

Housing, Communities and Local Government Committee

Oral evidence: Implications of Waste Strategy for Local Authorities, HC 2071

Monday 20 May 2019

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Members present: Mr Clive Betts (Chair); Bob Blackman; Mr Tanmanjeet Singh Dhesi; John Grogan; Helen Hayes; Andrew Lewer; Mr Mark Prisk; Mary Robinson; Matt Western.

Questions 1 - 98

Witnesses

I: Professor Nicky Gregson, University of Durham; Dr Sherilyn MacGregor, Sustainable Consumption Institute, University of Manchester; Dr Marcus Gover, Chief Executive, Waste and Resources Action Programme (WRAP).

II: Jacob Hayler, Executive Director, Environmental Services Association; Martin Curtois, External Affairs Director, Veolia; Jeremy Jacobs, Technical Director, Renewable Energy Association.

Examination of Witnesses

Witnesses: Professor Nicky Gregson, Dr Sherilyn MacGregor and Dr Marcus Gover.

Chair: Good afternoon. Thank you for joining us this afternoon. Welcome to the first evidence session of our inquiry into the implications of the waste strategy for local authorities. Before we go over to you, I will ask members of the Committee to put on record any interests they have that may be relevant to this inquiry. I am a vice-president of the Local Government Association.

Helen Hayes: I am also a vice-president of the Local Government Association, and I employ a councillor in my staff team.

Matt Western: I employ a councillor in my team.

Bob Blackman: I am a vice-president of the LGA, and I employ a



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councillor in my team.

Mary Robinson: I also employ a councillor in my team.

Andrew Lewer: I am a vice-president of the LGA.

Q1 **Chair:** Thank you for joining us. To begin with, for the Committee's benefit, could you go down the table and say who you are and the organisation you are representing today?

Dr MacGregor: I am Sherilyn MacGregor. I am with the Sustainable Consumption Institute at the University of Manchester.

Professor Gregson: I am Nicky Gregson. I work for the geography department at Durham University.

Dr Gover: I am Marcus Gover from WRAP, the Waste and Resources Action Programme.

Q2 **Chair:** Thank you very much. We will come to some of the details of what happens now and what is proposed for the future, but just to kick off could you summarise what your concerns are about how waste collection operates at present? Let us have a brief comment from each of you to begin with.

Dr MacGregor: From the perspective of local authorities?

Chair: Yes, or the consumers as well, of course.

Dr MacGregor: I would come at it from the perspective of the householder—the citizen-consumer. Some of the main issues that citizen-consumers have raised over the years with waste collection and recycling are to do with consistency of service, the ease with which the service is provided, and understanding how and why recycling and various forms of waste collection are happening.

Professor Gregson: My concerns are more to do with how collection systems relate to contractual systems, and particularly how this strategy sits with previous strategies and the infrastructure that we have assembled to accord with the previous strategies.

Dr Gover: The first thing you have to do is recognise how far we have come and how much success there is, before you start talking about the challenges. In the last 20 years, recycling has moved a long way. A lot of that is down to local authorities and how they have changed collection systems. Whatever we say, we should start by recognising, and congratulating them on, how far we have come.

When we talk to householders and citizens, and ask them, "Why do you not recycle?", there are two top reasons they give. First, they do not have a particular service in place, so they cannot, and, secondly, they are confused by the recycling service. Those are the two things that we should be looking to address. That is what was behind the framework for greater consistency we did collectively in 2016 with a group of people,



including the LGA. It is also what is behind some of the resources and waste strategy now.

Q3 Chair: We will come on to all those points around consistency, standardisation and contractual arrangements in specific questions. Coming on to the last point Dr Gover raised about the new proposals, briefly, how do they, in essence, deal with the main problems? We will come on to more detail.

Dr Gover: A more consistent, simpler service for the householder helps. I live in south Oxfordshire. South Oxfordshire District Council and Vale of White Horse have combined together, and there is a single service provider to both district councils. I live in Didcot, which is served by both councils; there are particular places, especially new developments, where one side of the street will be one council and one side will be the other, but because they have come together, a single service is provided. Everyone has exactly the same service, a comprehensive service with food waste collections, in line with the proposals of the consistency framework. That has allowed the councils to provide a better service to householders and to save money, but also to have some of the highest recycling rates in the country. They are both in the top 10, and in fact my one—South Oxfordshire—has a 63% recycling rate. That is an example of how greater consistency can help to drive and support greater recycling, and that is what is in the resources and waste strategy.

Professor Gregson: The important thing about the new waste strategy is its positioning within a transition towards a circular economy. One of the questions we need to ask ourselves, with this infrastructure that we have assembled now, which is very much about diverting material from waste, is how easy or how difficult it is to move that infrastructure from this to something that is more accordant with the principles of a circular economy. How possible is it to do that in very constrained financial circumstances for local authorities?

Q4 Chair: It is about not just the strategy as it is, but where it may take us.

Professor Gregson: It is where it is seeking to go. It is very clear that it is a transition towards, or is aspirational towards, a circular economy.

Dr MacGregor: One of the strengths of this strategy is that, perhaps unlike other strategies, such as the litter strategy, which focuses very much on changing individual behaviour, it is quite good in trying to think about the individual, the social and the material, how partnerships can be created, and how networks and different kinds of relationships can be created between individuals, the service providers and the infrastructure, both soft and hard, recognising that it is not just about individual behaviour change. That is a framework that has dominated policy for too long, particularly around waste.

One thing that the strategy should try to do a little better is to think about diversity, both rural and urban, and within cities. There is a real



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challenge around different types of consumers and different types of households, and how they interact with the service. One-size-fits-all services will not work.

Q5 **Chair:** We may well pick that up when we look at standardisation and see whether there may be some differences or conflicts there. We will come on to that.

Finally, before we move on to the issue of finance, which Andrew will lead into, there is a great deal of influence on the strategy from WRAP, Dr Gover. Does the fact that DEFRA funds you in large part mean that you are almost bound to tell them what they want to hear? Is it a cosy relationship?

