

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
REGIONAL PLANNING COMMITTEE**

Date: 25 July 2007

Subject: **Waste Strategy for England 2007**

Report of: Planning Manager
South East England Regional Assembly

Recommendations:

That the Committee:

1. Notes the publication of the Waste Strategy 2007 which:
 - Sets higher targets for recycling of household waste and recovery of municipal waste.
 - Sets targets for reducing the amount of commercial and industrial, and construction and demolition waste landfill.
 - Accelerates the Landfill Tax escalator to provide greater incentives to avoid landfill and provide alternative management.
 - Proposes site waste management plans for construction and demolition waste.
 - Supports energy from waste as part of the waste management mix, including an assumption that this will account for 25% of municipal waste by 2020.
 - Provides specific measures for key material streams to reduce the environmental impact of waste management and make better use of resources.
2. Supports the proposals in the associated consultation to provide local authorities with the power to introduce a revenue-neutral scheme to financially incentivise householders to reduce and recycle waste - Option C.

Purpose of Report:

To provide an overview of the Waste Strategy for England 2007 (which replaces the 2000 Waste Strategy), and recommend the Assembly's response to the consultation on Incentives for Recycling by Households.

Key Issues:

Overall the Waste Strategy for England 2007 is an improvement on the previous strategy. The strategy includes a number of measures that have been long called for by many sectors, including local authorities and the waste management industry.

Its treatment of all of the major waste streams, rather than focussing on municipal solid waste, is particularly important in setting a national framework for action.

Setting higher targets for recycling and recovery of municipal and household waste, and for reducing the amount of commercial and industrial, and construction and demolition waste landfilled, effectively provides greater weight to those already adopted in RPG9 and included in the draft South East Plan as these should be backed up by necessary legislation and support to enable their delivery.

Specific changes that will help support their delivery include the unambiguous support for energy from waste (with proposed amendments to the Renewables Obligation supporting this), acceleration of the Landfill Tax escalator to provide a financial incentive to divert waste, and encouragement of integration of management of municipal and commercial waste to assist small businesses to recycle more of their waste.

To deliver the strategy, the government also proposes to establish a DEFRA-led Waste Strategy Board to provide leadership within and across Government with responsibility for developing new policy actions as necessary, and a Waste Stakeholder Group to provide external advice, challenge and assistance with delivery.

The consultation on incentives for households to recycle waste proposes enabling local authorities to introduce financial incentives through providing rebates to good performing households (reduced waste generation and increased recycling) and additional charges to poor performers (high waste generation).

1. Introduction and Summary

1.1 The new Waste Strategy for England was published by DEFRA in May 2007, replacing the Waste Strategy 2000.

1.2 Two consultations are also being undertaken alongside the Strategy:

- Consultation on Site Waste Management Plans for the Construction Industry.
- Consultation on the incentives for Recycling by Households.

1.3 The Strategy is driven by a goal of reducing carbon emissions from waste treatment and disposal, and sets out the following objectives:

- Decouple waste growth from economic growth and put more emphasis on waste prevention and re-use.
- Meet and exceed Landfill Directive targets for diversion of biodegradable municipal waste in 2010, 2013 and 2020.
- Increase diversion of non-municipal waste and ensure better integration of management of different waste streams.
- Secure investment in infrastructure to divert waste and manage hazardous waste.
- Increase recycling and recovery of energy using a mix of technologies.

1.4 The Strategy sets a range of new and higher targets including:

- Reduce the amount of household waste not re-used, recycled or composted by 29% by 2010 (to 15.8 million tonnes) and 45% by 2020 (to 12.2 million tonnes).
- Recycling and composting of household waste to at least 40% by 2010, 45% by 2015 and 50% by 2020.
- Recovery of municipal waste to 53% by 2010, 67% by 2015 and 75% by 2020.

1.5 These targets relate well to those adopted in RPG9 and proposed in the South East Plan:

Targets	2010 %	2015 %	2020 %
WS2007: Household Recycling	>40	45	50
RPG9 MSW Recycling	40	50	55
WS 2007: MSW Recovery	53	67	75
RPG9 MSW Recovery	52	74	83

1.6 In addition, government is considering setting targets to:

- Reduce the amount of commercial and industrial waste landfilled.
- Halve the amount of construction and demolition waste landfilled by 2010.

