

Greater Manchester Combined Authority

Waste and Resources Committee

Date: 22 January 2025
Subject: Strategy and Policy Update
Report of: Paul Morgan, Head of Commercial Services, Waste and Resources Team

Purpose of Report

To provide an update on recent developments in waste strategy and policy and identify any implications for GMCA.

Recommendations:

The Committee is requested to:

1. Provide any comments or observations and note the update provided in the report.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

To note the proposals and recommendations within the report.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation	G	
Housing		
Economy	G	<p>The UK ETS will either generate funds to put towards decarbonisation projects at a national level or the alternative for GMCA (carbon capture) will see fossil CO2 from residual waste be captured and not emitted making the thermal recovery carbon neutral. Activities to meet Simpler Recycling responsibilities may increase requirement for waste staff on collection and treatment/recovery. The construction and operation of the carbon capture facility in Runcorn will create employment opportunities.</p> <p>Activities to meet Simpler Recycling responsibilities may increase requirement for waste staff on collection and treatment/recovery. The construction and operation of the carbon capture facility in Runcorn will create employment opportunities including in engineering and skilled trades.</p> <p>In several ways - through knowledge transfer on carbon capture, operation of new leading edge waste treatment facilities etc.</p> <p>Opportunities will arise from the new developments.</p> <p>In response to Simpler Recycling GMCA is repurposing one of its buildings to accommodate a new materials recycling facility.</p>
Mobility and Connectivity		
Carbon, Nature and Environment	A	<p>If the governments requirement for a backstop of fortnightly collection frequency for non-recyclable waste is implemented there will be more waste collection vehicles on GM's roads.</p> <p>The opportunity to capture carbon and store it will effectively make a significant part of wastes' fossil carbon carbon neutral.</p>
Consumption and Production	G	<p>The new materials recycling facility will enable us to capture pots, tubs and trays and plastics films/flexibles for recycling.</p> <p>it will further generate raws materials for circular products.</p>
Contribution to achieving the GM Carbon Neutral 2038 target		<p>If GMCA chooses to support the development of carbon capture and storage of the CO2 emitted from the thermal recovery of a significant proportion of its residual waste at the Runcorn EfW facility around 200ktpa fossil CO2 will not be emitted. A further 200ktpa of biogenic CO2 will be stored also.</p>
Further Assessment(s):	Carbon Assessment	
G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.
		RR Negative impacts overall.

Carbon Assessment

Overall Score	[Black Box]	
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	[Black Box]	Repurposing of existing building Unknown
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	[Green Box]	High standard in terms of practice and awareness on carbon.
	[Blue Box]	Mostly best practice with a good level of awareness on carbon.
	[Yellow Box]	Partially meets best practice/ awareness, significant room to improve.
	[Black Box]	Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

There are no additional risks identified from this report.

Legal Considerations

There are no additional legal considerations identified from this report.

Financial Consequences – Revenue

There are no additional revenue impacts identified from this report.

Financial Consequences – Capital

There are no additional capital impacts identified from this report.

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

- [Simpler Recycling in England: policy update - GOV.UK](#)
- [Simpler recycling: workplace recycling in England - GOV.UK](#)
- [Ensuring good waste collection services for households - GOV.UK](#)
- [Collecting paper and card with other dry recyclable materials: written assessments - GOV.UK](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

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?

None.

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

In December 2018 the government published its Resources and Waste Strategy (RaWS) to update the way household and household-like waste is managed in the UK. It contained proposals for:

- Providing consistency in the collection of household and business waste nationally (later renamed *Simpler Recycling*);
- A Producer Responsibility for Packaging; and
- A Deposit Return Scheme for beverage containers.

In the six years since its publication there has been progress on implementing these proposals in fits and starts. This report provides an update on the latest developments.

2. Packaging Extended Producer Responsibility

Members will be aware that the RaWS contained proposals to make the packaging supply chain (manufacturers, retailers etc.) take greater financial responsibility for their products on a lifecycle basis. This has been developed into the packaging Extended Producer Responsibility (pEPR) scheme whereby those obligated in that supply chain have to pay, via a scheme administrator, local authorities a contribution towards the management of waste packaging whether it is in the recycling stream, litter bin stream or in non-recyclable waste. For this scheme it is packaging made of plastic, metal, glass, paper and card, composite fibres (cartons) and wood.

The GMCA as waste disposal authority would receive money to cover the costs of recycling (net of any income) and recovering (for example through energy from waste) packaging delivered to it by the waste collection authorities or taken by the public to household waste recycling centres. The districts, as waste collection authorities, will receive money to cover the cost of collecting that packaging. An overhead is also included to cover administrative and management costs.

The first year's pEPR payment that will be received covers 2025/26 with the first instalment paid in November 2025 covering the first two quarters of that year and then quarterly thereafter.

