

CONTEXT

As part of the government's Resources and Waste Strategy three key consultations are currently open. The proposals within these consultations will potentially see the biggest changes to waste services in years in the ways that services work, the infrastructure required, and the way in which councils' costs are covered. This note seeks to give an overview of the proposals within the three consultations.

We hold that the primary focus of any proposals should be the prevention of waste at source to minimise the environmental impact and costs of dealing with it, in a truly whole system approach. Unfortunately, much of the content of government consultations so far has focussed on recycling rates and collection and disposal proposals rather than long-term waste minimisation. Further general points of the DCN's position on the strategy include:

- The methods of collection should be a matter of authorities' discretion as appropriateness is often determined by local context.
- The new burdens involved are complex and risk that actual new costs faced by districts are not met. There is also a risk of inequitable funding given the current range of service provision. These costs need to be accounted for in full and payments for collection under new proposals should go directly to district councils.
- As champions of our local economies, districts will look to ensure that our small businesses are not unduly disadvantaged by the proposed reforms.
- Integral to the success of reforms will be well-conceived community engagement campaigns, led by local councils with sufficient funding provided by Extended Producer Responsibility.

Consistency in Household and Business Recycling Consultation (deadline 4 July 2021)

The consultation encompasses plans to increase nationwide consistency of collection services. It includes-

- Confirmation of a statutory requirement to make separate weekly food waste collections, suggested to be by 2023/24.
- Further consideration of the costs and benefits of free fortnightly garden waste collections. Alternatives such as 'reasonable' capped charges are also considered.
- Confirmation of a preferred approach to collect core set of dry recyclables in four **separate** streams, unless SoS agrees materials can be collected together, such as plastic and metal. This will come into effect in October 2023
- Commitment from Government to pay costs of additional new burdens arising from statutory duties imposed on local authorities in relation to consistency reforms.
- Confirmation of planned statutory guidance on exemptions to kerbside sorting requirements, minimum standards for recycling and residual collections, and compliance and enforcement.

- Confirmation that EPR payments will go directly to the authority which incurs costs; the first time has been confirmed in any of the consultations so far

Identified areas of concern:

- Statutory guidance on both recycling and residual waste standards are proposed. We are concerned that this will impose mandatory practices such as standardised collection frequencies. We will continue to make the case that this should be firmly in the control of districts and voice our displeasure at these measures that are contrary to devolution
- We will press for as much flexibility as possible when it comes to separate collection of the core materials-
There will be exemptions for separate collections where it is not technologically or economically practical based on factors such as housing type and rurality. Under the proposals authorities will make the case for exemption via written assessment. We will push for twin-stream collections to be widely accepted, and the principle that authorities should have as much discretion as possible to collect materials.
- Defra have stated a preference for free garden waste services. We will strongly make the case for alternative means of mitigating garden waste in residual streams such as composting, as a more sustainable alternative.
- We also question the carbon impact assessments of statutory garden waste collections, and the potential costs and benefits of having this new fleet on our roads.
- We shall continue to make the argument that compositional analysis already conducted does not show large quantities of garden waste in residual streams, further negating the value of statutory free garden waste collections. We will consider gathering further evidence on this issue.
- We will push for a late implementation date for mandatory weekly food waste collections, given the big changes in infrastructure and services required. The timeline allows less than two years to procure a new fleet of vehicles or substantially adapt current vehicles.
- We shall also cite the profound drop-off in participation rates after such schemes are introduced; as well as the contradiction of mandating this expensive service when aiming to minimise waste.
- We will guard against provision of caddy liners becoming a requirement given the cost and potential negative environmental impact.
- Recycling credits are considered, and it is presumed that they will be redundant when it comes to packaging items when EPR payments are introduced. Retention of credits for non-packaging items is considered. We shall make the case for recycling credits to be retained for non-packaging items. We shall also look to ensure that waste collection authorities receive just benefits for efforts made to improve recycling rates whatever mechanism is put in place.
- We shall press central government to confirm that all councils will be treated equitably when it comes to funding new burdens, considering the current range in service provision across authorities. We will also query how ongoing funding will be assured, and how the cost of change for each authority will be accurately assessed.

Extended Producer Responsibility for Packaging consultation (deadline 4 June 2021)

The proposals within cover the mechanisms to make packaging producers responsible for the full net cost of managing packaging that they place on the market. This includes all costs

incurred from collection, sorting, and recycling, as well as litter and refuse management costs, but it should be noted these costs relate to packaging **only**. This also includes the management of packaging items that are still placed in any non-recyclable residual waste stream. It excludes items covered under the Deposit Return Scheme (see below). The consultation covers the scheme design, including payment mechanisms, its governance, producer obligations, and implementation timelines.

