

Corporate Issues and Reform Overview & Scrutiny Committee

Date: 19 January 2021

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

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

PURPOSE OF 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 Housing, Planning & Environment Scrutiny Committee is requested to:

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

CONTACT OFFICER:

David Taylor
Executive Director
Waste and Resources Team
Greater Manchester Combined Authority, 1st Floor, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU
Tel: 07515 191 277
Email: david.taylor@greatermanchester-ca.gov.uk

Equalities Implications:

At this stage the equalities implications have not been assessed. The Greater Manchester Waste Strategy that will be developed in response to the National Waste and Resources Strategy will be accompanied by an Equalities Impact Assessment.

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.

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.

Legal Considerations:

Government has 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 previous closed 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>

1. INTRODUCTION/BACKGROUND

1.1 In December 2018 Government published *Our Waste, Our Resources: A Strategy for England*, setting out the 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.

1.2 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 towards March 2021.

1.3 To inform GMCA's understanding on the possible content of forthcoming consultations Officers met with representatives of both the Waste and Resources Action Programme (WRAP – an organisation that advises Government on waste matters) and DEFRA. These discussions, although informal, did provide some helpful pointers and where appropriate these are included below.

2. POTENTIAL IMPLICATIONS FOR GM COLLECTIONS AND DISPOSAL

2.1 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 of packaging 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. Any costs arising from the introduction of weekly food waste collections would be met through the Government's existing new burdens mechanism.

2.2 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.

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

2.4 **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 recyclables that must be collected and also indicates a preference for which materials should be collected separately from other materials to maximise quality and recovery rates (e.g. glass collected separately from paper and card and food waste collected separately). An initial core set of materials has been proposed and the proposals allow for the expansion of this list as and when suitable and sustainable collection and recycling methodologies develop (for example for plastic films such as carrier bags). The initial materials set is:

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

2.5 Under the GMCA contracts, plastic pots, tubs and trays are not currently collected as we do not consider there is a sustainable market for their recycling. 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. If this were to be required we would need an additional vehicle fleet specifically for this material and investment in containers for collection. However, indications suggest our twin stream collection method may satisfy the need to keep glass and paper and card separate.

2.6 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. However, through our discussions with WRAP and DEFRA it would appear this requirement is not so much of a priority now so may not feature as prominently as it originally did.

2.7 **Food Waste and Frequency of Residual Waste Collections**

The consultation set out proposals for a minimum expectation that households should have alternate weekly collection of residual waste with separate weekly food waste. Currently our food waste is collected mixed 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 does not 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.

In subsequent discussions with WRAP and DEFRA it became clear that the transition period towards (in this case) separate weekly food waste collections would allow for existing contracts to expire and the development of much needed treatment capacity. However, it is clear that it is the Government's strong preference that all householders are provided with a weekly food waste collection service.

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

In our response to the first consultations and in the discussions with DEFRA we were very clear in stating that the selection of residual waste collection frequency was very much a matter for local decision making. We outlined our findings on the positive impact a move from fortnightly to three weekly collections has had on the volumes of recycling collected in the districts that have adopted the methodology. This was something DEFRA recognised and stressed that they were keen not see authorities having to change collection frequencies to meet requirements.

2.9 **Impact of proposed changes**

If all the original proposals are enshrined in legislation and statutory guidance they would have a significant impact on both collection and disposal services across Greater Manchester.

- 2.10 From a collection perspective, changes would necessitate significant investment in additional vehicles and crews to separately collect materials (especially food waste) and to allow for any required 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.

2.11 The Waste and Resources 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 three 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.

2.12 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.

2.13 Under the previous national Waste Strategy, a Technical, Environmental, Economical Practicability (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. In GMCA's recent discussions, it seems likely the economic impacts assessment of any changes will remain a consideration. However, it is worth remembering that the Government has committed to funding new burdens and may fund any shortfall of costs between existing and new services. We will have a better understanding once the next consultations are released.

2.14 Through waste analysis, DEFRA believes that around 78% of the recycling collected is considered packaging. Therefore the costs of collecting, recycling or disposing of these materials (even unrecyclable packaging collected in the residual waste stream) should be financially supported through EPR. This funding mechanism 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 were also silent on support for capital investment but subsequent discussion has suggested that capital will be captured within EPR payments.

2.15 Subsequent to the publication of the Government's response to the consultation some indication of how EPR funds may be allocated to authorities has been provided. Based on

previously published (but under review) benchmarks based on a combination of a number of social and demographic indicators recycling material yields (the quantities collected by each council) have been calculated. It has been suggested that authorities that match these yields will receive a fixed sum but those falling short will receive less and those exceeding the yields will receive more. When the mechanism is published it will be scrutinized closely by Officers to ensure it is suitable and achievable.

3. DEVELOPING THE GM WASTE STRATEGY RESPONSE TO THE NEXT CONSULTATIONS

3.1 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.'

3.2 Following the first round of consultations, Government has proceeded with the Environment Bill to enable the primary legislation to go through the parliamentary process.

3.3 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.

3.4 It is envisaged that through the second round of consultations (likely to be published in March ahead of the purdah period), 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.

3.5 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.

3.6 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.

3.7 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.

3.8 Alongside this, the Waste and Resources Service will be developing a strategy for the future management of biowaste which will, in its development, consider the options for the procurement of treatment capacity to take into consideration the Government's requirements for food waste collection and treatment. The Service is also preparing (subject to approval) the procurement of mixed biowaste treatment capacity as a stop gap through its existing framework arrangement.

4. POTENTIAL TIMELINE

4.1 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 towards the end of March 2021 with a 12-week response period:

Stage	Activity	Indicative Timeline
1	Results from Wood's waste collection modelling	February 21
2	Government Issue second round of consultations	March 21
3	Respond to second round of consultations	By June 21

4	England's Waste Strategy is finalised and published. Undertake analysis with district waste officers and reporting of emerging principles to GMCA	November 21 (?)
5	Draft requirements for Waste Strategy & Strategic Environmental Assessment (SEA)	January 22
6	Draft Outline of GM Waste Strategy received (Principles to be agreed with district waste officers & GMCA Waste and Recycling Committee) and presented to GMCA to approve the consultation proposals	Sept 22
7	Go out to public consultation on draft GM Waste Strategy	October - November 22
8	Analysis of consultation responses	December 22 - January 23
9	Review Strategy and SEA in light of consultation responses	January - February 23
10	Conclusions of Consultation and SEA to district waste officers and GMCA Waste and Recycling Committee	March 23
11	Report to Overview & Scrutiny	April 23
12	Finalise drafting of GM Waste Strategy	May 23
13	Formal approval by Districts	June 23
14	Final Strategy to GMCA for approval	July 23

5. SUMMARY AND NEXT STEPS

- 5.1 There is some uncertainty around the direction the Government wants to take its Waste Strategy. However, discussions with WRAP and DEFRA has provided indications that give some reassurance but we do await the detail in the forthcoming consultations.
- 5.2 What is clear is that there are likely to be some changes to current arrangements (whether collection and/or disposal) and these are not going to be without cost (indications are that these will be covered) and potentially have some impact on our residents.
- 5.3 GMCA will continue to build its robust evidence base through the work it has already commissioned as well as through analysis of proposal once published. GMCA's response to the DEFRA consultations will be reviewed by the Waste and Recycling Committee and reported through the governance processes.