Dr Gover: On the topic we are talking about today, such as the consistency, we published all the data that they relied on back in 2016. We did a lot of work back then, together with people from across the industry, including local authorities, so that was a joint, co-created piece of work.

In terms of how we work for DEFRA, we are delivery partners for DEFRA, so we work closely with them. That is providing data and evidence to support their policies. We pride ourselves on being about the evidence, not providing whatever evidence somebody wants to hear. As you know, the strategy and evidence was all done to Treasury standards. The work that we did originally in 2016 was very well peer-reviewed. Yes, we are funded by them; we would not be able to do the work otherwise, but that does not mean we just tell anybody we work for what they want to hear.

Q6 **Andrew Lewer:** Do you think local authorities should be concerned about the financial implications of implementing the Government's waste strategy?

Dr MacGregor: Yes, they definitely should. The strategy, as Nicky said, has a very high aspiration, but I do not see in the strategy a very clear sense of how it will be paid for. A lot of the questions around sanitisation will cost a lot of money.

Professor Gregson: It is worth highlighting that, as far as I can see—correct me if I am wrong—at least six additional demands are being made on local authorities through the strategy. One is the obvious one of changes to methods of collection of materials for many local authorities to bring about standardisation. The second is the introduction of weekly food waste collections, and most local authorities do not do that currently. The third will be to design the infrastructure necessary to sustain that. Fourthly, there is a real effort to uplift the reuse component through household waste recycling centres, which is another cost. Then there is the potential to introduce DRS, some of which might be in public spaces. The final one is free garden waste collection. Have I missed anything? That is what is being asked. It is a big uplift for the majority of local authorities.



Dr Gover: In the current times, local authorities need to be very concerned about financial matters. In terms of the proposals in the strategy for more consistent collections, there are a number of ways that those costs are proposed to be met, and it says very clearly that additional burdens would be covered. The first relates to packaging materials, where the new extended producer responsibility approach should provide the full cost of collecting that recyclable material. That is in there as a proposal for doing it.

In terms of food waste specifically, it says very clearly in the strategy that new statutory responsibilities for local government would be subject to an assessment of new burdens, so there is a commitment in there to cover any additional cost that there is.

In terms of some of the issues that might still be there, how will the funding be distributed to different approaches that are taken? There are proposals in there about looking at different ruralities of local authority. There is quite a bit in there to be worked out still, and there are more consultations to come in that space, but there is a very strong commitment that there would not be new burdens for local authorities as part of this.

Q7 Andrew Lewer: You have just touched on rural and urban. I wonder if you could explore what some of the differences between rural and urban are likely to be.

Dr Gover: Yes. Collecting from flats, for example, in a city centre area is a different challenge to collecting from a much more rural area with much more distributed properties. Both have different potential costs, one from the challenge of communal waste services, and the other perhaps from longer distances between the collection points. You need to consider both of them and others between the two. We would assume that any model that looked at how cost would be distributed would have to take that into account. If a local authority was not operating as optimally as possible, it probably would not be reasonable to expect business to pay for that. The EPR proposals are for business to pay, so if you are a business, you would expect the service to be operated as optimally as possible. In principle, with different costs, there should be allowance for those different factors going on.

Q8 Andrew Lewer: How do you think the model will take into account the fact that some authorities are already better than others? Additional costs will be different for different authorities, but it would be wrong for authorities to be penalised for already having done the right thing or being better at this than others are. I am just thinking back a long time now to my early days as a district councillor, when the Government set some sort of target for an increase in performance. If you were already recycling at a higher rate, it cost you a lot more to increase it by 10% than if you were doing next to nothing, when you basically turned up and put someone's bottles in the back of a van, and you already got the 10% improvement. How are they going to account for the different levels of



performance now, even within a rural-urban matrix?

Dr Gover: If you look at the proposals, one approach to consistency is to all collect the same materials. That is not really saying whether you are X% or Y%; it is about all moving to that position. You would expect there to be some assessment of what it should cost to do that, and there to be support provided on that basis. I do not really see this as so much about whether you are going from this percentage to that percentage, but about the level of service and standard of service that you are providing.

Q9 **Andrew Lewer:** You have just touched upon this extended producer responsibility. The Government are suggesting that the funding from that will cover it. Do you think that is true? Do you think it is dependable long term? What are the risks within that mechanism in terms of covering the costs?

Dr Gover: I would say that, yes, it is dependable. Under the proposals, those businesses that put the packaging on to the market will be required to pay the full cost of recovering that packaging. Yes, I would expect that to be there. The current system has been running for more than 20 years and operating in the way it does fairly well. I would expect a future system to be designed and to operate fairly well too.

Dr MacGregor: From what I understand, it is important to ensure a sustainable market for recycling. One of the concerns that local authorities should have is that they need to invest sooner, rather than thinking about how markets change longer term.

Q10 **Mary Robinson:** Having served as a local borough councillor, I know that councils tend to want to do the best in these terms and want to help their local residents recycle as much as they possibly can. I will declare a bit of an interest because I also represent a constituency in the Stockport Council area. Stockport Council has submitted some figures. I am interested in how this burden will be offset, particularly when I look at the Stockport figures, which seem to suggest that, for a six dry-recycling receptacle option, there will be a £21 million cost in the first year, and that for the three dry-recycling option, there will be a £10 million cost in the first year, with ongoing costs of over £7 million or £3 million-plus for either of those. That is quite substantial for even a metropolitan borough council to offset. Is it realistic to expect them to do this?

Professor Gregson: Personally, I would think not, and I would say those costs are probably realistic.

Dr MacGregor: It does not sound realistic to me. I have heard that Manchester City Council is also extremely worried about the cost implications and has not seen an answer for how this is meant to be covered, especially in the context of the last 10 years and cuts to local authority budgets.

Dr Gover: As I was saying, for packaging materials, the producer responsibility needs to cover the full cost, and that is the way the system



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will be designed. You would expect all local authorities, as they bring their services into the consistent approach, to be making the best savings they could from those approaches, and that would be the basis for funding the costs. There will be some changeover costs, and that is to be expected, as you said.