Identified areas of concern:

- The scheme administrator will be a not-for-profit appointed early 2023. We have concerns about the feasibility of this administrator mobilising in time, particularly given their requirement to develop appropriate payment mechanisms.
- It is confirmed in the consistency consultation that payments will go directly to authorities responsible for services, i.e. collection payments to collection authorities. This is good news. However, we shall ensure that this mechanism is indeed confirmed and upheld by the Scheme Administrator.
- The government's preferred option for payment mechanism to councils is an initial modelled approach rather than covering actual costs. Model costs are based on 'efficient design and effective delivery' of systems and comparison to relevant peers.
- We're concerned that 'efficient design and effective delivery' will essentially result in preferred collection systems being required to cover costs. These systems should be decided on by local government, not other stakeholders. We will seek a clear and fair definition of 'efficient' and 'effective'.
- Modelling will account for geographic and socio-economic factors and WRAP is developing it further to account for different levels of rurality. However, we will want to ensure that inevitable outliers from the model are not deprived.
- Data from 2021/22 will be used to calculate model costs and influence the first EPR model payments so authorities should be mindful of that. After Year 1 much new data will need to be provided, including waste compositional analysis, to inform the model or move payments to actual costs. This will require new processes and could create further uncertainty over budgets.
- The scheme administrator will have the ability to reduce payments, potentially to 80% below full net cost of collections, for authorities not meeting benchmarks as defined by the 'efficient design and effective delivery' model. This will be phased in, likely from 2024. Also phased in will be incentivised performance payments using any additional funds. We will push for support to authorities not meeting targets to be prioritised ahead of incentives payments for high performing councils.
- There will be some degree of model payment leeway to allow for contracts to run through, or funds provided to renegotiate contracts. The exact details of this are not clear and we will push for assurances that authorities will not be disadvantaged.
- Given the probability of the above points causing much turbulence, DCN will propose setting fixed payments for the initial five years of the scheme to provide much needed certainty during these major reforms.
- There is still uncertainty around the mechanism for litter management payments with this still to be developed by Defra. We suggest fixed payments for this element of the scheme for the first five years, to give time for processes to be developed.

Deposit Return Scheme Consultation (deadline 4 June 2021)

This consultation proposes to instigate upfront deposits for plastic, metal and glass drinks containers, to be reimbursed at return points; aiming to incentivise recycling of these items

and improve recycling quality. It is still to be determined through consultation whether this will be an 'on the go' or 'all in' system, the latter including larger bottles and multipack items. 'All in' seems to be Defra's preferred option, given Scotland are introducing this from 2022. This would have greater implications and impacts for local authorities.

Identified areas of concern:

- Scheme will now be introduced late 2024 at the earliest; this still seems ambitious. We also have concerns over the mixed messaging of introducing this scheme soon after other reforms due to the potential for it to disrupt EPR. This would be exacerbated by an 'all in' deposit scheme.
- We will investigate the effect of the takeback requirements on our small businesses in terms of loss of display space, burden of the scheme, and the impact on environmental health standards and potential for enforcement.
- The scheme does not appear to thoroughly consider the changes in consumer behaviour such as the ubiquity of online shopping, and how the physical return of items to local, potentially smaller, shops could be disproportionately impacted without a sufficient takeback offer from online retailers.
- Kerbside collection amounts and local authority recycling rates will likely reduce with DRS in place, especially for an 'all in' system. The scheme will remove valuable material from kerbside which will have a knock-on effect for disposal contracts, potentially making them more expensive, especially with the higher levels of compositional analysis required for EPR and DRS.
- Options are given to ensure that DRS items deposited at kerbside have collection costs funded by the DRS administrator as items won't be covered by EPR. Defra's preferred option is for these items to be covered under the same payment formula as the EPR. This appears the most straightforward mechanism, though all of the options are burdensome. Other mechanisms are more complex, potentially would not cover material in litter and residual streams and may involve digital scanning and processing of items that is not currently sufficiently developed.
- Overall the technological support needed to sort DRS from EPR waste is not currently in place or consistent across authorities and both require waste streams to have regular analysis to support payment options.
- There is still a question on how much impact the scheme will have on reducing litter, especially as much of the litter seen on our streets is not included in DRS – disposable cups for example are not included. There are also questions on how this pushes management up the waste hierarchy, given that it does not increase reuse and that we already have recycling collections in place.
- We will cite the social and economic impacts of the Covid-19 pandemic as another reason to consider delaying implementation of the scheme.