



Environment, Food and Rural Affairs Committee

Oral evidence: [Waste management](#), HC 241
Wednesday 11 June 2014

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Written evidence from witnesses:

- [Chartered Institution of Wastes Management](#)
- [Environmental Services Association](#)
- [Keep Britain Tidy](#)

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Members present: Miss Anne McIntosh (Chair); Richard Drax; Jim Fitzpatrick; Mrs Mary Glendon; Mrs Emma Lewell-Buck; Sheryll Murray; Neil Parish; Ms Margaret Ritchie; Mr Mark Spencer; Roger Williams

Questions 1-54

Witnesses: **Steve Lee**, Chief Executive Officer, Chartered Institution of Wastes Management, **Jacob Hayler**, Economist, Environmental Services Association, and **Phil Barton**, Chief Executive, Keep Britain Tidy, gave evidence.

Q1 Chair: Good afternoon, gentlemen, and welcome. Before we start, a little bit of housekeeping: I am delighted to announce that I am Chairman of the All-Party Group, which I think we now call Keep Britain Tidy. Jim, do you want to just—

Jim Fitzpatrick: I am Vice-Chairman.

Chair: Indeed, we are quite a team. We are delighted, and thank you for contributing to our Inquiry on Waste Management in England. I wonder if you would like to introduce yourselves and give your names and positions, starting with Mr Lee.

Steve Lee: Thank you. My name is Steve Lee. I am the Chief Executive Officer of the Chartered Institution of Wastes Management. I will shorten that to CIWM in future.

Phil Barton: Phil Barton, Chief Executive of Keep Britain Tidy.

Jacob Hayler: I am Jacob Hayler, Economist at the Environmental Services Association.

Q2 Chair: Thank you. Just at the outset—we are all hoping to achieve a position of zero waste. Is that achievable?

Steve Lee: Thank you, Chairman. Is it achievable? It is a brilliant objective. It is something that we must keep our eyes on; we must keep moving towards it. Is it

achievable tomorrow? No. Is it achievable in the short to medium term? No. That does not really matter, so far as I am concerned. It is an objective; it is a direction for travel. If people want to talk about zero waste management—and believe you me, we do, this is the front of the June *CIWM* magazine—I am quite happy for people to keep it in their mind as a phrase, as an objective. When it comes to tactics, what do we do next? What do we aim to do in five to 10 years' time? Zero waste still remains a very long-term objective.

Phil Barton: I would just add to that that growing populations and so on are going to continue to produce waste and so on, so the focus has to be on all the time looking to see how we can reduce the amount of waste that is used and then, once there is waste, to recover it, to use it again, preferably by reusing it and then accommodating it into recycling processes. It is an attitude of mind: I think you could focus on particular aspects of waste and work towards zero waste for particular organisations or particular waste streams, but overall the human condition means we produce waste, so we have to manage it as well as we possibly can.

Jacob Hayler: Yes, I definitely echo what my two colleagues have said. I think we need to clarify what we mean by zero waste, what sort of waste we are targeting. I think what we are really talking about is residual waste, that fraction of the waste stream that is left over after you have recycled products and packaging, which will always have a finite life. What you want to do is be able to recover as much of those materials as possible back into productive use, and minimise the actual residual element that is leftover and cannot be recovered.

Q3 Chair: Thank you. Do you think the Government is providing a clear, co-ordinated and consistent message on waste management policy?

Steve Lee: I will go first again, if that is all right. No, I do not think they are. This is now a very broadly-based, complex industry. Just in the last 15 years, we have changed beyond recognition from a logistics-based operation, taking waste away and taking it for disposal somewhere else. We are now very much a part of the resources industry; we are part of the circular economy. In fact, I gave evidence to one of your other Select Committees this morning on the development of the circular economy.

An awful lot of the good that is happening is happening regardless of whether Government supports it or intervenes in any way. We can see elements of the circular economy that have always been there, elements of a circular economy that is starting to grow, because it makes good, common, economic sense.

Unfortunately, I would say, from Government at the minute, we have had Defra pulling determinedly away from policy and an intervention when it relates specifically to industrial and commercial waste. We have got a rather disparate approach to waste and resource management between individual Government Departments, some of them focusing very much on frequency of collection from households, some of them seeing it as a business opportunity and pressure, some of them seeing it as a question of quality and quantity of recycle.

What we do not see is a coherent approach across all Government Departments, because this is a topic now that does not really belong entirely in any one Government Department. It matters very much to four, maybe five Government Departments and we would like to see coherent work across those Departments. We would like to see waste and resource

management, and its role in the circular economy, championed at the highest possible level within Government.

Phil Barton: This will be the case throughout my evidence: I am not qualified to speak on the technical side of the waste industry. Certainly in terms of the interface between the public, local authorities, Government and businesses, despite Defra's statement that they are stepping back because businesses are better placed to act, we still see there are a number of market failures present in the system. It is a really critical issue that goes well beyond the environment in terms of the resilience of our economy and society. Just as companies need to be planning for long-term resource availability and use, so should the Government.

The other issue where the leadership is lacking is that the focus is so much on recycling and not on reduction and re-use. The danger as we go forward is that we continue, albeit with technically improved models of processing and reprocessing waste, but business as usual has to be looking at how we reduce the amount of waste that it is created in the first place. I, like Steve, do not see that leadership coming. It is not about telling everybody what to do; it is about bringing people together and working out what the best solution is and then using the levers that are available to Government, and to no one else, in order to try and encourage that to happen.

Jacob Hayler: Again, echoing some of the comments there from my colleagues, obviously there are a number of different Government Departments that have overlapping areas of responsibility in relation to waste. Sometimes there will be reasonable synergy between those Departments, such as where DECC is trying to incentivise more renewable energy, and waste can make a contribution in that area, aligned with Defra's responsibility in terms of meeting the Waste Framework Directive and Landfill Directive targets, and other targets. Sometimes those areas of responsibility will perhaps be in conflict, in terms of what the objectives are of different Departments, the classic example being Defra trying to incentivise local authorities to improve environmental performance and raise recycling rates, DCLG focused on another local authority objective of improving the service for householders and focused on the frequency of collections, etc.

We, like many other bodies, have called for greater coordination amongst Government and most recently in particular we have asked for a ministerial post to be created within BIS, which we see as the future centre for the waste management sector as we move, as Steve said, away from a logistics-based approach and into a provider of raw materials and energy to other parts of the economy.

Q4 Chair: If you were to say that there should be one Department in charge, without putting words into your mouth which Department would you say that that would be, Mr Hayler? Have you more or less answered that question?

Jacob Hayler: We have certainly most recently called for a much greater focus in BIS. BIS does have some areas of responsibility in relation to bits of producer responsibility legislation. We feel that the waste sector, or the resource sector, can make a valuable contribution towards green growth going forward, in terms of investment and jobs, etc. We think that BIS is the more appropriate Department, perhaps, in the future.

Q5 Chair: Would you see plastic bags as being the biggest issue?

Phil Barton: We have campaigned for a charge on single-use bags, not just plastic bags. No, in terms of either waste impact or in terms of volume of litter and littering, it is not the biggest. It is really significant as an indicator, as I would want to feed back to you today, of the disconnect between the public and householders, and the whole waste industry and what happens to waste, and so on. We need to be finding incentives and measures, which the public will get behind, and which make it easy for them to understand what the consequences of their actions are. Single-use bags are, if you like, an indicator of what we need to do rather than the answer to the problem. We welcome it; we want it to be as simple as possible, but there is a lot more that we need to do.

Q6 Chair: Do we not have the legislation already in the Clean Neighbourhoods and Environment Act?

