

## **GREATER MANCHESTER COMBINED AUTHORITY**

Date: 27 November 2020

Subject: National Waste and Resources Strategy – Implications for Greater Manchester

Report of: Councillor Andrew Western, Portfolio Lead for the Green City Region

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### **PURPOSE OF THE REPORT**

The report sets out an overview of the draft National Waste and Resources Strategy, potential implications for waste collection and disposal in Greater Manchester and a draft timetable for implementation.

### **RECOMMENDATIONS**

The GMCA is requested to:

1. Note the potential impacts for waste collection and disposal.
2. Note the proposed scenario modelling agreed with district waste officers.
3. Note the draft timetable for implementation at section 5.0.

### **CONTACT OFFICERS**

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### **Equalities Implications:**

The Greater Manchester Waste Strategy that will be developed in response to the National Waste and Resources Strategy will be subject to an Equalities Impact Assessment.

## **Climate Change Impact Assessment and Mitigation Measures –**

1. The modelling work on different collection and disposal options will consider the carbon impacts/benefits and this information will be used as part of the decision making process to develop the responses to the consultation documents and to inform the development of the Greater Manchester Waste Strategy.

### **Risk Management:**

The principal risks associated with the implementation of the National Waste and Resource Strategy could be additional cost burdens not being fully met by central Government and a reduction in capture of recyclable and compostable materials as residents disengage due to additional bins and complexity. These issues will be incorporated into the consultation responses.

### **Legal Considerations:**

Government have indicated the intention to incorporate the National Waste Strategy requirements into law by 2023. The next consultation documents will contain further details on the timing and process for this.

### **Financial Consequences – Revenue:**

Modelling work being undertaken will assess the potential impacts on revenue from the National Waste and Resources Strategy and inform the GMCA response to the next round of consultations.

### **Financial Consequences – Capital:**

Modelling work being undertaken will assess the potential impacts on capital from the National Waste and Resources Strategy and inform the GMCA response to the next round of consultations.

**Number of attachments to the report: None**

**Comments/recommendations from Overview & Scrutiny Committee: None**

### **BACKGROUND PAPERS**

HM Government's The Strategy, published 18 December 2018 can be found here:

[Our Waste, Our Resources: A Strategy for England](#)

All four consultations can be found here:

<https://consult.defra.gov.uk/environmental-quality/resource-and-waste-and-plastic-packaging-tax-consu-1>

Consistency in Household and Business Recycling Collections in England:

<https://consult.defra.gov.uk/environmental-quality/consultation-on-consistency-in-household-and-busin>

Reforming the Packaging Producer Responsibility System:

<https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce>

Introducing a Deposit Return Scheme (DRS) for England, Wales and Northern Ireland:

<https://consult.defra.gov.uk/environment/introducing-a-deposit-return-scheme>

Plastic Packaging Tax:

<https://consult.defra.gov.uk/environmental-quality/plastic-packaging-tax>

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
GM Transport Committee	Overview & Scrutiny Committee	

## **1. EXECUTIVE SUMMARY**

- 1.1 Government has indicated that the second round of consultations on the National Waste and Resources Strategy will be issued in Spring 2021. The initial consultations held last year indicated the potential for significant changes to collection and disposal arrangements to seek to drive recycling rates up to 65% by 2035.
- 1.2 The impact of this on GMCA and the nine constituent districts that utilise the Suez disposal contracts could be to require changes to collection services with increased frequency of food and residual waste collections. These changes would require significant capital investment in collection vehicles and food waste treatment technology. The initial consultations state that any increase in net operating costs for local authorities will be met, however it remains unclear as to how this statement will be delivered, what support for capital investment is available or what the sanctions may be for non compliance with the Strategy guidance.
- 1.3 In order to inform the GMCA response to the second round of consultations, modelling work has been commissioned to consider a range of collection scenarios so that the costs/benefits from a financial and environmental perspective can be understood. This analysis will be used to inform the development of the GMCA Waste Strategy with the intention of this document being finalised by 2023 in line with Government timeframes.

