

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Member for Environment and Transport |
| Date: | 23 April 2019 |
| Title: | Government Waste Strategy Consultation Responses |
| Report From: | Director of Economy, Transport and Environment |

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1. Recommendations

- 1.1. That the Executive Member for Environment and Transport notes the content and potential impacts of the Government's four waste consultations as set out in this report and endorses the key principles in relation to each consultation to form a basis for the County Council's detailed response.
- 1.2. That the Executive Member for Environment and Transport approves the next steps for submission, set out in this report, to include a written letter from the Leader of the County Council to the Government setting out the key principles.
- 1.3. That authority is delegated to the Director of Economy, Transport and Environment to make all necessary arrangements to approve the detailed responses to be submitted to Government.

2. Executive Summary

- 2.1. The purpose of this paper is to provide an introduction to the major waste consultations launched by the Government in February 2019, and to set out the County Council's broad position in relation to the key issues contained therein ahead of submitting a formal written response to each consultation in May 2019.
- 2.2. This paper seeks to
 - summarise the broad themes arising in the consultations;
 - consider the potential impact that the proposed outcomes from the consultations may have on the performance of the County Council and its waste management partners; and
 - request approval from the Executive Member for Environment and Transport of the County Council's overarching position on each consultation ahead of submitting formal written responses.

3. Contextual information

- 3.1. In December 2018, the Government published a major Resources and Waste Strategy (RWS) for England. The strategy set out how Defra proposes to preserve material resources by minimising waste, promoting resource efficiency

and moving towards a circular economy. It also pledged to minimise the damage caused to our natural environment by reducing and managing waste safely and carefully, and by tackling waste crime. Building upon heightened public interest in waste through issues raised by the BBC's *Blue Planet* series, the RWS summarises longer-term policy direction in line with Defra's 25 Year Environment Plan, including the elimination of avoidable plastic waste, doubling resource productivity, and eliminating avoidable waste of all kinds by 2050.

- 3.2. Following this, four major consultations were launched on 18 February 2019 to ascertain opinion on some of the major themes. Three of the consultations were published by Defra, and the fourth by HM Treasury. The consultation period lasts for 12 weeks.
- 3.3. The timetable for delivery of many of the potential initiatives set out in both the RWS and these consultations would see legislation starting to be tabled in 2021/22 and potential roll out of initiatives from 2023. Each of the consultations interacts with the others and should be seen as one package of measures to deliver the Government's desired outcomes.
- 3.4. These consultations represent a potential once-in-a-generation shift in waste and resource management. Across the four consultations, over 300 detailed questions are posed, a significant proportion of which are related to Local Authority activity. There is a significant opportunity for the County Council to use these consultations to influence the delivery of an efficient, cost effective service to the public in a financially sustainable manner and set the strategic direction for managing waste in the next decade in a more consistent manner not just locally, but nationally.

4. The consultations and the potential impacts on the County Council

4.1. *Consistency in Household and Business Recycling Collections (England)*

a) Key proposals include:

- Local authorities and other waste operators to collect a core set of materials for recycling (glass bottles/jars, paper and card, plastic bottles, plastic pots/tubs/trays, tins and cans) and seek greater separation of materials to improve quality;
- Local authorities to provide a separate weekly food waste collection from households;
- consideration of whether local authorities should provide free garden waste collections to households;
- views sought on consistent frequency of collections and bin colours, statutory guidance on minimum service standards and new indicators and metrics for local authorities;
- promotion of greater joint working across council areas and between different tiers, identifying the benefits and barriers and where Government can assist; and
- businesses and other organisations that produce municipal waste to adopt the same core set of materials and improve their reporting and data capture on recycling performance.

b) There is recognition that the initiatives above will place additional burdens on local authorities. The consultations indicate that additional resources will be provided by Government, in line with the New Burdens doctrine, to meet any 'new net costs' arising from the policies when implemented, however it is noted that minimal detail is provided at this stage as to how this might work so this remains a concern for the County Council and its partners.