Phil Barton: One of the issues is that the legislation that we do have is not sufficiently understood and used consistently. If you will allow me, we have recently undertaken two citizens' juries in a project with SITA, one in Manchester and one in Lewisham, where we have engaged with individuals around recycling and recycling issues. One of the key findings of that is that people simply do not understand what they should be recycling, how they should be recycling, and what happens to it afterwards. The result is that, despite quite a lot of goodwill and basic values supporting the idea of recycling, there is a disconnect and people are confused.

Therefore, I am not so sure it is more legislation. I think it is leadership in terms of bringing the right stakeholders together, being clear about needing to create a framework, and then getting the messaging right consistently across sectors, encouraging the different sectors to work together. One of the things that came out of those citizens' juries was very much people want simple actions; they want to know what they should do and then they want to be able to do it. The fact that often it is confusing, labelling is not good enough and different systems operate in different parts of the country, is a problem for people.

Steve Lee: Single-use carrier bags are an important target for two reasons. First of all, it is something that catches the public attention. As far as I am concerned at the moment anyway, anything that helps focus public attention on resources, waste management and being a better and more responsible consumer has got to be good. The second reason it is good, and there is no arguing against it, plastics in general, and single-use carrier bags in particular, have a disproportionately bad impact on the natural environment, particularly marine life. For those two reasons it makes it worthwhile being seen to be proactive and doing something about it.

However, if you were to look at waste and resource use in the round, and to look at the whole lifecycle cost of our consumer choices, single-use plastic carrier bags are such a tiny part of our lifestyle cost. Really, it is not the carrier bag that matters; much more important is what you put in it. It is almost impossible for the average consumer to make lifecycle based choices and to think, "What is most responsible consumer decision I can make confronted with all of these options on the supermarket shelf?" That is very, very difficult and why I am a believer in design, manufacturing process and retailer responsibility. A lot of these decisions need to be made for us consumers much further upstream. As Mr Barton has said, if there is one thing that normal people want, they want their choices to be made simple; they are happy to be engaged, but they want things simple.

Chair: We won't get on to packaging. Mr Hayler?

Jacob Hayler: Yes, in terms of plastic bags, again, just echoing what colleagues have said, it is perhaps not the biggest environmental impact associated with our waste and resource management system, but it is a high profile intervention that might make people think in other areas. It is a specific waste stream that might have the potential to contaminate other waste streams, whether that is shredded plastic bags ending up in an organic stream, or affecting marine life, as Mr Lee mentioned.

Phil Barton: It is popular. Again, making the connection with the public is really important.

Q7 Ms Ritchie: We move on to the issue of recycling, recycling rates and targets. If I could start with Mr Lee first: under existing policies, will England reach the EU household waste recycling target of 50% by 2020?

Steve Lee: It is a very important question, and your smile tells me that you know why it is an important question. At the moment, CIWM says that under the current policy and the current circumstances, it is less and less likely that we will hit the 50% target. However, I will caveat that with the fact that I am old enough now to know that many things can happen in six years, so I am not going to say that we are going to miss it. There is ample time for us to reinvigorate what we do; there is ample time for us to reinforce the message again with the general public. This is something that they want to do. It is the first and most direct contribution many people can make to more sustainable living, so I am not going to say that we are going to miss it. I do want to leave this Committee knowing that CIWM members believe that unless we reinvigorate our recycling and our messaging, and our working with the public, we will miss it.

Phil Barton: I very much go along with that. We do know it can be done: Wales has already got to the 50%, but, of course, there is also then the prospect of an up-to 70% recycling target following on that. Our concern is that the flattening of the recycling rate is a result of a disengagement of the public, but also disengagement between some of the services that the public interact with, and the recycling system. Again, our view is that we need to educate people again. We need a campaign to increase knowledge, understanding and skills: how people should recycle, why it matters, and, above all, what happens to that recycling. There is still a lot of cynicism about it going to landfill, or it going to China, or whatever, and that takes a long time to be broken down.

Secondly, we need to motivate people. They are predisposed; the values are basically that people think it is a good thing. Many older people remember “make do and mend”, and they are slightly mystified about how we have moved from being a society that reuses things and now throws them all away. It is things like saying “thank you” when people do well and things like providing local and tangible benefits if a community recycles to a high standard. Some 90% of the public said in a recent in a recent piece of work we did that they would like to see some sort of reward coming back to the community, not necessarily to the individual, but in the form of playgrounds, parks, or trees—improvements to their local environment. When they discover that local authorities can save money through the Landfill Tax charges through good recycling those who recycle well could get some sort of rebate on their Council Tax. We have got to look at those sorts of motivations and incentives.

Finally, the infrastructure: we need to have an operating approach, we need to have the Government Framework that we have talked about and we need to involve businesses who are using that recycling to explain much more clearly why it is important, why it matters to them, to work on design and so on. Absolutely, it is possible. As things stand at the moment, it does not look likely, but much can change and should change.

Jacob Hayler: It is certainly going to be challenging. We should not forget that we have come a long way. England has raised its recycling rates from a very low base up to around the low 40% mark. It has been flatlining, as the expression goes, and has been relatively stable in recent years, but there has been a lot of investment in new recycling and collection systems. Sometimes these take time to bed in.

A key issue is that in order to make the breakthrough and reach much higher recycling levels, there is a cost implication. At the moment, obviously local authorities are under tremendous pressure to try and reduce their budgets, and they are doing that in a variety of ways—for example, by starting to charge for green waste and garden waste collections. That can obviously negatively impact on rates, particularly when garden waste makes up about 40% of the material that we are collecting from households for recycling. It is a big, hefty chunk. Recycling rates have been bobbing around a bit, and we think a large driver of that is due to weather patterns and variability in the amount of green waste that gets put out depending on whether we had a hot or wet summer, winter or whatever.

Wales has been mentioned. It is obviously doing extremely well, already recycling over 50%. The figures show that local authorities in Wales spend around 20% per head more than English authorities do. If England authorities were to replicate Welsh levels of spending, that would be an extra roughly £775 million per annum, which is a lot of money to find. As Mr Lee said, there is still plenty of time; new forms of recycling infrastructure can be brought on stream relatively quickly when compared to larger-scale residual waste treatment plants, but it is undoubtedly going to take a lot of effort from all the stakeholders involved.

Q8 Ms Ritchie: Coming this way back: will there be a clear market failure if EU targets are increased to 70% or more, as indicated by the EU Commissioner?

Jacob Hayler: The draft proposals that we have seen so far are for a 70% target by 2030, and that will obviously give us a bit of extra time beyond that. Obviously, it will be even more challenging. One issue is to do with what the practical upper limits are to the amount of material that we can recycle from the household waste stream. You will get various products and packaging made out of composites and various other things—cross-contamination, which means you will never be able to recycle 100% of that domestic waste stream. When you look at compositional data and information, you find that perhaps there might be a practical upper limit, which is about 80%, for example. If the target is so close to that upper limit then it precludes the ability of well-performing authorities to offset less well-performing authorities, and obviously there is a wide variation in local authority performance due to differing local circumstances.

In particular, my colleague, Mr Barton's, organisation is doing some work on the challenge of raising recycling rates in urban environments. There are some particular challenges there around high-density housing stock, transient populations, land costs for providing infrastructure close to the source of the waste, congestion, which can increase the costs of moving material in those sorts of environments. There are a whole host of

challenges that make it very difficult to get recycling rates up in those areas, and it is going to require some serious interventions in order for them to be able to get up close to 70%.

With these long lead-in times there is an element of the European Commission proposals that have perhaps been slightly overlooked while everyone has been focusing on the targets. That is looking at the Ecodesign Directive, and the possibility of amending that to make products and packing more recyclable, easier to disassemble, having longer lifespans, more durability, etc. Those kinds of interventions are what we need to make it possible for us to get all the way to 70%.

