both IESE and WRAP can deliver national programmes that deliver complimentary programmes of support to the public sector.
16. The LG Group asks the Government to consider the current disincentives on councils to promote home and community composting.

### **Municipal waste – disposal**

17. 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.
18. We ask the government to introduce a clearer, simpler framework of incentives that focuses on Landfill tax as the key driver.
19. 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.
20. 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**

21. 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 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 Group's full submission to the Defra review of waste policies can be found here:  
<http://www.lga.gov.uk/lga/core/page.do?pagelId=14392480>

### **Conclusions and next steps**

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

### **Financial Implications**

23. Whilst there are no financial implications for the LG 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.