County Council commentary

- c) The County Council is supportive of consistency measures for household recycling as this should reduce confusion amongst the public and improve getting the right thing in the right bin.
- d) Changes to the types of waste collected at the kerbside will result in the need to vary the current Waste Disposal Service Contract (WDSC) as well as requiring changes to the existing waste disposal infrastructure.
- e) Waste composition analysis shows that there is significant dry mixed recyclable, glass and garden waste in the residual stream that currently goes for energy recovery which, when added to the potential removal of a proportion of food waste, would lead to a significant shift not only in performance, but also how materials are managed, for example with material moving from the Household Waste Recycling Centre (HWRC) network to the kerbside in the case of green waste collections.
- f) There will be significant implications for Waste Collection Authorities in terms of the services they have to provide and how they are provided, which will in turn affect the waste disposal infrastructure. This will require new markets for materials to be sought and reviews of waste flows so that these can be managed to suit revised collection frequencies.
- g) A phased approach to delivery would be necessary to take account of the contractual implications of the existing and varied collection systems and frequencies which exist across the county.
- h) The County Council is supportive of more consistent collections to reduce confusion among residents and, if properly and effectively communicated, increase performance in terms of recycling. Legislative change will require a contractual change which will alter the costs associated with the delivery of the waste disposal function. It is not known at present how 'new net costs' will be covered, and this will determine what the financial impact is on the County Council of any changes, particularly in terms of cost related to any contract variations required.

4.2. Introducing a Deposit Return Scheme in England, Wales and Northern Ireland

- a) The aims of the proposed Deposit Return Scheme (DRS) include;
- reducing the amount of littering of drinks packaging;
 - boosting recycling performance by facilitating enhanced quality and quantity of collected materials; and

- promoting recycling through clearer labelling and consumer messaging.
- b) A deposit would be added to the price of certain in-scope drinks containers at the point of purchase which would be redeemed when consumers return their empty containers to designated return points. The scheme is proposed to include PET and HDPE plastic bottles, which make up around 97% of plastic drinks bottles, steel and aluminium cans, and glass bottles, covering a broad range of beverages¹ including water, soft drinks, juice, and alcohol.
- c) There are two DRS options under consideration;
- 'All-in' – any container would have the deposit included, regardless of size or whether sold singly or as part of a multipack; and
 - 'On the go' – restricted to containers less than 750ml in size and sold in single format.

The consultation also considers whether disposable cups should be included in the scope of a DRS.

County Council commentary

- d) The key impact on Hampshire of a DRS is how it changes where waste goes and potentially who collects it. The majority of the materials in scope (plastic bottles, cans and glass) are already collected freely by District Councils and have a material value associated which is used by local authorities to off-set the costs of managing and disposing of household waste. Hampshire authorities have developed collection systems to target these materials, investing significantly in collection, transport and sorting infrastructure to do so. Introducing a new system targeting the same materials has implications as to what happens to that infrastructure from a financial and contractual perspective. Consideration will also need to be given as to the role that all Hampshire authorities will play in terms of providing and managing deposit points and how this would impact on existing systems.
- e) The County Council also has concerns about how such a process may be delivered. An 'on the go' system raises the potential for consumer confusion as it would apply only to specific container sizes or those sold as single format. For example, potentially rules out flexibility for families purchasing multi-packs for days out as the individual bottles would not be eligible to be returned for a deposit. Additionally, whilst the aims to reduce littering are to be commended, the scheme does nothing to tackle more prevalent and more damaging forms of litter such as fast food packaging, crisp packets, smoking-related waste and chewing gum.

¹ All variants of milk and plant based beverages are excluded having been classed as an essential product that is only widely available in containers.

4.3. Reforming the UK packaging producer responsibility system

- a) The aim of Extended Producer Responsibility (EPR) is to ensure that the producers of post-consumer packaging are financially responsible for the material that is placed on the market. It is estimated that the existing system (Packaging Recovery Notes (PRNs)) results in a very limited amount (less than 7%) of support from producers for managing packaging waste, which places unfair burden on local authorities to pay for the cost of disposal. The proposed EPR system under consideration through this consultation aims to achieve 'full net cost recovery' which should cover the cost of collection, recycling, disposal, the clear-up of littered and fly tipped packaging, as well as communications relating to recycling and tackling littering. Materials in scope include paper, card, metal (steel, aluminium, foil), plastic (i.e. PET, HDPE and PP² which includes most bottles as well as a side range of food packaging containers), glass and cartons.
- b) The consultation also seeks views on incentives to encourage producers to design and use packaging that can be readily recycled, and questions whether all producers should be subject to the principles of EPR or whether a certain scale of small business should be exempt. A key aspiration is to ultimately drive unrecyclable plastic packaging out of the market by making it uneconomical to produce. New packaging targets are also proposed, recommending that mandatory labelling is introduced on all packaging to indicate if it is recyclable or not, as well as the amount of, if any, recycled content within it to raise consumer awareness. Consideration is also given to different models for the organisation and governance of a future packaging EPR system to determine how the money should flow through the system, as well as measures to strengthen compliance and enforcement, particularly for packaging waste that is exported for recycling.