Phil Barton: I do not feel qualified to speak about the practicalities of it, but I would say that there remains a danger by focusing on recycling at the expense of reduction. Indeed, what we must avoid is either authorities or companies getting locked in to having to feed recycling facilities when, over the period of that contract, either technologies change or it becomes possible to eliminate, and they are locked in.

Food waste and anaerobic digestion would be a good example. All food, ideally, should be eaten by people before you even think about putting it into the waste stream. If we can improve the way in which food waste is managed and raise the percentage of it used, then you should see the recyclate falling. The danger of focusing on recycling rates is it ignores design, but it also ties you in to having to recycle when what it might be better to do is to reduce the problem in the first place.

Steve Lee: Yes, the target does look like it will be 70% by 2030. There is a long way to go to get agreement to that target yet, but let us assume that it is a serious proposal at European level. Could and should we hit it? I am absolutely convinced that there is nothing special about the United Kingdom or England that means that we could not hit exactly the same sorts of recycling targets as other European member states.

However, to echo what Mr Hayler just said, we are a long way away from having 100% recyclability of municipal waste. For example, there is contaminated pizza packaging. You do not need very much pizza grease on the cardboard to make it totally unrecoverable as cardboard. Cat food and Sunny Delight, with composite aluminium and plastic packaging are very difficult to recycle. It has taken our industry about a decade from the introduction of composites like that to be able to start recycling. We take a long time to catch up with the technology.

If we say 80% of the municipal waste is reasonably recyclable and about 80% of the population consider themselves to be real recyclers, 80% times 80% is 64%, which still leaves us some way short of a 70% target. We will have to work very, very hard with consumers to hit a target like 70%. Having said that, there are other things that we need to do, and we need to keep up the discussion with consumers at home; we need to engage them; we need to work with them. We really have now got to take the discussion much further upstream to designers, to people who manufacture, retail and purvey goods and services, because we need them to provide consumers with much more sustainable choices.

I emphasised there is nothing special about the UK or England compared to the rest of Europe. Unfortunately right across Europe we count things and we report things in really

quite radically different ways and that makes comparison between English performance and even Welsh performance, never mind Republic of Ireland performance or Bulgarian performance, either fraught with difficulty or, frankly, misleading or dangerous. The second thing that we have got to do is have a common approach to reporting and counting, and setting targets and standards.

Chair: So sorry to interrupt, but we have got other questions on the same theme, so if you could just keep your answers a little bit briefer, otherwise we simply will not get through what we have to this afternoon. Thank you.

Q9 Ms Ritchie: What are the main barriers to increasing the rate of recycling in England and how do other countries, such as Wales, achieve higher recycling targets?

Steve Lee: I will be brief. Wales has got two things right. It has co-ordinated everything, from its national strategy right through to its individual plans, very effectively and it has got clear and coordinated communications to go with it. The second thing is that it has further capital and revenue available to local authorities to help them to recycle more. By my estimation, last year that was £70 million. There are about 1 million households in Wales, so that is roughly an extra £70 per household. By getting the messaging right and making sure the resources are there, there is your performance.

Phil Barton: Again, we have to build trust with consumers, with householders and, indeed, with small businesses. We have been talking about municipal waste, but we need to look at some of the commercial waste as well. The public has to be co-creators of this strategy and this target. On its own, the industry cannot do it—it can provide the lead, do the design work and help to make choices easier. However, we have to make it clear to the public why they are being asked to do what they are being asked to do and what the benefits of it are.

Jacob Hayler: In terms of the barriers to recycling in England, you have got different barriers faced by different stakeholders. You have got barriers faced by householders: time, space, confusion—we have already started touching on the plethora of different collection systems that are out there and the confusion as to what people should not be putting out. There are barriers faced by the local authority themselves, crucially in terms of cost. There are barriers faced by private sector investors in recycling infrastructure, in terms of volatility of recycle revenues and other issues that can make it difficult to make long-term investments in new facilities, and difficulty in output markets, finding a home for some of these materials once you have collected them. How does Wales do it better? It spends more money.

Q10 Mrs Glendon: Why do you think there are almost 40 percentage points difference in recycling rates between the best-performing and the worst-performing local authorities in England?

Phil Barton: One of the issues is where they are and their population. As has already been mentioned, on the whole, urban recycling rates are worse and recycling rates in high-density, built-up areas are worse than they are in rural areas, for example. Secondly, some authorities have got it much better than others in terms of the way in which they communicate with the public at large. I mentioned earlier that consumers want to understand and want to be thanked for their efforts and I think some authorities are much better at that than others.

There are quite wide variations across the country in terms of perhaps the political and technical determination with which different authorities have prioritised this area of work or not. I cannot speak for the technical side of that, but I hope my colleagues can.

Steve Lee: I will be brief. Yes, one of the big differences is whether you are rural or a very rural community, or urban or very urban. That does have a high bearing on it. Other factors come into play, including the quality and the maintenance of the communications, and I will keep stressing that. All of these things like the degree of partnership working between local authorities or local authority and their private sector service provider make a difference. You are absolutely right: we have got quite a wide disparity between the best-performers and the worst performers, with quite a lot of room for improvement.

Jacob Hayler: I agree with my colleagues. The challenge is all about getting up recycling rates in urban environment. High-density housing stock, transient populations and other practical issues are making it more challenging to get recycling rates up in those sorts of areas.

Q11 Mrs Glendon: You have all mentioned “other factors”. Do you think that funding is the main factor in the variation in the performance or are others more important?

Steve Lee: I want to say it is not, because there are things that can be done that do not cost a lot of money. Communications comes right at the top for me, and that needs to be led by Government. We need somebody to hold the reins; we need clear and consistent messaging. Unfortunately, money does matter. The Welsh performance shows that. Recent analysis of Welsh statistics show that really it does not matter what style of waste collection service people offer—whether it is separation at the kerbside or whether it is so-called co-mingled collection and sorting via sorting facility—different local authorities have good or bad performance, regardless of what their style of collection is. Money does matter, but communications beats everything.

Phil Barton: I do not have much to add to that. I agree.

Jacob Hayler: Yes, definitely. I would echo Mr Lee’s point. Thank you.

Q12 Roger Williams: Can I just say how pleased I am that Wales is referred to in such glowing terms?

Jim Fitzpatrick: It does not happen very often, Roger.

Roger Williams: You gentlemen are welcome to come back any time you like to give evidence. I am just trying to tease out who you believe are best placed to take forward the recycling policy. Do you think it should be business or Government?

Steve Lee: The answer to that is easy. It is both. My parents come from Barry Island, so I am perfectly well aware of the good work that has been done by the Welsh Government. There are a number of parties here who have to do a good job to get the message across. Local authorities are in a particularly strong position. They are known and trusted by their local population; their services are surprisingly popular and well-supported. Business has got a huge role to play here, through representatives of our industry and the services that they offer back to local people and their council; in terms of their own recycling performance, which historically has been a little bit better than people at home; and in terms of the goods and services, or the things, that they supply to consumers and the way

that they supply them. Individuals at home, local authorities, businesses and Government all have to be rowing in the same direction.

Q13 Roger Williams: How do you ensure that they are rowing in the same direction? Where does the co-ordination take place? How do you promote that coordination?

Steve Lee: The co-ordination is going to be easily strongest if it comes from central Government.

Phil Barton: I think that is absolutely right. As I said earlier, it is not about central Government telling everyone what to do; it is about using its position to facilitate the right level of discussion to help to create the framework and then to ensure some consistency of messaging. Again, some of our work shows that people are very keen to have more consistency across the country, even if it comes down to the colour of bins. We have a very mobile population, particularly in urban areas. I live in an area of Manchester where students come in every year and there is huge confusion about what happens because they have all come from elsewhere.