I do not know the detail of that particular council, so I cannot comment on those particular ones, but we would expect the overall costs to not be so high. If you look at the actual financial analysis, you see that that is the case when you look at the whole picture. Of course, there are winners and losers in that.

If the recycling rates are not reached, there will be higher and higher landfill costs. That is a risk that local authorities face. If we do not reach the higher recycling rates, the landfill costs of the residual will be a factor in there.

Q11 Chair: I had to scratch my head several times when I looked at the figures that the Department produced. I thought, "Is this not going to cost local authorities money?" They seem to be saying, particularly if you move eventually to the multi-stream dry recycling, that you make £2.5 billion of savings, although there are upfront transition costs. Does anyone believe those figures, apart from the Department?

Dr Gover: They are not really inconsistent with the work we did before in 2016 when we looked at it. The different approaches to taking the collection have different cost bases to them and, with the food waste collection included, the multi-stream approach is considerably less than the other ones. Some of that is because the vehicles are simpler. For instance, a multi-stream collection vehicle can include the food waste on the same vehicle. It is a much lighter and cheaper vehicle that uses much less fuel, so there are quite a few running cost savings in that approach.

Q12 Chair: You believe the figures.

Dr Gover: Yes, I believe the figures.

Q13 Chair: Does anybody else believe them?

Professor Gregson: No.

Q14 Chair: No. Can you say why?

Professor Gregson: The history of this infrastructure is that the cost estimates have been rapidly exceeded on the ground. The cost of running these particular contracts has been far more than was anticipated.

Dr MacGregor: I have not looked at them in great detail, so I will defer.

Q15 Bob Blackman: This is a quick follow-up. One of the experiences, certainly in London, is that virtually no recycling collections take place from flats. With multi-stream recycling, presumably, these cost savings could come from that recycling taking place back at a depot or somewhere, and the recycling would actually take place, as opposed to



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just going to landfill. Is that your understanding?

Professor Gregson: I am not sure I have an understanding of how flats recycling is supposed to take place from this strategy.

Bob Blackman: The answer is that it does not.

Professor Gregson: I know it does not, but I mean in terms of the proposal. I have an understanding that there is a desire to get to a standardised approach, but there is no fill-in of the detail of how one might get there.

Dr Gover: If quality materials are collected for recycling, which is what the proposals would result in, those materials will have the greatest value. If you have materials with value—plastic bottles, for instance, are quite a high-value product, and aluminium is a very-high value product—it would be crazy to not sell those for recycling, and rather to pay £100-plus per tonne to dispose of them to landfill. Yes, I believe that they would be recycled if they are collected in a way that gives high quality. As you say, at the moment, the collection rates are much lower from some of these areas. If materials are collected in a way that delivers quality, yes, they should be recycled. I believe you are hearing from some of the people who operate the services after this, and they should be able to add to that.

Chair: We can probably pursue this issue of flats and the standardisation point in a later question as well.

Q16 **Mr Prisk:** How confident are you that what is in the waste strategy will deliver the proposed recycling rates: 50% by next year, and 65% by 2035? Perhaps I will start with Dr MacGregor.

Dr MacGregor: First, we need to not just focus on recycling rates. Recycling is not the best option. Recycling can go against what the strategy is asking for, which is to be more efficient and to reduce the amount of material and resources being used. Recycling can be less efficient. That is the first thing to say: recycling is part of the problem.

Secondly, the strategy is not necessarily putting in place the kinds of things that are needed to overcome the barriers to enabling greater recycling. That has to do with putting more supportive infrastructure in place for people to engage with recycling. That is not just about more information but about things even to do with the physical infrastructure and the physical design of homes and flats. These things have not been mentioned in the strategy.

Thinking about how to create trust in the system is a big thing. There has been a lot of concern from some citizens that recycling is happening in a very asymmetrical way and that things are expected of certain citizens but not others. There is a lot that needs to be done to build the relationship of trust between councils, businesses and citizens to improve recycling rates. I do not see that reflected in the strategy.



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Mr Prisk: So you are not very confident.

Dr MacGregor: I am not.

Professor Gregson: I have three main areas of concern. The first is with those local authorities, of which there are a large number—84—with a recycling rate of less than 35% currently. That is roughly a quarter. It would be challenging for those to reach a target of 50% in a year.

Secondly, there is quite a distinctive geographical pattern emerging around these rates, with particular regions being good and others less so. I have a table here that I could submit as further evidence. The south-west has a lot of leading examples of recycling practice. DEFRA will often cite cases like East Hams and places like that. The average recycling rate there is 52%. Compare that to the north-east, where I am from, where it is 33%. There is going to be a particular regional effect here on how this strategy works out.

My third point is to do with the fact that we can get a little overly focused on attaching particular rates to particular areas and lose sight of the fact that rates are also a function of KPIs in contracts. We might want to explore further the extent to which either contracts are working to performance levels, in which case some of them are not very high performance levels, or they are not performing to contract level and the local authority is carrying the can.

Those are my three concerns. It is extremely ambitious and laudable to be aiming for 65%—do not get me wrong—but a majority of councils will struggle to get anywhere near there.

Q17 **Mr Prisk:** Within your dataset, you talk about the 84 and the distinction between the regions. Are there similar councils in close locality to one another where there are sharp distinctions?

Professor Gregson: Yes, you would find that. For example, even in the south-west, which is given as a good regional example, you still have councils with 21%. Inner London is an absolute classic; nothing is above 35%. The burden of this strategy on certain areas is going to be much higher than on others.

Q18 **Mr Prisk:** Are there any clear and common indicators as to why some areas are failing on recycling levels?

Professor Gregson: Marcus referred to some of this earlier. There is a strong relationship between type of housing, dwelling structure and the recycling rate. In short, the denser and more urban the environment, the lower the rate. Some of this is about the urban built form. The strategy does not say much about this, but how could you design into housing infrastructure the capacity to recycle, rather than impose it from the outside, with a service provided by a local authority?



