

# Meeting EU recycling targets

May 2015

## Executive summary

Meeting recycling targets is a key issue for local authorities which have delivered a transformation in service offered to households over the last decade with recycling collections now the norm for almost all homes across England. Despite delivering a 400 per cent increase in recycling rates since the turn of the century the UK is not yet on track to meet the 50 per cent EU target by 2020.

Meeting the target will be challenging, but the following practical suggestions could be implemented in relatively short order after the 2015 election to deliver a significant improvement in recycling rates by 2020.

**Redistribute landfill tax back to councils** via Revenue Support Grant as originally intended when landfill tax was initiated. This will allow local authorities to use the funds for capital investment in infrastructure to improve recycling rates.

**Better balance costs with packaging producers** by reforming the current packaging compliance system to increase transparency, incentivise use of recyclable material, increase contribution from producers and ensure more is channelled to collection.

**Make collection of food waste more cost effective** through better incentivising anaerobic digestion, broadening producer compliance contributions and drive demand for composted food waste.

**Raise the profile of recycling** of the core materials collected by the overwhelming majority of councils through a comprehensive national recycling campaign.

**Revise the waste measurement criteria**, alongside efforts to increase the capture of recycling from households and businesses, to better reflect the waste material that is currently recycled.

**Better target support** to enable urban councils to develop cost effective means to improve their recycling rates through council and Combined Authority partnerships with WRAP and other support organisations.

## 1. Introduction

The Local Government Association (LGA) is the voice of English local government. Our mission is to help support, promote and improve local authorities in England.

Meeting recycling targets is a key issue for local authorities which have delivered a transformation in service offered to households over the last decade. Waste and recycling are the amongst the most recognised services councils offer making them a key doorstep issue for householders.

This paper offers a range of suggestions that if implemented would make a material contribution towards meeting the 50 per cent EU recycling target by 2020. Our suggestions build on councils' commitment to the principles of the waste hierarchy and offer a proactive and deliverable approach that recognises the budgetary challenges for local authorities. These suggestions are also consistent with those we have made to the European Commission to inform their review of EU circular economy proposals,<sup>1</sup> which consider the approach from 2020 onwards.

## 2. Context

Local authorities are currently directly involved in working towards two EU targets – on landfill and recycling. The UK is firmly on course to exceed its landfill targets as a result of the extensive efforts of local authorities. This has seen a radical reduction in landfill per household by 78 per cent in the last decade, brought about through the delivery of a range of waste treatment infrastructure by councils up and down the country.

The recycling target has seen similar levels of commitment from local authorities with recycling collections now the norm for almost all homes across England. This effort has delivered a 400 per cent increase in recycling levels since the turn of the century<sup>2</sup> (see Annex for data summary). However, despite this improvement the UK is not yet on track to meet the 50 per cent target by 2020.

Since 2000 the pursuit of EU waste targets has required a doubling of spend by English local authorities to £3.28 billion.<sup>3</sup> This makes collection and disposal of waste and recycling the third highest cost service for English local authorities. We estimate that current spending would need to increase significantly to include the additional collection services necessary to meet the 50 per cent target, which will be unachievable due to the extreme pressure councils are under to reduce spending. This is in response to a 40 per cent reduction in government grant funding since 2010,<sup>4</sup> a level of reduction that is projected to be repeated over the next parliamentary period. Consequently the 2020 target will not be met if it relies solely on further increases in local government spending, which means alternative options will need to be considered in order to provide a realistic chance of meeting the target.

The LGA has set out its position on waste and recycling in two previous publications *Wealth from Waste*<sup>5</sup> and *Routes to Reuse*.<sup>6</sup> These reports inform this

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<sup>1</sup> Add URL for EU paper

<sup>2</sup> The percentage of household waste recycling in 2003/04 was 17.8 per cent and in 2013/14 it was 43.5 per cent

<sup>3</sup> Total for waste and recycling collection and disposal 2013/14

<sup>4</sup> LGA Future Funding Outlook 2014 <http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dcca2c70>

submission and seek a change in the terms of the debate on waste and resources to maximise the potential of the waste and resources sector to generate jobs and growth and reduce the burden on tax payers.

### **3. Meeting recycling targets**

The following suggestions could be implemented in relatively short order in order to help meet the 2020 recycling target (see the annex for a summary of our suggestions against the waste hierarchy).