It is about creating the right framework, within which local action can take place. I do think everybody has a part to play in the communication and the messaging, but if it is to be consistent, Government has to play a major role working with the businesses, working with industry and, indeed, working with local authorities.

Jacob Hayler: Yes. As already mentioned, businesses can assist recycling in a number of ways, such as through their own performance. As Mr Lee said, historically businesses have been better performers on recycling than householders. That is primarily because they face the direct incentive: they have to pay for the services themselves. The private sector provides roughly half of the collections on behalf of local authorities to householders.

Through that process and through the competitive tender process they are able to introduce that level of competitive tension that enables the best value for money to be achieved. That is in terms of squeezing the best performance and the best level of service to householders and to authorities in terms of getting their rates up, and doing that with an on-going focus on trying to minimise costs over time, in the same way. As big retailers or big brands are able to engage with consumers and they are able to present messages to consumers that other parties like Government might not necessarily be able to reach. Any messages they can provide in terms of good environmental messaging and good recycling performance would obviously help as well.

Q14 Roger Williams: Mr Hayler, you talked about the incentive for businesses as one of reducing cost really. Should there be any other incentives? How can you better incentivise business to increase recycling?

Jacob Hayler: Businesses obviously also have large stakes in their own reputation amongst their customers and consumers. In fact, we see that today in the marketplace as a big driver towards landfill diversion. Big retailers have been influencing their supply chains and working along their supply chains, looking to aspire towards zero waste to landfill, which was mentioned right at the very top, and constantly trying to improve their performance and engage in that way. It is definitely more than a simple “how much you pay”, but that obviously also has a big effect on behaviour.

Phil Barton: We do a lot of work for local authorities and waste collection companies, actually doorstepping and talking to people, particularly in high-density and poorer areas, explaining what they are being asked to do and why. In March, our Waste Watch services visited 100,000 households around the country specifically to try and interface with the public about how the system works in their own area.

On the one hand, that is good news, because we know that people need to be informed and understand. On the other hand, it shows some of the complexities and lack of understanding amongst the population as to what it is they are being asked to do and why. We would like to see more contracts designed in a way that also focuses on behaviour change and on communication, and on information. That is beginning to happen, and it is beginning to happen jointly between the local authority commissioner and the contractors. Cost is clearly important, but if we are going to drive up recycling rates communication, consistency and simplicity are also really important, and that something may be a bit more expensive.

Steve Lee: The bottom line tends to hold businesses' attention. There are huge advances to be made there by preventing waste, reusing and recycling more—easily £10 billion per year for businesses in this country, possibly 100,000 jobs, working off figures that were quoted by the Commission just last week. I think the scope is even bigger than that, but that is being reasonably cautious about what could be gained.

Not all businesses are only driven by the bottom line. Some seek commercial advantage in being able to present their goods and services in a more environmentally favourable and responsible way. Some businesses, let's be frank, are altruistic and they want to do it because it is the right thing to do. Several things drive businesses to want to be better performers, but we should not lose sight of the fact that bottom line is king.

Q15 Roger Williams: It sometimes seems to me that natural resources, such as virgin aggregate or virgin wood fibre, are priced so cheaply that there is no real incentive to recycle. People find it cheaper to go and take more resources rather than recycling. Do you think anything can be done about that or do you think that analysis is right?

Steve Lee: I think the situation will change, even if anybody does not react to it, because the real cost of natural resources will be driven upwards. A lot of businesses are already starting to think about resource security; they are starting to think about where their raw materials for 10 years' time will come from. That is a very healthy thing to do.

Other things could drive up the price of virgin materials artificially and, for example, we could start to tax raw materials or give a tax break to secondary materials to try and drive more secondary materials around the cycle and to pinch off the supply of virgin materials at the beginning of the cycle. If nobody acts, the cost of raw materials and strategically valuable rare materials will go upwards.

Jacob Hayler: Just to add very briefly to that, something that the industry has been calling for for a long time is a much greater policy focus on the demand side measures for recyclates or secondary resources. The vast majority of policy is all designed to push up the supply of recyclates without thinking where that is going to go, and when it is competing with low cost primary resources—perhaps low cost because it does not take account of the environmental impacts associated with the use of those resources—it can make it very difficult. What can you do about it? There are some obvious measures.

Fiscal incentives have already been mentioned, whether those are through VAT or excise duties, to help incentivise use or recycled content. There are recycled content obligations or green public procurement. A big source of purchasing power within the economy is obviously Government.

Q16 Jim Fitzpatrick: Should compulsory household recycling be explored more? There have been a few examples and they have had some modest improvements. I know CIWM is worried about contamination and Keep Britain Tidy is not convinced that those increased elements would be maintained. Is it something that should be looked at more, or are you set against it entirely?

Steve Lee: CIWM works very hard to keep an open mind as much as possible. However, we have been clear in our evidence that we would be worried about contamination of recyclates if recycling was to be made compulsory. There are other things that could and should be tried first. One thing that we think has been done with local authorities that has weakened their position is to reduce their enforcement powers for people who repeatedly refuse to be responsible with recycling. That is not compulsory recycling, but that is an enforcement power to be used at absolutely the last resort. We keep a determinedly open mind, but I would say we are not there yet.

Phil Barton: I agree that there are other things we should be doing first. We need to have a big focus on regular collection of food waste everywhere. That is a really important area. We need the right balance between different collection regimes, and we then need to look at different incentives. I think we probably missed this boat in this country on pay-as-you-throw schemes, but rewarding people for doing the right is something that we ought to be looking at quite hard.

There are some practical things that we could be doing. In certain circumstances, reducing the size of the container that is available will encourage people to waste less. That is not everywhere, though, so you need to be quite sophisticated about that. We should try providing the right sort of nudges and the right systems to encourage the right behaviour—we need to try all of that first before we go down the route of compulsory. I agree with Steve that with enforcement you will have a small hardcore of people who just do not do it or do not see the point of it and local authorities need to be given some way of dealing with that problem.

Jacob Hayler: I am not sure whether it is the place of business to comment on whether recycling should be made compulsory for householders. I would agree that there are some practical issues around enforcement and how that would be implemented. I agree with colleagues that there are perhaps other measures that we ought to explore first.

Q17 Jim Fitzpatrick: My second question was about rewards versus penalties, but you have covered quite a bit of that so far by saying that it is about money and you invest to get the message across; it is about communications; and there needs to be more in terms of incentives. Is it a case of getting that balance right?

Steve Lee: It is. There are lots of options around rewarding good behaviour. You can reward good behaviour by charging people less and charging people more for being poor performers. There are various options in use around the rest of Europe. We are disappointed that England has not allowed itself the opportunity to pilot some of these options. CIWM wants answers to the questions: what works where, why and when? What

can be replicated elsewhere? Unless and until we try some of these ideas in the real world we are guessing what will work.

Phil Barton: We have recently done a piece of market research—I will put a health warning on some of these figures; we have not validated them totally yet. In terms of standardised and very clear labelling you have got 90% of the population wanting much more clarity about labelling. They are looking for very simple graphics that could either be put on the bin or could be put on the product, so that they understand without having to work it out what they should do with it. Some 90% want an increase in the range of items that can be recycled in their area. The idea of money back on your Council Tax if you do well is very popular. As I mentioned earlier, they are very keen on tangible rewards back into the community.

Some work that was done by the University of Surrey a few years ago very much showed that if you feed back to people what they have achieved you almost create a sense of competition between different neighbourhoods. If you thank them and give them some sort of communal reward, that can be as effective as personal or household rewards directly. Incentives of one sort or another are really important to explore, but we need to do more to pilot them and see what works and what does not. There has been some of that done, but not nearly enough.

Jacob Hayler: On the question of incentives versus penalties, obviously incentives are more politically acceptable. You want a well-designed scheme, so you want a lot of effort to be put into the design of the scheme, but the priority has to be communications, and that is the message that is coming through a lot today.