1.7 Key measures proposed in the Strategy to help achieve these targets include:

1.7.1 Incentives:

- Increasing the landfill tax escalator by £8 per year from 2008 until 2010/11 (from £24 now to £48 in 2010).
- Consulting on removing the ban on local authorities introducing financial incentives to households for waste reduction and recycling.
- Enhanced capital allowances for investment involving use of secondary recovered fuel for combined heat and power facilities.

1.7.2 Regulation:

- Waste protocols to clarify when materials cease to be regarded as waste.
- Consideration of introducing further restrictions on the types of waste that can be landfilled (reflecting practice in other European countries, some of which have banned some types of waste from landfill completely).

1.7.3 Material and Sector Specific Action:

- Targets to reduce paper waste and increase recycling through work with the paper industry.
- Supporting anaerobic digestion of food and green waste through a range of financial measures including review of the Renewables Obligation and use of Private Finance Initiative (PFI).
- Proposing higher packaging recycling for plastics and aluminium.
- Establishing a new products and materials unit to improve environmental performance of products through their lifecycle.
- Introducing producer responsibility measures including consulting on proposals for site waste management plans to be a mandatory requirement for construction projects over a certain value.

1.7.4 Investment in Infrastructure:

- Strengthening the advice service on waste collection to promote greater source segregation and sorting.
- A statement that energy from waste (including anaerobic digestion) is expected to account for 25% of municipal waste by 2020 compared to the current level of 10%.

1.8 A DEFRA-led Waste Strategy Board is proposed to implement the strategy and provide leadership across government.

1.9 The role of Regional Assemblies as Regional Planning Bodies (RPBs) is acknowledged in the strategy, but the only statement of direct relevance is that the Regional Spatial Strategy (RSS) and Development Plan Documents (DPDs) should meet the requirements of PPS10 - that the RSS should contain an appropriate apportionment of waste to be managed and an indication of the likely pattern of facilities, and that the DPDs contain sufficient identified sites for waste facilities. The role of the Regional Development Agencies (RDAs) is set out to ensure that the Regional Economic Strategy helps improve business resource efficiency, develop economic opportunities from this, and help identify business waste infrastructure needs.

2. Summary of Issues and Comments on the Strategy

- 2.1 Overall the proposals in the strategy, particularly the emphasis on measures to reduce carbon emissions from waste management, and the strengthening of the targets and mechanisms for their delivery are to be welcomed. These measures bring the national targets in line with those in RPG9 and the draft South East Plan.
- 2.2 A number of the measures proposed in the strategy have been advocated for some time, including increasing the rate of increase of the Landfill Tax (the Landfill Tax escalator) to provide a stronger fiscal drive for diversion of material from landfill and investment in alternative management capacity.
- 2.3 The unambiguous statement that energy from waste is expected to make a growing contribution to municipal waste management, increasing to 25% by 2020, acknowledges that a range of energy recovery technologies will be needed to deliver diversion from landfill, make more efficient use of resources and save carbon. The proposed support for anaerobic digestion (of putrescible waste), gasification and pyrolysis through the amendments to the Renewables Obligation (see comments on the Energy White Paper), together with removal of barriers to combustion of recovered fuel and mixed wastes are also welcomed, and again reflect the policies of the draft South East Plan (Policies W11 and W12).
- 2.4 The role suggested for RDAs, to work with Regional Technical Advisory Bodies (RTABs) to identify infrastructure needs of business waste seems to misunderstand the role of the RTABs advising the Assemblies in preparation of the RSS that should identify infrastructure requirements for all types of waste. However, encouraging the RDAs to play a fuller role here, working with RPBs, is welcome and reflects our close working with the South East England Development Agency (SEEDA) on this.
- 2.5 An implementation plan is attached to the strategy setting out in some detail the range of measures needed to implement the strategy. Many of the proposals it sets out are already in train or subject to parallel consultations, for example the amendments to the Renewables Obligation alongside the Energy White Paper. A number of measures have been called for by local authorities and the waste management industry for many years such as increasing the Landfill Tax escalator.