## **2. INTRODUCTION**

- 2.1 On 18th December 2018 Government published Our Waste, Our Resources: A Strategy for England, which set out Government's interpretation of the European Union's (EU) Circular Economy (CE) package (EUCEP). Key aspects of the document are:
  - Development of Extended Producer Responsibility (EPR) where producers bear the full net costs of the life cycle of their products;
  - Deposit Return Scheme (DRS) introduction for single use drinks containers;
  - Recycling and Landfill diversion Targets - recycling of municipal solid waste target of 65% and municipal waste to landfill of 10% or less by 2035 on a tonnage basis. The definition of municipal waste is aligned to the EU definition which includes commercial waste as well as household;
  - Consistency in the collection of dry recyclable materials by local authorities and separate weekly collections of food waste from household and businesses by 2023;
  - Consistency of bin colours nationally;
  - Tackling waste crime; and
  - Measures to reduce food waste from all stages of production and consumption.
- 2.2 Initial consultation was undertaken by Government in early 2019, with the intention for further consultation to be undertaken in late 2019/early 2020. That was subsequently delayed due to the focus on Brexit negotiations and then by the COVID

19 pandemic. The latest indications are that the next round of consultations will be released between January and March 2021.

### **3. POTENTIAL IMPLICATIONS FOR GM COLLECTIONS AND DISPOSAL**

3.1 The initial consultations focused on how consistent collections and recycling services will improve both the quantity and quality of municipal waste recycled in England to achieve 65% recycling by 2035 by:

- Collecting the same core set of dry recyclable materials from households;
- Having separate weekly food waste collections with a preference for treatment using Anaerobic Digestion (AD); and
- Additional net operating costs for local authorities for collection and disposal to be funded through Extended Producer Responsibility (EPR) whereby businesses will bear the full net cost of managing the packaging they handle or place on the market at end of life include the cost of collection, recycling, disposal, the clear-up of littered and fly tipped packaging, and communications relating to recycling and tackling littering.

3.2 The consultations also sought views on:

- Free garden waste collection services;
- Greater separation of dry recyclables, particularly paper and glass to improve quality;
- Whether statutory guidance on minimum service provisions should be introduced;
- Developing non-binding performance indicators;
- Joint working between local authorities;
- Alternatives to weight based targets; and
- Standardised bin colours for waste and recycling.

3.3 There are a number of key areas in which the proposals could impact on current collection and disposal services in Greater Manchester.

#### **3.4 Dry Recyclables**

The preferred method of collection set out in the consultation for dry recyclables is by a 'multi stream' system rather than the 'twin stream' we currently operate and sets out a core set of dry recyclates that must be collected and also indicates a preference for which materials eg glass and food, should be collected separately from other materials to maximise quality. The preferred core set of materials are:

- Glass bottles and containers;
- Paper and card;
- Plastic bottles;
- Plastic pots, tubs and trays; and
- Steel and aluminum tins and cans.

3.5 Under the GMCA contracts, plastic pots, tubs and trays are not currently collected. Glass is also currently collected as part of the mixed dry recyclable scheme in Greater Manchester. Based on the Government preferences in the previous consultation, glass would need to be collected separately from other materials. This would require an additional vehicle fleet specifically for this material and investment in boxes for collection.

3.6 The initial consultation also stated a preference for a consistent set of bin colours to be applied nationally. While this will bring benefits from a communications perspective, the estimated capital cost for new bins to meet this requirement in Greater Manchester is c.£38 million.

### 3.7 Food Waste and Frequency of Residual Waste Collections

The consultation set out proposals for a minimum expectation that households should have alternative weekly collection of residual waste with separate weekly food waste. Currently our food waste is collected with garden waste and processed through In-Vessel Composting (IVC) facilities. The consultation identifies separately collected garden and food waste, with food waste going to Anaerobic Digestion (AD), as the preferred scenario. The reason for this is the potential to generate a biogas from the AD process which can then be used to generate electricity or create a biofuel for vehicles with associated carbon benefits. Whilst the consultation doesn't rule out the ability to continue to use IVC's, it is very prescriptive in the expectation that food and garden waste would need to be collected separately at the kerbside and then mixed together after collection if IVC treatment is to be used. The rationale for this is that DEFRA believe separate collection of food waste will increase capture rates of waste food from the household. This approach will add significantly to collection costs to provide separate food collection whilst maintaining the current IVC treatment route.