Q18 Mrs Glendon: Recent analysis shows that England will have an overall shortage of waste treatment capacity by 2020, but critics argue that increasing capacity could limit the recycling rates. Does England need to increase its waste treatment capacity, and, if so, what technologies need investment?

Steve Lee: The answer is we do need more treatment capacity. We have not got what we need to be able to deliver the future. There are about 40 million tonnes still going to landfill; there are about 2 million tonnes of waste-derived fuel going across the North Sea to facilities in Denmark, Netherlands, and Sweden. In those countries they are at the other end of the spectrum, they have already oversupplied energy-from-waste-treatment capacity in particular. There are various reasons for that, one of them being that it is designed and built by the public sector, not the private sector, and there is perhaps a difference between the objectives of the two.

We do need more infrastructure. One of the analyses that you referred to was one that we completed last October. You asked which technology. The answer, of course, is all of them, because they have all got different strengths; they all manage different feedstocks. Anaerobic digestion, for example is fantastic for high water content food waste, but not so good for wood and useless for bricks and concrete. We need different technologies to manage different types of feedstock, and we need much, much better data, information, and forecasting to allow us to identify what it is that we need where, because this unfortunately is an information-starved industry. It always has been. It came up in an inquiry of this Committee in 2010. CIWM has been raising the problem of data, information and strategy development consistently for a decade. We are still in that weak position. I might talk to you later on about how we might improve that.

Phil Barton: I am not going to talk about the technologies and so on, but I would make the point again that we need to not lose sight of the need to try and reduce waste in the first place, and to reuse and make things last longer. We need new business models as well, but I will leave the technologies to my colleagues.

Jacob Hayler: Do we need more infrastructure? Yes, and, as Steve said, all different types. Some 17 million tonnes of standard rate material goes to landfill; export of refuse-derived fuels is accelerating at such a pace it is up to 2.4 million tonnes annually, according to the latest quarterly figures. All of that material needs to be treated somehow and in a better way. Some of that will be recyclable, so we need extra recycling capacity; some of that will not be recyclable, so we need extra residual waste treatment capacity, which will predominantly be energy-from-waste.

Concerns about capping domestic recycling rates have been flagged. There are concerns that if you have 10 million tonnes of residual waste treatment capacity and England is only generating 25 million tonnes of household waste, then you cannot recycle more than 60% of local authority waste. That forgets about the much larger amount of commercial and industrial waste streams that could also be used as a feedstock for these facilities. In practical terms, there is not likely to be a cap placed on domestic recycling rates by the current levels of development in residual waste infrastructure.

Q19 Mrs Glendon: If England increases its waste treatment capacity, how could the Government ensure that recycling rates increase as well?

Steve Lee: The answer to that is there is such ample scope. Austria, at the moment, recycles 70% of its municipal waste and recovers energy from 30%. Here in England we recycle 43% and recover energy from 18%. There is a big gap between the two performances. Whilst I recognise that in extremis you could reach a position where you have oversupplied one certain type of technology, we are a long way short from that in 2014.

Jacob Hayler: Steve talks about Austria having a 70/30 split, and that is probably where we want to be; I absolutely agree with that. How can you incentivise much higher recycling? That is already done through the target-based regime: recycling contracts are designed to incentivise much higher levels of recycling. That is what they are designed to achieve and that is what they will be designed to achieve and they will be stimulated by the introduction of the target-based framework.

Q20 Neil Parish: Good afternoon, gentlemen. Defra has an Anaerobic Digestion Action Plan. How effective has this been in getting people to have AD plans?

Steve Lee: I am obliged to say that the Anaerobic Digestion Plan is very good, because I chaired the preparation of the first one.

Q21 Neil Parish: You had better declare an interest in that.

Steve Lee: I think I just did. CIWM is quite clear that anaerobic digestion is an excellent process for treating the right sort of wastes, and it even has an appetite for different sorts of feedstock from different industries. It can manage digested sewage sludge from the water industry as much as it can slurries and manures from agriculture, as it can food waste from people at home, or the food and drink sector. It is definitely a technology for the future. It is taking off a little bit more slowly than some had hoped when we put the plan together.

I did recommend the process to Government when the first plan was finished, because it was very good. It was Government saying, “We do not hold all of the information; we certainly do not have the ability to deliver all of the answers. If we work with all facets of industry, can we bring in their expertise? Can we bring in their commitment?” The answer was yes. Industry paid into the development of the plan very well. The fact that it is taking off relatively steadily I do not think is a particularly big problem from a technology, skills or even finance point of view.

The weaknesses in the system are quite interesting. They are at the feedstock end. It is easy to know there is lots of food waste out there. It is actually very difficult to separate it out at the right quality, the right quantity, in the right place to feed a plant. The second thing is you need to make sure that you have got a land bank at the other end of the process that is adequate to take the digestate for putting back into soil. It is not just thinking about it as a black box process; you have to think about it as a flow, as a process. It is a great technology with a big future, and the plan has done a good job.

Q22 Chair: Rather than it going into the soil, could it not go into an energy-from-waste plant, as North Yorkshire County Council says it does in its submission to us?

Steve Lee: The answer is yes, of course it could, and the water industry has a long track record of putting digested sewage sludge into incineration, with or without energy recovery. It could be seen as a feedstock for another industry, but it would be missing an opportunity. Anaerobic digestate produced to the right quality is a great additive to conditioned soil, so we should not lose that opportunity.

Neil Parish: Can I carry on, Chair? I reckon if I had tried that one on, you would have ruled me out of order, but never mind.

Chair: The Chairman’s prerogative.

Q23 Neil Parish: Moving on—on the digestion, you make exactly the right point on the fact that it is the feedstock. On a lot of farms you have sewage, you have got slurry, and you have got chicken waste and that works very well. What you need is to be able to mix in some food waste with it, rather than growing maize crops and other crops, which are food, that are going into biodigesters. What more can the Action Plan do to facilitate? You talk a lot about how there is a problem in getting food waste and getting it in there, so how do we break that problem?

Steve Lee: There is a way of cheating. That is I know there is a mindset against growth of fuel crops in this country, but there is land out there that would be perfectly suited to growth of a non-food crop to go into anaerobic digestion. For instance, all of the land that has been used for the disposal of digested sludge at sewage treatment works in the past. What can the plan do about—?

Q24 Neil Parish: What I am talking about is supermarket waste—there are big amounts of food waste out there which go into biodigesters, and I think quite a lot of it is still landing up in landfill.

Steve Lee: I can think of three really important sources. The first is retailer waste, and there is a lot of good work being done by big name retailers now to try and make sure that is as small as possible and where it exists it is separated out by them and it is sent to anaerobic digestion. I would say that is a relative success story.

The second element is the food and drink industry itself, and they have a vested interest in either minimising their wastes or, increasingly, managing their own wastes. I will namedrop one: Adnams, the brewer, they have quite a lot of easily digestible waste coming out of their process and they generate their own power and electricity on their own plant. That is an excellent solution.

The one we have not solved yet is food waste from municipal sources, and we have already touched on that in the past. Local authorities at the minute are either not pursuing separated food waste collections or they are cancelling plans to introduce it simply because they do not have the resources to do it. If there is a single action that would free up food waste post-consumer, which is probably the most important to act on, it is almost certainly local authority resources.

Phil Barton: I would agree with that last point. Household food waste, as opposed to being included in green waste or in the general waste stream, is probably the biggest win that we have available to us there. It would need to be weekly collections, but there is a cost to that and it is certainly the case that it is not expanding at the rate that it could do. I think that is something that needs to be looked at.