At the end of November 2024 Defra wrote to local authority Chief Executives to provide a provisional notice of assessment. The letters include:

- the estimated total pEPR payment for the 2025/26 financial year;

- information on what the payment covers;
- how it is calculated; and
- the breakdown of the payment across both collection and disposal for the waste the waste disposal authority is responsible for.

The estimate for GMCA is £22,673,000 (underwritten this year by the Treasury if the final figure is lower).

The payment covers the waste management costs associated with in-scope (household) packaging with the exception of:

- Drinks containers made of any material other than glass (drinks containers made from plastic and metal are excluded from pEPR until 2028. All drinks containers will be in scope from 2028 if a Deposit Return Scheme is not in place by that time.);
- Binned waste and littered packaging waste;
- Business waste; and
- Packaging collected within food and garden waste services.

The payment has been calculated using the Local Authority Packaging Cost and Performance (LAPCAP) model developed by Defra with the four home nations. It determines the estimated net efficient costs incurred by LAs in the management of packaging waste.

The following table provides the calculation for the in-scope packaging collection costs for packaging received at the GMCA HWRCs:

Estimated Collection Costs			
Service	£/t	Tonnes of packaging	£/t x Tonnes
HWRC	£92.57	13,754.55	£1,273,277.72
Service	£/household	Households	£/household x households
HWRC (Overheads)	£0.09	1,035,141	£92,671.21
TOTAL AMOUNT			£1,365,948.93

The following table provides the calculation for the in-scope packaging disposal costs for packaging received at the HWRCs and delivered to GMCA facilities by the districts:

Disposal Costs - £/t			
Disposal method	£/t	Packaging Tonnes	£/t x Tonnes
Recyclate - Comingled MRF	£91.42	92,510.98	£8,457,151.20
Recyclate - Multistream MRF / direct to reprocessor	£-33.66	24,444.87	£-822,931.41
Residual - MRF/MBT	£181.79	55,745.67	£10,134,124.08
Residual - Landfill / direct to reprocessor	£156.58	83.06	£13,005.26
Residual - Thermal treatment	£138.94	16,208.13	£2,252,018.29
Residual - RDF	NA	NA	NA
Other	NA	NA	NA
Disposal (Overheads) - £/household			
Service	£/household	Households	£/household x households
Disposal (Overheads)	£1.23	1,035,141	£1,273,337.04
TOTAL AMOUNT			£21,306,704.46

The pEPR payment calculation refers to the concepts of effective and efficient services. If a service is considered effective and efficient (in future years – not for the first two years of payments) it will receive the full allocation. However, if the scheme administrator does not consider that an authority is operating in an effective and efficient manner it will have the ability to hold back portions of payments. Effective and efficient are defined in the Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024 as:

- A service is effective if it recycles a reasonable proportion of packaging waste (both in each packaging material stream and overall), taking into account factors outside the LA's control such as the demographic and geographical characteristics of the authority area
- An efficient service is one where the costs of this service are as low as reasonably possible, considering:
 - The waste management service provided by the authority; and
 - Any other factor specific to that authority, or to the area, which in the opinion of the scheme administrator are likely to affect its disposal costs

Clearly £22.673m is a considerable and welcome sum. On reviewing the notification letters the calculation methodology is far from clear and the GMCA has queried this asking for further detail.

It must be repeated and remembered that the level of funding likely to be received in 2025/26 is unlikely to remain the same in future years. As the packaging industry responds to the demands of the plastic packaging tax, emissions trading scheme (ETS) and the pEPR by

making changes to their packaging, the local authority funding allocations are likely to reduce.

3. Deposit Return Scheme

Alongside the proposals in RaWS on waste collection and managing the financial impact of packaging, a deposit return scheme (DRS) was proposed. A DRS sees consumers of drinks beverages (in scope plastic bottles and metal cans) having to return these containers to conveniently located reverse vending machines to recover the deposit they paid when purchasing the beverage.

The scheme is planned to go live in 2027 with the aim of all four home nations having the same scheme. However, in November 2024 the Welsh Government announced it was withdrawing from the UK-wide scheme because, it says, "...in the time available it has not been possible to address the issues to the operation of devolution caused by the United Kingdom Internal Market Act 2020...". It is also known that the Welsh Government favoured collecting glass beverage receptacles (excluded in the scheme for England) in the scheme and were committed to this. It will continue to pursue a more comprehensive scheme.

In response the UK Government reaffirmed its commitment to a DRS with a launch scheduled for October 2027.

It is fair to say that a DRS is not universally supported – for example LARAC (the Local Authority Recycling Advisory Committee) and The Recycling Association (TRA) have called on the UK Government to reconsider the DRS. LARAC has requested a pause in implementation whilst other policies bed in, TRA called for abandonment.