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Dr Gover: I just want to pick up on a couple of points. The first is about preventing waste in the first place. That has to be the most important thing, so it is really good that we brought that up there. At WRAP, we would always advocate for preventing food waste. It is such an important and valuable product, and so much carbon emission has gone into producing it, so we should certainly be preventing the waste first. It is also good to hear about designing buildings to make them better for recycling. There is a lot to be said for that too.

The question was whether we can get to 50% and 65%. If we do not embrace some of these proposals, we will certainly not be able to get there. To get to 50% by 2020 is quite challenging. A lot of these measures will not come in before then, so they are not really going to be aimed at producing that. Is it possible to get to 65% by 2035? My own local authority is at 63% so, yes, it is possible. In Wales, it is currently 62%, so it is possible to get there, but the assumption is that not all local authorities will be the same. Some will be higher and some will be lower, as now. Although the highest ones are in the high 60s, the lowest ones are much lower at the moment.

Professor Gregson: Yes, 14%.

Dr Gover: You would expect a spread again, with different areas being able to do better or worse. The proposal as put should add quite a bit to recycling. The consistency itself is modelled to add 12%, for instance, to recycling from households, and then more from businesses, and we should not forget that business recycling is an important part of this too. Getting to 65% is not just from households but from businesses and municipal waste too. Both of those together, our modelling says, should be able to get there by 2035.

Q19 **Mr Prisk:** You mentioned your modelling. We had some written evidence that the analysis of the Government, which, as you said, is based on your estimates, is somewhat unrealistic. Indeed, there is scepticism on the panel today as well. How did you arrive at those estimates? Is it about the straight line graph or is it more than that?

Dr Gover: No, it is very involved. First, I am not the modelling specialist, but it is a very detailed approach that looks at a collection round and what is possible, how efficient it is, and the utilisation of the system by the householder. Communications, for instance, are a vital part of this. You need the householder to use the service, as well as for the service to be provided. It is quite a complicated set of modelling.

We have teams of people who specialise in doing this. We validate the models. There are complex regression analyses run against them. I would say, yes, they are quite good, but a model is only ever a model. A model does not necessarily predict the future; it tests some assumptions and talks about what could be possible.

Q20 **Mr Prisk:** The LGA expressed a degree of neutrality over the numbers



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because it said it had not been involved in their production and so on, and it suggested that it would be really helpful if you were able to share those datasets. Will you do that?

Dr Gover: Most of the work is based on the work we did back in 2016, and that has all been published, so that modelling is there. In terms of work we do directly for DEFRA, we are providing a service to DEFRA in doing that. It is really about asking them to share rather than us to share. It is not for us to share work that we have done specifically for them. That is for them.

Q21 **Mr Prisk:** Are you saying that, because DEFRA is the client, it has to make that decision?

Dr Gover: If I have done some work for DEFRA as a client, really it is for DEFRA to share it.

Mr Prisk: We will be seeing the Minister, and that may be something we want to pursue.

Dr Gover: As I said, most of what it was based on has already been published in the work we did back in 2016, so you can see a lot of that work there.

Q22 **Bob Blackman:** I want to get the stats here absolutely correct. The area I represent has seen a 40% increase in population in the last 15 years, yet the amount of refuse collected has actually reduced by 25%. Are we measuring the right thing here? If we are reducing the amount of waste going into the system, or preventing it from coming into the system, should we be measuring that as well as how much is recycled?

Professor Gregson: DEFRA looked at this back in 2013 or something like that. Yes, ideally we would like to be able to measure waste prevention, but it is very difficult to measure it.

Q23 **Bob Blackman:** Surely waste collection authorities have data on the tonnage they have collected.

Professor Gregson: They have on the tonnage they have collected, but not on waste prevention—the stuff that does not actually enter that stream. I can remember a body of work that DEFRA commissioned that was looking at how much stuff is going via eBay, for example, or how much stuff is going via social networks, clubs and so forth. Classically, this is the reuse market, and it is really hard to estimate that. What you often have there is a financial value that you are trying to convert into a weight target. It is just a real mess, frankly, to try to come up with an answer.

Dr MacGregor: I have also read that, if waste goes down, it could be because consumption has gone down due to lower amounts of money in the pocket. People are not buying as much and therefore not wasting as much.



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Professor Gregson: What we are measuring is diversion from waste, and that comes from the Waste Strategy 2000. There are a lot of question marks about how accurate that data is, but it is the data we have. It is almost as though we are trying to measure something else that is missing. That is very hard to do.

Dr Gover: Measuring waste prevention is difficult and also important. Your question was around whether we should be measuring residual waste as well as the recycling. I would say, yes, that is quite important. There has been a lot of success in reducing that residual and reducing waste, as you have said. In fact, as part of the EPR consultation, the payment mechanism could depend on the amount left, the residual. That will want to be measured to be able to do that so, yes, there is something about measuring residual and measuring recycling.

Q24 **Bob Blackman:** Dr MacGregor, your written submission talks about having higher rates of recycling if systems are consistent, reliable and easy for consumers to access. What are the practical implications of that?

Dr MacGregor: All the research would support that those are the three important features of any system. This goes to standardisation. Do you want to move to that?

Bob Blackman: We will come back to standardisation.

Dr MacGregor: This has to do with one of the things we were talking about before—the difference in areas around recycling. Housing type is one thing, but transience and people moving around is a big issue. That is a major barrier for people to uptake recycling and to know which bins to use, basically, and what is being collected in different areas. That kind of consistency across areas is very important.

Ease of use has to do with the design of the bins, the siting of bins and ease of use for various types of households, and whether it fits the particular household consumption and waste patterns. There is everything from whether you can physically take the bin to the kerb to whether you can open the lid. I have been doing research recently in Manchester, where there are communal bins in the alleyways, and it is a major deterrent to being able to use the bin system, because people cannot even physically lift the bins.

Bob Blackman: It is about the size of bins.

Dr MacGregor: Yes. Consistency, convenience, ease of use and reliability are important. Again, the evidence I have had from people, which is very qualitative, is that people try to use the food waste system but get confused about when it is being collected. When it is not weekly, confusion can arise over the consistency and reliability. That can end up with people basically giving up and not participating.