3.8 Residual waste collection in Greater Manchester is currently based on 2 systems with a split of districts operating either 3 weekly collections with a 240 litre bin or collecting on a fortnightly basis with a smaller 180 or 140 litre bin. Mandating fortnightly collection will increase collection costs for those districts currently operating a 3 weekly collection service.

### 3.9 Impact of proposed changes

If all proposals are agreed and placed in statutory guidance, the changes would have a significant impact on both collection and disposal services.

3.91 From a collection perspective, this would necessitate significant investment in additional vehicles and crews to separately collect glass and food waste and to allow for the proposed changes in frequency of collection. From a disposal perspective, contract changes will be required to reflect the additional materials handling costs and the need to source AD treatment capacity either from the market or via development of a dedicated facility. Availability of land for spreading of the resulting digestate is

also a key consideration given that agricultural land spreading demand occurs during a 4 month period of the year.

3.92 The Waste team has commissioned some initial modelling work to look at options for food waste collection to inform the next round of consultations. This work was based on 3 options:

- Option 1 - Separately collected food treated using a wet AD system with garden waste treated via windrow composting;
- Option 2 – as now, co-collected food and garden waste treated using IVC; and
- Option 3 – co-collected food and garden waste treated using dry AD technology.

3.93 Based on this analysis, the lowest cost option (taking account of collection, handling, transport and disposal costs) is the current system (Option 2) with an annual cost of c.£25.9m. The most expensive option is Option 1 at £30.8m pa which is the preferred option of Defra. Option 3, which is a hybrid comes in at £26.2m. From a purely financial perspective, continuing with the current system is therefore better.

3.94 Under the previous national Waste Strategy, a Technical, Environmental, Economical Practicable (TEEP) assessment was required to justify collection choices. On that basis, Option 2 above would prevail given the clear economic advantages. Under the previous consultation, Government indicated that they propose to use a Technical, Environmental Practicable (TEP) assessment thereby removing the financial justification. Based on the modelling work on food waste, if it is assumed that the biogas generated by the AD systems under options 1 and 3 is used for electricity generation, then the carbon generated from the additional vehicle movements for separate food waste collection is offset to the extent that the overall carbon generation is lower than that of Option 2. This would effectively force the separate collection of food and the need for AD treatment on environmental grounds. Whether the Government will permit the use of TEEP assessments or whether it will be reduced to a TEP basis will not be known until the next consultations are released.

3.95 Government states that net additional operating costs of local authorities will be funded from the EPR. This point will be critical in determining the deliverability of the Strategy. Based on the initial consultation responses, there was significant pushback from the packaging industry on the EPR proposal and further clarity is required on the sustainability of any proposed funding as to whether it is for the long term or simply to initiate the changes in collection. The consultations are also silent on support for capital investment.

#### **4. DEVELOPING THE GM WASTE STRATEGY RESPONSE TO THE NEXT CONSULTATIONS**

4.1 The Government response to the initial round of consultation is summarised below:

*‘Our next steps will be to work with local authorities, waste management businesses, as well as other organisations and businesses to develop more detailed regulations and guidance to implement consistency in recycling. We anticipate bringing forward*

*more detailed proposals early next year and implementing the necessary changes to achieve greater consistency in household and business recycling as soon as possible thereafter. The target year for measures to come into effect from is 2023.*

*In line with the manifesto commitment to support frequent and comprehensive rubbish and recycling collections, the government wants to ensure that householders are not inconvenienced by being unable to get rid of putrescent or smelly waste weekly or having insufficient capacity to recycle or to remove residual waste. We will be mandating weekly separate food waste collection, and will consider whether a minimum service standard of alternative weekly collection for residual waste (alongside the weekly food waste collection) might be appropriate, subject to an assessment of affordability and value for money. We will consult on including this in the proposed statutory guidance on minimum service standards for rubbish and recycling, and will assess the costs for this to be included in our consultation on minimum service standards guidance. We do not expect any local authority that currently collects residual waste on a fortnightly basis to have to reduce their capacity of collection or frequency further as a result of these measures. Many local authorities already deliver with a greater frequency, and would continue to be able to do so, reflecting the wishes of their local residents.*