3. Consultation Papers

- 3.1 The two consultations occurring alongside the strategy set out measures to help achieve aspects of the strategy.
- 3.2 Consultation on the Incentives for Recycling by Households
 - 3.2.1 The consultation extends until 16 August 2007. The proposal is to give local authorities the power to choose to introduce a revenue-neutral scheme to financially incentivise householders to recycle and reduce waste. There will be no provision for an increase in local charges or taxes.

- 3.2.2 The options being consulted on are:
- A. Do nothing.
 - B. Localised waste charge - this would involve meeting the costs of waste from local charging, including potentially through a variable charge. Government wishes to provide sufficient incentive to change behaviour without increasing the burden on residents and so does not favour this approach.
 - C. Financial incentive with net revenue neutral impact on local residents - this would involve households producing less residual waste (post-recycling) receiving a rebate at the end of the year, and high waste producing households facing an additional charge.
- 3.2.3 The government's favoured option is Option C - a revenue neutral incentive scheme, in which all money raised is returned to residents. It has modelled the costs and estimates that these will be offset by savings to waste collection and waste disposal authorities in the years following introduction. It would require free kerbside collection of recyclables (at least 5 materials) and make provision to avoid flytipping. It is proposed that it would be up to individual authorities what type of scheme they introduce. It is also proposed that financial incentives should be allowed at civic amenity sites to avoid household waste being taken to these for disposal instead.
- 3.3 Consultation on Site Waste Management Plans for the Construction Industry
- 3.3.1 The proposal is for site waste management plans (SWMPs) to be a legal requirement for construction and demolition projects in England. The consultation ended on 9 July 2007.
- 3.3.2 Such plans would detail the amount of waste produced on a site, how it will be re-used, recycled and disposed of. The aim is to improve the resource efficiency of the construction industry and reduce the amount of material landfilled.
- 3.3.3 The requirement would only apply to projects over £250,000 in value with more detailed plans required for schemes over £500,000.
- 3.3.4 A number of waste planning authorities, for example East Sussex CC and Brighton and Hove City Council, have already introduced Supplementary Planning Documents promoting the use of site waste management plans.
- 3.3.5 SWMPs should therefore be an important mechanism in helping to deliver a number of policies of RPG9 and the draft South East Plan including targets for waste reduction (Policy W1), sustainable design and construction (W2), and targets for diversion from landfill and increasing recycling (W5 and W6).
- 3.3.6 Officer views were provided to DEFRA by the consultation deadline, providing general support for the proposals as they will encourage waste reduction, re-use and recycling as well as raising awareness and ensuring compliance with legal requirements.

4. Conclusions and Recommendations

- 4.1 Overall the Waste Strategy for England 2007 is an improvement on the previous strategy. Its treatment of all of the major waste streams, rather than focussing on municipal solid waste, is particularly important in setting a national framework for action.
- 4.2 Setting higher targets for recycling and recovery of municipal and household waste, and for reducing the amount of commercial and industrial, and construction and demolition waste landfilled, effectively provides greater weight to those already adopted in RPG9 and included in the draft South East Plan as these should be backed up by necessary legislation and support to enable their delivery.
- 4.3 Specific changes that will help support their delivery include the unambiguous support for energy from waste (with proposed amendments to the Renewables Obligation supporting this), acceleration of the Landfill Tax escalator to provide a financial incentive to divert waste, and encouragement of integration of management of municipal and commercial waste to assist small businesses to recycle more of their waste.
- 4.4 With regard to the specific proposals out for consultation relating to financial incentives for households to recycle, it is recommended that members strongly support this in principle. At present waste services are funded through a combination of council tax, redistributed business rates and government grant. The amount of council tax funding this is small and currently provides no incentive for households to reduce the amount of waste they generate or improve recycling and separation of materials for collection.
- 4.5 In contrast to so-called 'pay-as-you-throw' schemes overseas, the government's preferred option is a financial incentive with net revenue neutral impact on local residents (Option C). We recommend that members support this option as the most suitable to provide the most incentive to householders at least cost.

David Payne
Planning Manager

9 July 2007

Tel: 01483 555200

Email: davidpayne@southeast-ra.gov.uk