Q25 **Bob Blackman:** Yes. Are there any proposals in the waste strategy that may actually reduce recycling levels? One of the things is residual waste



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collection every couple of weeks and multi-stream dry recycling. Is that something that could impact?

Dr MacGregor: The number of bins, and the number of bins that people have to manage in their homes, would be a detrimental change. The evidence is that people would rather have one bin or fewer bins that they can manage in their households, instead of several different bins cluttering up the front garden, the back garden or their house. That may be an issue to look at.

Q26 **Bob Blackman:** Some people are talking about reducing the size of bins to actually concentrate people's minds.

Dr MacGregor: Reducing the size of bins can also have unintended consequences, which in urban areas can lead to ghost dumping. Have you heard of that?

Bob Blackman: Yes.

Dr MacGregor: Side waste might increase. It is a nice idea to be able to nudge people into not producing as much waste by having a smaller residual waste bin, but the knock-on effects and unintended consequences are serious for local authorities.

Q27 **Matt Western:** What is ghost dumping?

Dr Gover: Fly-tipping.

Dr MacGregor: It is not the same as fly-tipping. When someone's bin is not full, somebody else puts things in their bin. It is using up the space in someone else's bins.

Q28 **Chair:** I want to come back to the point you raised there about people having the desire for a smaller number of receptacles and bins rather than more. I am just trying to work this out, based on the proposal. If we have this multi-stream dry recycling, that will mean one bin for glass, one for plastics and one for paper and cardboard. Then we have a bin for green waste, one for food waste and one for residual. That is six bins.

Professor Gregson: Six bins to accommodate, yes.

Q29 **Chair:** If you have a detached house, you might manage them. If you have a small terraced house or a flat, putting two bins out is a problem, let alone six. Is that what has actually been said? Six bins?

Dr Gover: The proposal is for four bins, five bins or six bins. Those are the proposals.

Professor Gregson: Even four in a flat is challenging.

Dr Gover: One of those is for garden waste, of course, which you are unlikely to have if you live in a flat.

Chair: But a terraced house may have a garden.



Dr Gover: It does not necessarily have to be bins; it could also be sacks. It is possible to design the systems to work for different environments. If it was a flat, for instance, it would be a communal system, not an individual system, but still into those different streams. I have not seen any evidence that says that people want a single bin. I do not know if you have seen evidence.

Dr MacGregor: The mixing of recyclables is preferred in some research.

Dr Gover: We have done research, and that has not been one of the key factors.

Q30 **Chair:** Is there a difference here then?

Dr MacGregor: There is a lot of different research about this issue, and it has to do with different ways of thinking about behaviour, qualitative versus quantitative research, and different pilot schemes. It is very difficult to have a really clear view about which would work best, because there is contradictory evidence in there.

Dr Gover: There are some factors that we know certainly help with recycling. For instance, you need enough volume for the recycle, which means the bins have to be big enough to collect the recycling. As you recycle more and more, you actually need much less for the residual bin. If you are recycling food waste as well, food might be a quarter of the average residual bin, for instance. If that is now being collected weekly and taken away, the need for the bin gets smaller and smaller. We know that the smaller bin encourages people to recycle. If you did not follow the proposals through to restrict the residual bin, that could reduce recycling. That is a possibility.

There are also proposals in there about where you measure recycling, moving it from the point of collection to the point of recycling. That could bring out some differences. We might find that there are some rejects from the current collection system that we are measuring at the moment that we will not measure in the future. That is right; we should be measuring what is recycled.

Q31 **Mary Robinson:** A number of councils have contracts already in operation, with different targets and different lengths still to run on them. If the Government are to meet the recycling targets that are set out in the waste strategy, will these existing waste management contracts need to be renegotiated?

Professor Gregson: I have done quite a bit of recent work with Dr Pete Forman, who is now at Lancaster University, and who has done some excellent data collection on this and has compiled a dataset. There are south of 700 active contracts at the moment, which fall into three broad categories. I have a graph of this that I can also share, if that is appropriate. There are a large number of very short contracts that are probably in the one to three-year range. Then there is a second medium category, and "medium" here would mean anything from eight to 14



years. A lot of those contracts are around dry recyclables and the type of stuff we have been talking about that goes into these multi-stream bins. Then there is a third category of long contracts, where “long” means 25 to 30 years. Of these three categories, I would say that the areas of concern would be the second and third. We have a lot of these contracts, the long contracts particularly, that are not due to end until 2030 or 2040. They are long, and we are talking about very long political horizons as well here.

Some of these contracts appear to have review dates, but many, quite concerningly, do not. Some authorities might find themselves in a position where they have to wait for the review date before they can even begin to do something, or else they will be breaking the contract. A key consideration, which it may be possible to find out more about later this afternoon, is what appetite there is for contract renegotiation among the major service providers such as Veolia and Suez.

There is also a sense that the market has changed dramatically with what has gone on with respect to China and the global export market in recyclates, which means that there may be more appetite for renegotiation. Previously, the preference was for long contracts, given the way that volatility could be managed over a longer contract, and there may be some appetite for moving to something shorter. There will probably be a reattribution of the risk profile that would come along with that. Whether the local authorities can take on more of the risk is an open question.

A final concern I have in this regard would be the financial flexibility of those long contracts. They will have been financed using particular types of finance, which will assume long-term investment. How open to breaking are these particular contracts?

Q32 Mary Robinson: Would it be your view that they are not going to be renegotiated or that they will need to be?

Professor Gregson: They need to be renegotiated to meet the strategy, but there are going to be difficulties for some local authorities in even beginning to renegotiate, because of the terms of those contracts.

Mary Robinson: Some of them will have been set on lower recycling rates.

Professor Gregson: Absolutely. This is why I mentioned Waste Strategy 2000. In that, and certainly with respect to the PFI arrangements that informed energy from waste contracts, the recycling rates were set at what was then a standard of 35% in 2010, moving to 45% in 2015. It was supposedly a condition of those contracts and the PFI awards that they were able to meet those recycling rates. We have several examples of PFI contracts where local authorities are certainly not performing at that rate. This is why I have these reservations.