#### **3.1 Redistribute landfill tax back to councils**

Local authorities paid approximately £570 million in landfill tax to the Treasury in 2013/14, which will rise to over £600 million in 2015/16, despite reducing landfill by over three quarters per household in a decade. These receipts could provide investment capital that would contribute towards increased recycling levels and help councils to deliver infrastructure that would not otherwise be affordable. This could include the costs of new receptacles, collection vehicles, sorting facilities, reuse storage capacity and organic treatment facilities. All of which could be delivered in time to influence recycling rates by 2020.

**To achieve this we suggest a return to the original principles of redistribution of landfill tax via the Revenue Support Grant. This would allow councils to decide locally how to invest in infrastructure that could be delivered quickly to improve recycling performance by 2020.**

#### **3.2 Better balance costs with packaging producers**

Packaging fulfils an important function and helps to reduce food waste, but it is costly for local authorities to collect and sort at approximately £550 million each year.<sup>7</sup> This is compared to the annual compliance funding from packaging producers of £111 million of which only £37 million is spent on collection.<sup>8</sup> The current model lacks transparency on the flow of funding and is predicated on cost subsidisation by tax payers through council recycling collections.

The UK packaging compliance regime raises the lowest level of contribution from producers of all EU member states at less than 20 Euro per tonne of material compared to 200 Euro in Austria and over 150 Euro in France and Spain.<sup>9</sup> The limited contribution raised by the UK producer compliance arrangements coupled with ongoing reductions in local authority budgets presents a direct risk to meeting the recycling target and the associated EU Packaging Directive targets.

An alternative model is required that enables more packaging material to be captured for recycling at sufficient quality, allows the UK to meet its EU targets, and ensures a more reasonable producer contribution to costs currently borne by tax payers. The packaging producer compliance system should be reformed to

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<sup>5</sup> Wealth from Waste report: [http://www.local.gov.uk/c/document\\_library/get\\_file?uuid=a9ae477e-e0cf-4665-862e-ed01caa810f6&groupId=10180](http://www.local.gov.uk/c/document_library/get_file?uuid=a9ae477e-e0cf-4665-862e-ed01caa810f6&groupId=10180)

<sup>6</sup> Routes to Reuse report: <http://www.local.gov.uk/documents/10180/5854661/LGA+Routes+to+Reuse+FINAL+FINAL.PDF/5edd19ba-7c13-47c5-b019-97a352846863>

<sup>7</sup> LGA estimate from Wealth in Waste report

<sup>8</sup> Environment Agency National Packaging Waste Database figures for the packaging compliance system for 2013

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<sup>9</sup> European Commission report: Development of Guidance on Extended Producer Responsibility (EPR), Final Report 2014

bring it more in line with other EU member states and achieve the following outcomes:

- greater transparency on the flow of finance from obligated producer to reprocessor and collector
- packaging material that is cost effective to recycle is incentivised
- increased overall packaging producer contribution based on meeting a greater proportion of the costs of collection and sorting
- increased proportion of producer compliance costs are channelled towards sustaining additional local authority high quality recycling collections

**To achieve this we suggest reform of the current packaging compliance system to achieve the above principles based on a zero based review launched in autumn 2015. A revised and more comprehensive compliance system could be re-launched in time for April 2017 providing nearly three years of improved performance to support recycling levels by 2020.**

### **3.3 Incentivise collection of food waste**

Increasing collection of the 7 million tonnes of food waste householders throw away each year<sup>10</sup> will make an important contribution to meeting recycling targets. Currently about half of English local authorities collect food waste which has a marginal business case due to the low value of material. Nearly half of councils offering a food waste collection do so together with garden waste which an increasing number of councils, due to budgetary pressures, are having to introduce a charge for. For logistical and treatment reasons this is often accompanied by withdrawal of the food waste element further reducing capture.

Given reducing local authority budgets it is unlikely that enough councils will either be able to maintain or add collection of food waste unless it becomes most cost effective to do so.

**We suggest that the Government develops a range of incentives to make organic waste collection more cost effective. This should include:**

- **Increasing the incentive for generating energy through anaerobic digestion of food waste<sup>11</sup>**
- **Broadening the current producer contribution regime to include a food waste element to better share the burden of additional collections**
- **Driving demand and helping support the price of composted food waste. This could include requiring a proportion of recycled compost to be included in non-recycled compost products**

### **3.4 Raise the profile of recycling**

Local authorities and their contractors continue to carry out communications campaigns in their areas with tailored messages, which have been successful to date in increasing resident recycling. However, one of the consequences of reduced local authority budgets has been a squeeze on the number of dedicated officers and resources for recycling communication activity.