*Government recognises the pressures on local authorities and potential new costs arising from these proposals. They will therefore receive additional resource to meet any new net costs arising from the policies when implemented. This includes both net up front transition costs and net ongoing operational costs.*

*Government also recognises that contractual obligations may prevent some authorities from adopting changes from 2023. We will work with stakeholders and especially local authorities to ensure that where such conditions exist we are able to progress to full consistency as soon as is practicable taking account of contractual commitments.'*

- 4.2 Following the first round of consultations, Government has proceeded with the Environment Bill to enable the primary legislation to go through the parliamentary process.
- 4.3 The aim of the Bill is to maximise resource efficiency, minimise waste, and move towards a more circular economy. The new legal powers will allow Government to set resource-efficiency standards for products to drive a shift in the market towards products that are lasting, can be repaired and can be recycled. The Bill will also allow clear labelling to enable citizens to make fully informed purchasing decisions.
- 4.4 It is envisaged that through the second round of consultations, GMCA will have a clearer picture as to what will be the minimum requirements within the statutory guidance, what the sanctions for non compliance will be and a clearer understanding of the potential impacts on waste collection and disposal in Greater Manchester.

- 4.5 In order to inform the GMCA and district response to the next consultations, it has been agreed with district waste officers to commission a suite of modelling work that will consider the financial and environmental impact of a range of scenarios that could result from the final National Waste and Resources Strategy. The agreed scenarios are:
- The ‘baseline’ services as they are delivered now;
  - A twin stream recycling system (as we operate now), fortnightly collection of residual waste, weekly food waste and fortnightly free garden waste; and
  - A weekly kerbside sort system utilising a trio of boxes for recycling, weekly food waste and fortnightly free garden waste.
- 4.6 Any changes to collection models will have an impact on waste recycling, treatment, recovery and disposal infrastructure and contracts. The study will also look at these as well as identifying both the risks and opportunities that arise to provide a cradle-to-grave impacts analysis.
- 4.7 This work will be carried out by Wood Environment and Infrastructure Solutions UK (Wood). Wood previously advised GMCA on the technical aspects of the procurement of the Suez contracts and has been appointed via an ESPO Framework on a call off contract that runs until April 2021.

## 5. POTENTIAL TIMELINE

- 5.1 Subject to clarity of Government intent being set out in the next consultations, the process to commence work to develop Greater Manchester’s Resource and Waste Strategy can be initiated. The following indicative timeline is based on the assumption that Government issues the consultation documents in January 21 with a 12 week response period:

Stage	Activity	Indicative Timeline
1.	Government Issue second round of consultations	Jan 21
2.	Respond to second round of consultations	Mar 21
3.	England’s Waste Strategy is finalised and published. Undertake analysis with district waste officers and emerging principles to go to GMCA Waste and Recycling Committee	Sept 21 (?)
4.	Draft Tender for TEP (if required) & Strategic Environmental Assessment (SEA)	Sept 21
5.	Draft Outline of GM Waste Strategy (Principles to be agreed with district waste officers & GMCA Waste and Recycling Committee)	Sept 21
6.	Procure TEP & SEA	Oct 21
7.	Go out to public consultation on draft GM Waste Strategy	Nov 21
8.	Analysis of consultation responses	Jan 22
9.	Review SEA Analysis	Jan 22

10.	Conclusions of Consultation and SEA to district waste officers and GMCA Waste and Recycling Committee	Feb 22
11.	Report to Overview & Scrutiny	Mar 22
12.	Finalise drafting of GM Waste Strategy	Mar 22 – May 22
13.	Go out to consultation – if required	June 22
14.	Formal approval by Districts	Sept 22
15.	Final Strategy to GMCA for approval	Sept 22
16.	National Waste and Resources Strategy requirements written into legislation	Jan 23