Mary Robinson: It is a widespread problem.



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Professor Gregson: It is a widespread problem. You could not say it is any one neighbourhood or any one area, but certainly those areas that have engaged in energy from waste through PFI payments are going to face these sorts of challenges.

Q33 **Mary Robinson:** Looking at that and at the geographical differences in recycling rates, how will this inform the implementation of the Government's waste strategy, and should it? Should they be looking more widely at all these things?

Professor Gregson: There should be a recognition of the differentiation between local authorities and the geographical differences. Currently, that is not recognised very strongly in the strategy.

Dr Gover: When we did the modelling, because we know when each local authority contract comes up for renewal, we modelled that into how quickly the change might take place, assuming that change happened when contracts came to their end. The sort of figures you have seen presented take that into account. If you are thinking about consistency of materials, which means changing to a consistent set of materials, that is not such a huge change for some of those contracts, so that should not be too hard to renegotiate into some of those contracts. But, as you were just saying, some of the long-term contracts, which are PFI contracts, could be more difficult.

What is important is that the follow-on consultation on minimum service standards happens quickly so that local authorities know what is coming and can move quickly as contracts come up for change. The faster we can know what is coming and react to it, the better.

Q34 **Mary Robinson:** Is it the case that the figures of the long-term contracts up to 2040 have been taken into account and that you have been modelling those figures, so it should not be the issue that perhaps has been highlighted?

Dr Gover: When we have worked out the costs and the possibilities, we have modelled those into it. If you were to change some of those, maybe you could go further more quickly. A lot of PFI contracts will be energy from waste and so on, so will not directly affect changing materials into the recycling collections, but it does all fit together. Those are the areas, perhaps, where you might need a bit more work, but we know where they are.

Q35 **Mr Prisk:** Is there any evidence of good practice, particularly around flats and blocks of apartments, that you could cite? It seems clear from what you have all been saying that there are authorities with more dispersed geographical areas where the rates are high in recycling terms, and that the geographical challenge is around those urban areas that have a large proportion of flats. Is there any good exemplar that you can think of at the moment where they have actually managed to get those rates up, or is it a complete desert?



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Professor Gregson: In this country, no.

Mr Prisk: We are happy to take foreign examples.

Professor Gregson: I can remember an example where I was touring round a Swedish social housing complex. They have a different approach there. I was taken to something called a recycling punkt that is positioned near neighbourhood blocks and where there are clear container bin arrangements, completely separated from the housing infrastructure, where residents go to put their recycling.

Mr Prisk: Yes, many French towns also have that.

Professor Gregson: Exactly. In this country we are focused on putting the infrastructure into the house and not necessarily into the neighbourhood. There are lessons there from our continental European neighbours on how we might think about doing that differently.

Q36 **John Grogan:** I just want to clarify my understanding of the long-term PFI contracts, which are essentially energy from waste and incineration contracts. Are you saying that, because they are so long term, you cannot change and you cannot get increased recycling rates? Was Brighton not complaining, for instance—I think it was Veolia, but I might be wrong—that it was locked into this long-term contract so could not recycle more?

Professor Gregson: Brighton's evidence was quite insightful in this. They are basically saying that the financialisation of that contract means that they cannot change the contract and that the contract was performing to the appropriate recycling rate. That evidence was submitted to DEFRA in response to a letter.

Q37 **John Grogan:** In terms of the waste strategy, is there an argument not to have any more incinerators? Do we have enough? We have 44. Is it true that the areas with the most incinerators have the least recycling?

Professor Gregson: Yes, there is a distinct trade-off. The areas with higher levels of incineration have the lowest recycling rates.

Dr Gover: It should not have to follow that that is the case, of course. They are both part of the solution.

John Grogan: But it is true, is it not?

Dr Gover: As we recycle more and more, there is less we need to dispose of.

There was a question about good examples of flats. There are a couple. In Italy, Milan has a very successful collection system from flats. That is a multi-stream system so every material is collected separately, and food waste is collected separately as well. It is not once a week but every couple of days because of the different climate. They changed their recycling rate from less than 30% to over 50% in quite a short period of time through that. I went to visit that when I was there once, and saw it



in operation at 7 o'clock in the morning around the streets of Milan. It is a very efficient system, collecting from every flat where somebody had put everything out from the flat on to the street. I thought, "I have never seen such beautifully arranged bins out on the street in the morning."

Another good example is actually in London. Resource London is a joint venture between WRAP and the London Waste and Recycling Board. We are also doing some work with the Peabody Housing Association to look at how we can increase recycling from flats. Some very good work is happening there, which looks very promising. My colleagues from Resource London have done some great work there. We can certainly share some information from that with you.

Q38 Matt Western: I was fortunate enough to go to a local primary school, Bishops Tachbrook, on Friday. They really impressed me because in their reception area they had a cardboard receptacle for pens and other materials so that all the schoolkids could just drop off their stuff in the reception area. It made me think, "Why are we not doing that in blocks of flats?" It could be a similar approach, where, in the communal space, there is a pride in collecting this stuff. That is just a thought.

One thing I want to touch on before I come to consistency and standardisation is about what role, say, shops and supermarkets have to play and whether you would welcome consumers leaving materials in the store itself. Rather than collecting this stuff at home, sorting it and then having it taken away, you leave it within the superstore, the electronics provider or whatever it is. What do you think about that? Germany was doing this 20 or 30 years ago, taking off packaging, and there were receptacles. Why are we not doing stuff like that?

Dr MacGregor: It would be better not to have the waste in the first place.

Professor Gregson: That is a better route, ideally. If you are talking about circular economy principles, there is a question mark, as I said earlier, as to whether local authorities are the appropriate responsible body for that when what is generating this is production and retail. To return it to that source does make more sense, but, of course, you would have to devise a very different infrastructure to do that, and whether the likes of Tesco and Sainsbury's would be so keen on that is an open question.

Matt Western: That would make the producer think a little more, and it would focus some minds on what sort of material should be used in the first instance, which might be important.

Professor Gregson: Exactly.