Jacob Hayler: In terms of the AD Action Plan, it is good to have clear central Government commitment. I think support for anaerobic digestion as a technology was in the Coalition Agreement. It is a good technology; it does have some practical challenges, as highlighted by Steve. Another element that has not been mentioned that is a big source of help to the anaerobic digestion sector is the relatively large subsidy they receive for their electricity on the back-end.

Q25 Neil Parish: Moving on to the market for the digestate and the biogas, some of the biogas is used to produce electricity. There is now a market for the biogas itself. We have got one or two plants being proposed in Devon for that particular reason. Is there enough market out there? Is there enough emphasis on helping the smaller AD plants, because there is an argument that you should have higher subsidies or higher support for smaller plants in order to make them viable, rather than the bigger ones? Have we got that right? That is probably not necessarily Defra, but DECC as well. The whole thing is linked.

Steve Lee: We can see DECC is struggling with getting the subsidies right by cranking them up, putting them back down again, depending on the relative uptake between the different technologies. I suspect that that tweaking of the subsidies will continue. Of course, that makes life for those who are putting business cases for anaerobic digestion together really quite difficult. The last thing that they want is for their subsidies, their costs and their incomes to change even whilst they are putting their plan together, never mind operating the plant for the next 10 or 15 years.

AD offers itself to operation at a relatively small scale, relatively locally. We do have a big demand for all forms of fuel in this country including, increasingly, the production of cleaned-up biomethane for injection into the grid. Of course, the capital cost of doing so—making sure that you can clean the gas up to the required standard and put it into the gas grid safely—is not inconsiderable. There are all sorts of energy outlets from anaerobic digestion that have to be taken into account: heat, electricity, biogas, and even transport fuel, but they all help to make the process attractive.

Q26 Neil Parish: But as you quite rightly say, they have to be clean enough at that moment. Otherwise, you are not going to put it into your engine.

Steve Lee: No engine, and certainly not the gas grid, will thank you for putting poor-quality gas in.

Q27 Neil Parish: Thank you. Any other comments?

Phil Barton: I would agree with all of that, and once again, there is a tension or trade-off between finding the real high-efficiency, high-environmental-benefit options and the fact that quite often, they come associated with quite a high cost in terms of gas to grid, for example. It is a matter of getting the balance right, in terms of incentivising the right thing and getting the cost/benefit balance right.

Q28 Chair: Can I just come back? There is a lot of criticism at the moment, or commentary, that this food waste should perhaps go to food banks. Would that help to reduce the amount of waste?

Steve Lee: From retailers in particular, the position is simple: if it is edible, it should be fed to people. If it is not edible, it should not be fed to people; it should be collected separately and it should be managed separately from other materials, first because it can be and secondly because if you mix it with other recyclable materials, it destroys the quality immediately. It does not take much cooking fat to completely torch the value of otherwise very valuable waste paper, for example.

Phil Barton: The other side of that is that, again, in terms of making it easy and simple for households to do the right thing, we have to look at the quantities in which things are sold. We need to do this in schools. We have a programme called Our Common Place, where we work in communities, particularly those that are living on fairly low incomes, just giving cooking classes and helping people to understand what they are buying, how they can buy it, and how they can get the right amount of nutritious food. There is a lot of confusion about the difference between sell-by dates, use-by dates and so on, and there is a lot that can be done to encourage households to use slightly older food and not throw it away too early. My mother is now single, and she cannot buy portions of stuff for one. It is that sort of issue, the interface between the manufacturers, retailers and consumers. Getting down the amount of food waste that is mixed in with other recycle is a really high priority.

Jacob Hayler: I absolutely agree with my colleagues. Food waste that is edible should obviously go to people in the first instance. We should be minimising food waste and doing everything that we can to minimise food waste.

Q29 Chair: Just on that point, what else can we do to reduce food waste?

Jacob Hayler: Again, it is through communications, targeting consumer behaviour, and looking at supply chains and potential options there. The Government-sponsored organisation, WRAP, has a big focus on food waste and is doing a lot of good work in that area.

Q30 Mrs Lewell-Buck: I have quite a quick question. Why is gasification less developed than other waste treatment technologies in England?

Steve Lee: That is an excellent question. I wish I had a short answer for you.

Mrs Lewell-Buck: But you haven't, have you?

Steve Lee: It is relatively underdeveloped in this country, even compared to other countries in Europe or around the world. That underdevelopment has been spotted by a BIS-sponsored Energy Technologies Institute at Loughborough. They are doing a demonstration project at the moment looking at gasification. CIWM will be following what they do very closely. Again, we think it is a process with a big future for several reasons. Energy output can be scaled up and down; it has got a fantastically variable appetite. It is a good process, but it is underdeveloped.

Jacob Hayler: Why is it less developed? It is less proven using similar types of feed stock. We are in the middle of an investment and build-out programme in terms of delivering new residual waste capacity. Traditional, conventional combustion energy-from-waste is a very good option in that regard, and is well-proven in that regard, and so has tended to be a first port of call for long-term local authority contracts. DECC has done a lot of work introducing incentives for gasification, and that is helping to incentivise the development of new plants. I am sure we will see more of those in the future.

Q31 Mrs Lewell-Buck: Just to be clear, are you both saying that you are in favour of it? I know there have been some criticisms about its effect on air quality and public health. Is that criticism that you just do not feel is valid?

Jacob Hayler: In terms of energy-from-waste in general, I have two points there. One is on air quality. These are just about the most heavily-regulated types of industrial installation in Europe, and therefore probably the world. The emission limits, which were originally enshrined in the Waste Incineration Directive and have now been transferred into the Industrial Emissions Directive, are tighter than for pretty much anything else. In comparison with conventional power plants they are much tighter. In terms of air quality, it is a valid concern for residents to have, and of course we want public confidence in these facilities, but they are very heavily regulated, to the limits of detection, for a lot of these pollutants.

In terms of public health, there have been numerous studies. Almost every planning inquiry runs through the same arguments. Public Health England has consistently provided evidence that says that the risk to human health from these plants is so small as to be undetectable.

Q32 Chair: If I may, just before you move onto incineration, is one of the reasons why gasification has not been more developed that it is a more expensive process or technology to use?

Jacob Hayler: It depends what you are comparing it to. In general terms, if you look at DECC's analysis, they see a need for these plants to receive subsidies, and they do not see the need for other plants to receive subsidies.

Q33 Mrs Lewell-Buck: I have another quite quick question. Are you in favour of incineration? We can start either end.

Steve Lee: Yes, incineration is necessary—please, incineration with energy recovery, particularly including heat. Including heat is the secret difference between being 25% or 26% efficient and 75% to 80% efficient. It is almost certain that we need more energy recovery treatment capacity in this country. Why else are we still landfilling so much? Why else are we still sending refuse-derived fuel across the North Sea to other European member states?

It is probable that if we are very successful in waste prevention, recycling and re-use, we would see large-scale development of energy recovery from waste as an interim step. It is not to say that this is an industry that we want to be locked into permanently, but it is almost certainly now a necessary extra step, particularly if we are to aim for the sorts of targets that are being suggested by the European Commission at the minute, which include a landfill ban of recyclates by 2025 and a landfill ban of all recoverable materials by 2030. It is wrong to look at the targets that exist today. Those targets are going to upwards very quickly. Our industry has to process those materials and we need the infrastructure.

Phil Barton: In an ideal world, as I have said before, we should be further up the waste hierarchy and we should be working there. One of the issues is that we need to develop much better metrics and measurements around reduction and so on. At the moment, there is a lot of focus on recycling because the waste is there. You can measure it and you can see what happens; we need to move up the hierarchy. Clearly, incineration is one step better than landfill, and particularly if it has got heat attached to it. Ideally, we would not want to see it introduced, but we recognise that there may be a need to, for a period.