County Council commentary

- c) The key area of likely impact for the County Council and the collection authorities in Hampshire is the potential for significant funding to be channelled to local authorities to cover the costs of the packaging material that is collected. As such, there is a need to determine the actual meaning of 'full net cost recovery' and to confirm that it covers all costs to local authorities, not only of recyclable packaging material, but also packaging that cannot be recycled and goes for final disposal, including to Hampshire's energy recovery facilities. Clarity is also needed on requirements for authorities to meet the minimum service requirements in order to receive income.
- d) The County Council notes that there is significant crossover with the proposed DRS with the potential risk for confusion or blurring of responsibilities. Conceivably, a well-managed consistent collection system, coupled with a robust EPR, could achieve the same aims without a need for a DRS.

² Polyethylene Terephthalate (PET), High-Density Polyethylene (HDPE), Polypropylene (PP).

4.4. Plastic packaging tax

- a) Plastic packaging is typically only used for a short period of time before being disposed of and accounts for 44% of plastic used in the UK, but 67% of plastic waste. HM Treasury is proposing to introduce a world-leading new tax on plastic packaging that contains less than 30% recycled material. The new tax would be levied on the production and importation of unfilled plastic packaging, set at a rate that provides a clear economic incentive for business to use recycled material in the production of plastic packaging and, in so doing, stimulating greater demand for recycled plastic. The consultation includes questions on defining products within the scope of the tax, the precise point at which the tax is charged and who will be liable to pay, treatment of imports and exports, and how to minimise administrative burdens for the smallest operators.
- b) Clearly this consultation is of primary interest to manufacturers rather than local authorities because the aim is to drive the amount of recycled plastic that is used to create new packaging. However, the greater the amount of recycled content that is required for packaging, the greater the demand for waste plastics, which in turn will help drive investment in processing infrastructure and therefore the market for the secondary materials. This should lead to an increase in the value of the material, ensuring a sustainable market, and help increase the amount of material that can be recycled.

County Council commentary

- c) The County Council is supportive of the proposed financial mechanism in the expectation that it will help to drive producers to both reduce the range of plastic polymers that are used for packaging and, when considered alongside proposals for improved consistency, enable greater capture of materials.
- d) The County Council additionally notes that there is also a potential secondary impact on all businesses in Hampshire, including the County Council as a consumer of both products and services, because a tax on producers of plastic items could affect costs and therefore profit margins.

5. Next steps

- 5.1. Hampshire County Council will be submitting responses to all four consultations ahead of the submission deadline of 12-13 May. Consideration has been given to a wide range of impacts on existing and future waste services within Hampshire, and advice and shared knowledge has been sought with cross-authority networks such as Project Integra³, NAWDO⁴, the LGA⁵ and ADEPT⁶.

³ Hampshire's waste partnership.

⁴ National Association of Waste Disposal Officers.

⁵ Local Government Association

⁶ Association of Directors of Environment, Economy, Planning and Transport.

- 5.2. An all Member briefing session was held on 28 February where the four consultations were presented, and views sought on some the of key questions raised by them. Members were asked to vote on which options they favoured and had the opportunity to ask detailed questions about the consultations and their implications.
- 5.3. The Executive Member for Environment and Transport is asked to approve the County Council's position on the key issues as detailed above and authorise the proposed approach for responding to the consultations.
- 5.4. It is also proposed that the Leader of the County Council writes formally to the Government, setting out the County Council's position and any key concerns.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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| Hampshire maintains strong and sustainable economic growth and prosperity: | yes |
| People in Hampshire live safe, healthy and independent lives: | yes |
| People in Hampshire enjoy a rich and diverse environment: | yes |
| People in Hampshire enjoy being part of strong, inclusive communities: | yes |

Other Significant Links

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| Links to previous Member decisions: | |
| <u>Title</u> | <u>Date</u> |
| | |
| Direct links to specific legislation or Government Directives | |
| <u>Title</u> | <u>Date</u> |
| HM Government - Our Waste, Our Resources: A Strategy for England - December 2018 | December 2018 |

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This decision entails the procedure and approach for a consultation response, and does not itself have a direct impact on any service users.

2. Impact on Crime and Disorder:

2.1. It is not anticipated that there will be any impact on crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

As this decision relates to consultation responses there is no direct impact and it is not known at present what impact any future legislative changes will have on waste services.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As this decision relates to consultation responses there is no direct impact and it is not known at present what impact any future legislative changes will have on waste services.