Dr Gover: That does already happen with electrical waste in takeback schemes. That is part of the current regulations for electrical goods. To go back to the shop is one route of doing that.



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Matt Western: That is European legislation.

Dr Gover: Yes, and UK requirements. In terms of packaging, we have done work with supermarkets around film recycling. You will see on some packaging that it says, "Please recycle carrier bags at your local store." The stores have set up collection points, exactly as you suggest, to collect carrier bags but also film. That is a material that is difficult to collect from the kerbside; it is a difficult material to handle, but there is quite a bit of it in the system. This is quite a good way to get it collected. Those trials and the work we have done have been quite successful, but we probably need to promote them further.

Professor Gregson: Marks & Spencer has also started to do this with respect to clothing—in-store clothing collections. You might want to hear more about that.

Q39 **Matt Western:** That is encouraging. Dr MacGregor, can I come to you on standardisation? In your written submission, you were saying that the greater the standardisation of waste services, the better. You alluded to some of this just a moment ago. It is about colours of bins and types of materials. Can you elaborate a bit more on that?

Dr MacGregor: It is about establishing a standard across areas, wards and parts of the country so that, when people move around, they know that blue means paper and green means organic waste, and it is standardised across the country. There is not a strong amount of evidence to say that colours promote better behaviour, but it is common sense to think that that lack of confusion will be important.

Q40 **Matt Western:** Will that bring down the cost of some of these boxes? I know that my constituents of Warwick and Leamington complain when they lose one, if it gets stolen off the street or goes missing, because they are quite expensive. We need to bring down the costs.

Dr MacGregor: Local authorities are very worried about having to standardise colours because right now they are not standard. The decision was made, however many years ago, not to tell local authorities that they had to have certain standard colours for certain types of materials, and that is embedded and has happened now. The question is whether you just accept that or whether it is important for central Government to say, "No, we need to start phasing in standard colours across the country." Again, moving from home to workplace to other public spaces within the country, it would reduce confusion if it was standard.

Q41 **Matt Western:** The LGA, I understand, does not support standardisation of waste collection systems. Likewise, the Local Authority Recycling Advisory Committee said that there were differences between the local authorities for good reason.



Dr MacGregor: Do you mean colours, though? I was talking about colours. Standardisation around different types of service is not what I was talking about.

Matt Western: I am talking about collection systems.

Dr MacGregor: Colours is one thing, but standardising could be problematic if it does not understand local specificities and different geographical specificities, in terms of what we were talking about earlier and the challenges in different areas. Standardising the colours and standardising the types of things that can be recycled would overcome the biggest barrier, which is confusion on the part of the consumer.

Q42 **Matt Western:** Can I just turn to garden waste collection? Do you think the Government should require local authorities to collect garden waste free of charge?

Professor Gregson: "Free of charge" means that those without gardens subsidise those with, so I am not supportive of that.

Dr MacGregor: I would rather see a charge for garden waste, and for that money to be put into food collection, to prioritise weekly food waste collection for every household.

Dr Gover: I would prefer to use the word "consistency" rather than "standardisation" because there are degrees of consistency. The first thing would be all local authorities collecting the same materials, and that would make a big difference for householders because, wherever you are, you know that you can recycle this and you cannot recycle this. It would make the labelling through the on-pack labelling scheme very simple too: it can be recycled or not recycled. A "check locally" label is really not very helpful. If we have "recyclable" and "not recyclable", it is very simple, and consistent materials will do that. That is the first bit of the proposal, which is probably the lowest-cost bit.

A high degree of consistency would be going for one of three different methods of collection, and that has come from looking at all the different methods out there and asking, "Which one will work where? What are the pros and cons?" and working together with a body of experts drawn from the industry, including LARAC and the LGA and asking, "How can we reduce them? We cannot get down to one, but how can we reduce them?" That came up with the three methods that are put into the framework for consistency.

It then looked further and asked, "What about colours?" Changing the colour would make it simpler, but it is quite expensive, and we would recommend that you decide what the colours should be and, as you change the bins, you move to the standard colour, but you do not try to change now by getting rid of bins and buying new ones.

Q43 **Matt Western:** As a final point, can I come on to the deposit return scheme? Those of us who grew up a few decades ago will remember the



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Corona bottles and that sort of thing, and going around bins collecting them. Do you think the Government are right to implement a DRS?

Dr MacGregor: Yes, but it is not a simple “yes”. They certainly work in other European countries, and it really improves the rate of recycling. From what I can tell, they should not confuse people into not knowing where to take their recyclables. It should not compete with household recycling or kerbside recycling. Perhaps deposit return schemes would be really valuable for on-the-go recycling, so places like in hospitals and airports or places where you consume the product and you are not taking it home. Perhaps that would incentivise greater recycling of products, particularly of plastic.

Q44 **Matt Western:** But you would not advocate taking glass bottles back to a store.

Dr MacGregor: Deposit return schemes are a very good idea and they should be phased back in in this country but, again, it is expensive and there needs to be more consultation as to how it would be done and where.

Professor Gregson: While there is support for the move, there is also concern that this may divert what is seen as the more quality end of the recycling stream, in the sense that it is less likely to be contaminated by other stuff, away from the local authority collection stream and the household collection. While you might be collecting more cleaner material, which is a good thing, it might cause problems for the household collection. It is not necessarily win-win.

Dr Gover: It is quite a complex question. For plastic bottles, for instance, every local authority in the country provides a collection service so you have that fantastic service already. How you then put in a deposit return alongside it is not totally straightforward. We know recycling rates of plastic bottles are quite good. They are much less if you are away from home, on the go. That is where some of the problem is. We also know that deposit return schemes are seen to work very well in other countries, but we do not really know enough about how they would work here. I would probably like to see a bit more evidence about how they would be brought into the UK. They also need to fit in with the rest of the proposals around extended producer responsibility, so I might prefer to put those in and then see what we need from a deposit return scheme. A bit more evidence would probably be helpful.