Jacob Hayler: Do we support incineration? Yes, undoubtedly. As we discussed earlier, not everything can be recycled. There will be a fraction of residual waste that will need to be treated. Incineration or energy recovery is a far preferable alternative to landfill, so it should be encouraged.

Q34 Mrs Lewell-Buck: I have just another follow-up to that. Do you feel that there is enough regulation and monitoring in place to manage any of the environmental or health risks associated with incineration?

Steve Lee: I do. Mr Hayler has already said that this is one of the most tightly-regulated industrial processes in Europe. The advice from Public Health England is that the impacts of energy recovery are likely to be so small as to be not detectable, and they cannot detect any difference in terms of impact from any one waste management technique compared to another.

Q35 Mrs Lewell-Buck: There are just a final few quick questions from me. We have heard evidence that it is an expensive option, in that the costs average about £120 per tonne of waste. Do you think that is a value-for-money option to go with incineration, or not?

Steve Lee: The short answer is yes, it is a good value-for-money option because it should not be compared with other waste treatment techniques elsewhere in the hierarchy. This is a waste technology aimed at residual waste, so it is pointless to compare the costs of this with the costs of reuse or the costs of recycling. This is a residual waste technology.

Jacob Hayler: Absolutely. I would quibble with the £120 per tonne. I do not think that is representative, but it is a value-for-money option. It is the second-cheapest option for residual waste, behind landfill, until you whack landfill taxes on and then it becomes the most effective value-for-money alternative, which is why local authorities are choosing to develop these facilities, sometimes in the face of quite a lot of local opposition.

Steve Lee: Can I just reinforce the point that this is a technology for residual waste? This is what you do after you have prevented waste as much as you can, after you have reused and recycled your socks off. You still need to manage what is left at the end and that is where energy recovery has got its role. It is not a question of pushing as much waste into

energy recovery as you possibly can; it is a question of sucking as much energy back out of what is left when you have done everything else.

Q36 Mrs Lewell-Buck: With that in mind, should there be a ban on any plastics or food being sent to incinerators or should it be anything goes?

Jacob Hayler: As Steve said, these facilities are targeting the post-recycling fraction. We are trying to get as much recyclate out of the waste stream as possible and these facilities often have capacity on the front-end for removing extra recyclates before the residual then goes through the treatment plant. They are an important part of managing our waste stream.

Steve Lee: I do not think it is a question of bands; I think we should maximise our efforts to get materials of value out before we consider what we do with the residual waste. You mentioned food waste, and of course, that is a very specific example. The vast majority of food is water. Nobody really finds trying to burn water very rewarding. It is a waste stream that lends itself much, much better to other forms of treatment. The short answer to your question is we must do the maximum to reduce what we then call residual waste.

Jacob Hayler: An additional point is that we have already touched on just how much more investment we need in new capacity and new infrastructure, and I think significant policy changes like that would only serve to undermine confidence from investors in the new treatment capacity that we need.

Q37 Chair: I had my hair improved by beer being poured over me at one of my surgery appointments in the mistaken belief I was in favour of an incinerator in a particular location. Is there any particular reason why Scandinavia, Austria, Germany and other parts of the European Union are so far and reliant upon—for want of a better word—incinerators and energy-from-waste plants? As you say, they are amongst the most heavily-regulated. Why are they so far—particularly ecologically and environmentally-aware countries like Denmark and Sweden—and the British public are so sceptical?

Steve Lee: You are right to point out the stark difference between the two approaches. It really is quite remarkable. Heat networks in places like Sweden are very popular, and recovery of energy from our municipal and other waste is only one of the heat inputs that they use for their network. It is a little bit darker in most of Scandinavia and it gets a little bit colder in the winter, but there is not that great a difference between their circumstances and ours. It tends to be just that that is how public attitude has grown, and you may point back at the performance of really basic incineration in this country in the 1960s and 1970s. That, I think, colours people's opinion as to what modern energy recovery would look like.

Phil Barton: Some of the early district heating schemes were very bad news for the tenants because they got locked into them and so on. I do not know the answer to your question, but one of the key things it must come back to is communication and understanding. I wonder whether some aspect of the benefit of the plants could come to the community, so that they have a stake in it that they may get some return from I know, certainly in Germany, this happens a lot. Something that is desperately under-explored in this country is actually providing communities with some direct benefit from hosting a facility, and therefore—going back to what I was saying earlier, in terms of recycling—people understanding the reasons why it is being done and seeing a tangible benefit

coming back to their community of hosting it. That is an area that could be explored much, much more.

Jacob Hayler: Chairman, you said that there was a greater public acceptability, despite the fact that Scandinavians are generally more ecologically aware. I would argue that there is greater public acceptability, possibly because they are more ecologically-aware, and that actually it is a good option. There is more public acceptability because they have a long history of using these facilities to treat their waste; we do not, because historically, we were much more reliant on landfill, which over here has been historically much more of a low-cost option because of our extractive industries and the availability of lots of holes in the ground.

Q38 Chair: One of the difficulties is that it has to be new build, but I know for a fact that the community benefits in Denmark through reduced-cost heating and hot water. Would you see any merit in this country in a government-led information awareness of the role of incineration in the reduction of waste mix of incineration and energy-from-waste?

Phil Barton: This comes back to the beginning of the session, where we were talking about the need for leadership, bringing people together, and seeing the whole of our waste management system as a system, and not as a whole series of different technologies and different actions by different players. It seems to me that it would be hugely beneficial if we could have a debate, bringing together the key players, but developing common, informed messaging so that those who are interested and predisposed towards doing the right thing will understand why and what the consequences are, and how they are helping. For those who are not, we can actually provide some clear and simple messaging to at the very least make it very easy for them so that they do not have to think about it and do not have to react against it.

As part of the whole waste management approach, we should be focusing on all of this and we should be bringing the various parts of society together to actually develop both a framework and messages.

Q39 Mr Spencer: Can I apologise for arriving late? The Government tells us that the UK is on track to meet its 2020 EU landfill diversion target. Do you agree?

Jacob Hayler: Yes. We are on track, but we want to go a lot further, because the landfill allowance for England for 2020 is something like 10 million tonnes of biodegradable municipal waste. Given that that is about two-thirds of the waste stream, that means we could still be landfilling around 15 million tonnes of municipal waste and still meet the targets, but we want to do a lot better than that.

Q40 Mr Spencer: Do you gents agree?

Steve Lee: I do, wholeheartedly. The public and the press tend to get the landfill diversion target mixed up with the recycling target. They are very different. The recycling target includes steel food cans, which do not biodegrade. They are very different targets. Will we hit the 2020 landfill directive target? Yes, I am pretty confident that we will.

Q41 Mr Spencer: Is that simply because it is such a weak target, frankly, that we will achieve that without really trying? If we are really serious, why do we not just say, “2025, there will be no landfill. We will stop all landfill and we will have to find some other use of those materials?”

Steve Lee: Of course, you are almost directly in line with the proposals that seem to be coming out of the European Commission: no recyclables by 2025, nothing recoverable by 2030. Was it a weak target? It certainly did not seem like it when we set out on changing this industry. Some European member states made the target really quite quickly and easily. Let us not forget that half of Europe is struggling to come to the 2020 Landfill Directive target, and some of them have still got 90%-plus reliance on landfill. I think we have to come to terms with the fact that it is pointless pretending that some European member states, which started from such a poor position, now will make it. Yes, we will hit the 2020 target, and if the targets are increased I believe that this country can, and will, meet those as well.

Q42 Mr Spencer: What about specific materials? We have got all these processes in place today, have we not? Why do we not just simply ban the landfilling of metals or plastics that we can recycle and take those out of the equation today?