GMCA is watching the development of the DRS closely. It is not clear what impact DRS will have on the volumes of in-scope containers being collected at the kerbside and further sorted at our materials recovery facility. Further updates will be provided in the future.

4. Simpler Recycling

At the end of November 2024 Defra published an update on the implementation of the Simpler Recycling regime. Simpler Recycling is a policy designed to ensure a consistent set of materials is collected through kerbside recycling schemes across councils in England. This, it is hoped, will avoid the current national variation of collection methods and materials targeted with the aim of increasing recycling rates and the quality of material captured. The

policy will see the widespread collection of food waste, plastic films and flexibles for recycling from households, and require businesses to have their waste separated and collected for recycling

Following the general election in May 2024 the incoming government paused announcements on Simpler Recycling whilst it reviewed the proposals – the announcement in November 2024 confirmed the new government’s position. Accompanying the policy update were four documents providing further detail on key aspects – these were:

- Simpler recycling: workplace recycling in England;
- Ensuring good waste collection services for households;
- Collecting paper and card with other dry recyclable materials: written assessments; and
- Template written assessment: collecting paper and card with other dry recyclables

4.1. Waste Collection Methodology

In brief the policy update clarified the default requirement for the separation of the recyclable waste streams – these are consistent with current collection services operated by the 9 Greater Manchester districts that participate in the GMCA waste arrangements:

- Residual (non-recyclable) waste;
- Food waste (mixed with garden waste if appropriate);
- Paper and card; and
- All other dry recyclable materials (plastic, metal and glass).

The choice of containers (whether wheeled bins, boxes or bags) is a matter of local choice.

Defra published the template for the written assessment if local authorities wished to deviate from the default collection method (for example collecting recyclable materials fully mixed) if the default method is not technically, environmentally or economically practicable.

4.2. Residual Waste Collection Frequency

Defra has given the decision on the frequency of collection of the non-recyclable residual waste stream to local authorities. The department commented that as “...householders will receive comprehensive and consistent recycling services through Simpler Recycling, we expect residual waste amounts to decrease”. Defra published non-statutory guidance to help local authorities develop “reasonable waste collection services”.

4.3. The Co-collection of Food Waste and Garden Waste

Previously Defra was considering the prohibition of the mixing of food waste and garden waste (but perhaps allowable following a written assessment) but it has confirmed the exemption from the separate collection requirement indicated in the spring.

4.4. Timescales for Micro-firms

Previously micro-firms were required to comply with the changes to the collection requirements for business waste by 31st March 2025. Defra confirmed a compliance exemption of two years to 31st March 2027.

5. Timescales

The following implementation timescales have been confirmed:

- December 2024: Secondary legislation implementing the policy updates will be laid, subject to parliamentary process;
- 31 March 2025: Businesses and relevant non-domestic premises in England will need to arrange for the collection of the core recyclable waste streams (glass, metal, plastic, paper and card, and food waste), with the exception of garden waste;
- 31 March 2026: Local authorities will be required to collect the core recyclable waste streams from all households in England. This includes introducing weekly food waste collections for households, unless a transitional arrangement has been agreed;
- 31 March 2027: Kerbside plastic film collections from households, businesses and relevant non-domestic premises, will be introduced; and
- 31 March 2027: Micro-firms (businesses with fewer than 10 FTE employees) will become in scope of the requirements for businesses set out for 31 March 2025.

6. Implications for Greater Manchester

Overall, the confirmation provided through this policy update is good news for Greater Manchester and a validation of the services we have already been providing for several years. In brief the implications for Greater Manchester waste collection and recovery/recycling/disposal are:

- The confirmation of the default four stream collection methodology is simply a reflection of the method used across Greater Manchester for several years so requires no change. Written assessments will be required for properties (such as

some apartments and homes of multiple occupation) where four streams of waste may not be able to be accommodated;

- Residual waste collection frequency – confirmation that this is a matter for each local authority will come as a relief to the four Greater Manchester districts that utilise the three-weekly frequency as reversion to fortnightly would have been costly. It also provides the flexibility for other councils to consider this in the future;
- The mixed collection of food waste and garden waste – again, this comes as a relief as it effectively means no change. It also removes the requirement to complete written assessments that would have required resources to undertake; and
- The delay in implementation for micro-firms: this may have an impact for those districts that operate commercial waste collection services as their customer bases can contain a high proportion of micro-firms (those with fewer than 10 full time equivalent employees across all premises). This may mean that any investment in new containers for customers may be spread over a few years. It also provides time for the new materials recovery facility to come on line before micro-firms start applying plastic films through their waste.

One other timescale to remember is the deadline for the introduction of separate weekly food waste collections. The 'transitional arrangement' delaying implementation to 2034 remains in place for six of the nine districts. Stockport, Tameside and Trafford still need to implement the changes required by 31st March 2026. This means that these 3 districts will need to offer a weekly service to 100% of households from that date.