Following the roll out of extensive kerbside recycling services the overwhelming majority of councils now collect all the core materials for recycling.<sup>12</sup> This now provides sufficient coverage to justify a national awareness campaign to increase

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<sup>10</sup> WRAP estimate from 2012

<sup>11</sup> For example Renewable Obligation Certificates could be increased for Anaerobic Digestion

<sup>12</sup> WRAP data shows the coverage of core material collection (with percentage of councils collecting: metal cans (100%), paper (100%), plastic bottles (98%) card (96%), glass (85%)

recycling rates. Government, WRAP and local authority communications channels could be used to help increase awareness of recycling around a national message. Local authorities would have an important role in supporting national messages by establishing locally tailored campaigns to encourage their residents to recycle.

**To take this forward we suggest that the Government and WRAP with input from the LGA develop the content and timing for a comprehensive national recycling campaign, which could be delivered from early 2016.**

### **3.5 Revise the waste measurement criteria**

Currently many hundreds of thousands of tonnes of recycled material is not counted towards targets due to historic means of calculation. For example, a large proportion of street sweepings and other waste organic material collected by councils is recycled as part of land restoration projects.<sup>13</sup> In addition, the ash by-product that forms at the bottom of residual waste incinerators is also routinely recycled to produce aggregate for the building industry. If this material was appropriately verified and counted as recycling, as is the case in some other EU member states<sup>14</sup>, it could contribute up to an additional 7 percentage points by 2020.<sup>15</sup>

**We suggest, alongside efforts to increase the capture of recycling from households and businesses, that the recycling measurement criteria is adjusted to better reflect the waste material that is currently recycled including street sweepings and the by-product of waste incineration.**

### **3.6 Better targeted support**

The national recycling rate hides significant variation in performance by different areas which shows a strong correlation between high levels of urban density and low recycling rates. For example the overall recycling rate in London is 34 per cent and is 35 per cent on average for the eight English Core Cities<sup>16</sup>, both approximately ten percentage points below the national average.

Increasing recycling in dense urban areas can be challenging, but will be necessary if recycling targets are to be met. To achieve this, better targeted support from government and support organisations<sup>17</sup> will be required to enable urban councils, to develop cost effective means to improve their recycling rates. This should include timely advice to councils with low recycling rates on short term deliverable options for improvements and greater efficiency in service delivery, establishing infrastructure and communicating to residents.

**We suggest that the intensive support model focussed on efficiencies delivered by the London Waste and Recycling Board in partnership with WRAP, Local Partnerships and Improvement and Efficiency South East has potential for wider application.<sup>18</sup> Such an approach with equivalent resources should be rolled out to other urban areas, which could be**

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<sup>13</sup> Known as Compost Like Output (CLO)

<sup>14</sup> For example Sweden, France and Germany have provision to allow certain uses of incinerator bottom ash to be counted as recycling.

<sup>15</sup> Based on an Environmental Services Association estimate of 3 million tonnes of incinerator bottom ash by 2020 and an assumption that overall waste levels remain at approximately the same level as 2013/14

<sup>16</sup> Birmingham, Bristol, Leeds, Liverpool Manchester, Newcastle, Nottingham, Sheffield

<sup>17</sup> Defra, WRAP, the Chartered Institute of Waste Management and Resources and Waste UK, including input from the LGA

<sup>18</sup> <http://www.lwarb.gov.uk/page/?identity=efficiencies-programme>

**delivered in partnership with metropolitan authorities or via the recently established Combined Authorities.<sup>19</sup>**

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<sup>19</sup> Greater Manchester, North East, West Yorkshire, Sheffield, Liverpool and potential future combined authorities in Derbyshire, Nottinghamshire, Tees Valley, Birmingham/ Black Country  
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Whole system approach to meeting the 2020 recycling targets

Data (2013/14)	Performance			Meeting 2020 recycling target
160,000 tonnes of reuse (2012/13)	Local authority collected waste reduced by 8.6% since 2000, but is increasing again	Prevention		Increase packaging producers requirements to support recycling collections
10.9 million recycled tonnes	Material recycled has increased by 400% since 2000			Preparing for re-use
6.2 million tonnes to energy from waste	Energy from waste has increased by 61% since 2000	Recycling		
7.9 million tonnes landfill	Landfill per household has reduced by 78% since 2002/3 On target to exceed EU 2020 landfill target			Recovery
25.5 million tonnes of local authority collected waste		Disposal		