Jacob Hayler: In terms of material-specific bans to landfill, the industry certainly would not be opposed to such measures in principle. I think Defra has done a lot of work looking at the evidence as to whether or not this will provide significant environmental benefits. The evidence seems mixed; the additional benefits in terms of additional diversion to what we are already aiming towards would be marginal for a lot of waste streams.

There are two big practical challenges in terms of delivering landfill bans. One is in terms of how you enforce it and who is liable for materials that show up at the gate. Two is you need to have sufficient lead-in times, investment, and the whole framework to provide the alternative treatment infrastructure. Referring to your earlier question, about whether the landfill diversion targets were easy, I do not think they are. It has required billions of pounds of investment in a whole suite of new facilities and the transformation of how we manage our waste.

Steve Lee: CIWM is not opposed to landfill bans at all. We would agree with Mr Hayler that we need to make sure that the infrastructure is there, because it is not just a question of squeezing waste out of landfill; you have got to push it into something more preferable, and as we have rehearsed earlier on, we need the infrastructure and the services to do that.

We also believe that there are other things that you can do that might be just as effective. Wood already is not going into landfill in anything like the quantities that it used to. It is doing that for various economic reasons. There could probably be an effective landfill ban without imposing a landfill ban. Look at what Scotland is doing on food waste: actually, it is requiring businesses to separate out their food waste and have it collected separately, rather than saying, “We are going to stop this at the landfill.” There are alternatives and we think that those alternatives need to be pursued. If we are going to have landfill bans—and it looks like we might, if we move in the direction that the Commission is suggesting—then we need to make sure that we have got the proper lead time to make sure that the services and infrastructure are there.

Q43 Mr Spencer: If you were to pull together a league table of the easy wins, do they basically match the economic value of that waste group? Nobody seems to landfill copper or lead anymore, for some reason.

Steve Lee: They do not, because it is fabulously valuable.

Q44 Mr Spencer: Quite. Is that how it works, then? The higher the value of that waste stream, in effect, the easier it is to remove that from landfill?

Steve Lee: In some cases, the value of the material is absolutely the driver. You are right: nobody landfills copper and that is because the value of copper shot up by about fourfold in two years. Some fabulously valuable materials are actually rather difficult to get at, because they are mixed in in individual components or they are in very low concentration. A lot of the rare earths that the popular press talk about are very, very difficult to re-refine back out of the waste. So, it is not always the value that drives it. It might be the difficulty or the cost of re-processing it back out of the waste. Importance is another thing that drives. The Scots have not picked on food waste for no reason; they have picked on it because it is such an important potential impact to the environment if it is landfilled or treated in other ways. They want it separated out; they want it anaerobically digested. There are a range of drivers.

Q45 Chair: I have a couple of questions at the end. How much is being earned by exporting some of the waste for disposal overseas? Are you in a position to answer that?

Jacob Hayler: Earned by whom? By the Dutch people receiving the waste?

Q46 Chair: Is it something that is happening in this country or more in other European countries?

Jacob Hayler: It is something that has sprung up in the last few years. It has been driven by the landfill tax escalator, coupled with the recession, which has led to large levels of over-capacity in various other Northern European markets. They are able to offer a very competitive price, which is partly because—as has already been mentioned—they tend to exploit heat more, which provides an additional revenue stream that they can use to offset the charge at the front-end, the gate fee, and also, because a lot of these things have been publicly financed, they are not having to make debt repayments on these things. That also enables them to offer very competitive rates.

Q47 Jim Fitzpatrick: Sorry, I am not clear. Are we paying them to take it away and deal with it or are they paying us because it is a valuable resource that they can extract more value from than we can?

Jacob Hayler: To call it export of refuse-derived fuel is slightly misleading. It is more the import of waste services. So, we are paying them.

Jim Fitzpatrick: We are paying them.

Chair: I am sure we will have the opportunity to question further witnesses on this.

Steve Lee: Can I just explore the question more broadly? Were you talking specifically about the exports from England of refuse-derived fuel, or exports from England of secondary recyclates in general?

Chair: I wish I knew the answer to that. I will do a little bit of research before I ask the question again.

Steve Lee: Because there is no doubt about it that this country does depend on being able to export its recyclates.

Q48 Chair: I am thinking of ghost ships at one stage. The dismantling of toxic waste is one issue that was around a number of years ago.

Steve Lee: Yes, they were American ships coming into the UK to be dismantled. There are far more ships that go elsewhere in the world.

Q49 Chair: I am thinking of the Hartlepool by-election, where it was actually quite a big money-earner. I have just a couple of other questions, if I can. We have received evidence from a colleague, Sir Alan Beith, who had a major fire in his constituency, and I think that was down to waste carpets. I know that there is a great concern about the disposal of wood and other building materials. Wood and carpets are combustible materials. We have had a second fire in my own constituency in a major waste depot. How are we looking to reduce the amount of stockpiling of these combustible materials to create a market in them so we can dispose of them? Is that something that you can help with?

Steve Lee: Yes; it is an important topic. You will find that the industry has been addressing it through its trade associations. CIWM have been working closely with the Environment Agency on the cause of fires, the management of fires when they happen, and the prevention of fires when they are being managed. We were worried by the number of reported fires at waste treatment plans that were turning up.

Q50 Chair: Can we just address the point that I have put to you? If these waste facilities are retaining for too long combustible materials like wood and carpets, how can we move the process along so actually we are getting rid of these? I understand that wood—particularly if it has been in a window-frame—is one of the most difficult materials to dispose of.

Steve Lee: The first thing you want to do is stimulate the market so that it wants to pull the materials back out of the reprocessing industry. The regulators have got a really important role to play, here. There are limits on what can be stored at a reprocessing facility for very good reasons, and we have to make sure that they do not become over-filled. There are good housekeeping things that you can do: separating Material X from Material Y; storing it in a particular way so, if you do have a problem, you can react to it immediately; and whether you have sprinkler systems, etc. This is all good housekeeping practice. There are a number of things you can do to help.

Q51 Chair: But there is no immediate market to move them into?

Steve Lee: If there is not an immediate market, that does cause a problem.

Chair: I think, with Mr Spencer, you said there probably was not for wood.

Steve Lee: Wood is really quite popular.

Q52 Chair: What about window-frames?

Steve Lee: All sorts of wood waste, from construction sites, demolition sites, and furniture manufacture has a good value. It is chipped and turned into either chipboard or fibreboard, low-grade pallets, or whatever have you. There is a good, strong demand for it. My point was that wood is not going to landfill in anything like the quantities that it used to when I first came into this industry.

Q53 Chair: If you were able to make one recommendation as part of this inquiry to Defra, what would your one recommendation be?

Steve Lee: I would go back into CIWM's favourite corner and say that this industry is desperate for data, information, and forecasting such that we can turn that into

demonstration of the need for services and infrastructure. At the moment, we are an industry that is drowning in numbers, none of which adds up to information.

Phil Barton: We would very much call for a clear cross-governmental lead, as we have talked about before, to recognise the value of resources and recognise the fact that we have to bring all the different sectors together if we are going to get recycling moving and move towards sharing, repair, and a re-use economy and so on. That initiative needs to be bringing everybody together, and then developing common messaging and common approaches.

Q54 Chair: And a reward for the community?

Phil Barton: A national framework within which local action can take place, yes.

Jacob Hayler: I would say: create the right conditions for investment, because we need a lot of investment; clear and consistent rules; changes signalled well in advance; and, importantly, enforcement of the rules. We have not mentioned waste crime, but it is very important that the legitimate industry is able to invest with certainty that any rules are enforced, and that comes back to the fires issue. The Environment Agency should be enforcing permit conditions and preventing some of the stockpiling that is taking place.

Chair: Thank you. Mr Hayler, Mr Barton, Mr Lee, thank you for being so generous with your time and answering all our questions. We are very grateful for your contribution to the inquiry. We stand adjourned.