Q45 **Chair:** I have two brief follow-ups. I do not really understand this obsession with colours of bins. I really do not. People tend to understand what happens in their area. Dr MacGregor is saying, “Scrap most of the bins that are there now and pay for new ones so they are all standardised.” Dr Gover, you are saying, “No, as bins are replaced in an authority, change over to the standard colour.” How confusing is that going to be, when you say to people, “Put your blue bins out today, except where you have just been given a red one because it has been



replaced”?

Dr Gover: Not one by one. If you are upgrading your fleet of bins, then would be the time to do it. The way to do it is not to change the whole bin but to change the lid. That is the cheapest way to do it. I do not think it is the most important thing. I would say, when you are changing a batch of bins, it would be good to have a system you are going to work to, but I do not think it is something you need to jump to. The other things are more important.

Dr MacGregor: I would agree with that. I would not say scrap. That would go against the whole point.

Chair: That is creating more waste.

Dr MacGregor: I would not advocate that, and it is quite expensive.

Q46 **Mary Robinson:** I have a really small follow-up. You mentioned people without gardens subsidising those with gardens for the removal of their garden waste. In terms of Greater Manchester, 100% of the food and garden waste recycled is processed in the UK to make quality soil enricher and compost. It appears that something productive is happening with this. Do you have any evidence about the cost and benefit ratio between those two?

Dr Gover: Recycling garden waste is excellent. It produces high-quality compost, as you say, which is a great, valuable product for the country to use for agriculture and other uses. It is an excellent thing to do. We have some evidence that, if you have a place where garden waste collections are free and you move them into charging, the use of them can drop from about 90% to 35%. Your downside of charging is that you might not get the same use of it. What will happen to the garden waste that then is not being recycled? The best thing would be a home composting bin. We would advocate that as the first thing to do, to compost it where it is and use it on your garden. If you are not going to do that, the next best thing would be to put it into a composting system.

Q47 **Andrew Lewer:** I just wanted to back Mary’s point up. I do not really get this “Oh, I think it would be wrong to subsidise people who have gardens.” Overall, in a local authority context, there are loads of services where people who live in an urban area or a smaller house subsidise people who do not use them because they live in the middle of nowhere. I do not really see that as anything other than a slightly pointed political objection to something that would otherwise be a general good.

That is one point, and my other one is just to observe: do you think this move to, almost, nationalisation, but certainly a standardisation of these sorts of waste policies, could prove to be the final straw for the existence of two-tier local authorities and district councils, and the distinction between waste collection and waste disposal authorities, given that there will be so much pressure on local authorities to not be different and distinctive? When it comes to two-tier districts, that is sometimes all they



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have to offer that is different anyway.

Dr MacGregor: That is a good question. I do not know.

Professor Gregson: I do not know.

Dr Gover: There are challenges with two-tier systems to make them work, and to make sure the user charging works and makes sense. I guess it is possible that you could have the wrong overall solution coming out if you were not careful. It is an important area.

Q48 **Chair:** I must come back on this point, just to upset my colleague John at the end there. He referred to a link between recycling and incineration. The combined authority in Sheffield has an incinerator, but it also has no landfill. Is there a link between authorities that have incineration and reductions in landfill?

Professor Gregson: Incineration was the response to the lack of landfill, to avoid the landfill tax. One option, as the strategy says, to stop incineration levels would be the introduction of an incineration tax. That is raised as a possibility. It maybe needs thinking about.

Q49 **Chair:** There is a link.

Professor Gregson: There is a link. There is a very clear link.

Dr Gover: We talked about the waste hierarchy already and about the importance of preventing waste, then recycling waste, then composting waste, then recovering energy, and then landfill. That is the system to follow. Energy from waste has a role. It is better to recover energy than to put it to landfill. That is why we brought in the energy from waste plants, not just to reduce the landfill cost, but because it is a better outcome. They are part of the solution, but we need to make sure we are pushing up the hierarchy as far as we can.

Professor Gregson: There is a sense too that there are trade-offs to be made within this hierarchy. In the discussion of the hierarchy, it tends to be seen as a very smooth transition between these things. If one, for example, wishes to push reuse, that does not sit well with recycling. If one is pushing recycling, that might not sit so easily with energy from waste. It is how those trade-offs work. In a sense, one of the things the strategy is a little less clear on is what kind of circular economy it wants—one that is based on reuse and, effectively, redistributive mechanisms, or something that is fundamentally grounded in recycling, which the evidence would suggest pushes more production and more consumption. More recycling legitimates more consumption.

Dr Gover: Take my phone, for example. If I prevent the waste and do not buy one in the first place, I save £400 or something. I have done very well. If I sell it for reuse, and this one is quite old, it is probably still worth £100 to sell on eBay or somewhere. I get £100. If I recycle it, it is worth about £5, so my value is coming down fast. If I throw it into a bin,



somebody has to get rid of it and so on. I am risking my data on it, and the cost is going up. I would say the benefits of reuse are very strong. Perhaps more people need to know that and act on it.

Professor Gregson: Yes, it needs to be clearer.

Chair: Thank you all very much for coming to give evidence to us this afternoon. Thank you.

Examination of Witnesses

Witnesses: Jacob Hayler, Martin Curtois and Jeremy Jacobs.

Q50 **Chair:** Thank you very much for coming to be our second panel this afternoon. Could I ask you to introduce yourselves and say which organisation you are from, please?

Jeremy Jacobs: Good afternoon. My name is Jeremy Jacobs, and I represent the organics recycling group of the Renewable Energy Association, so we deal with all biodegradable waste and with collection, treatment and use, covering a wide range of technologies.

Jacob Hayler: I am Jacob Hayler from the Environmental Services Association. We represent the recycling and secondary resource industry.

Martin Curtois: Good afternoon. My name is Martin Curtois. I work for Veolia, and we are involved in recycling and recovery across the board.

Chair: Thank you very much for coming this afternoon.

Q51 **John Grogan:** I was going to bat an easy one to start with. What do you think of the Government's waste strategy? What are the challenges you face in handling waste? What is your immediate reaction to that strategy?

Jeremy Jacobs: For me, it is all about biodegradable waste. There are some really good things in the strategy, in terms of mandatory food waste collections, very much around quality. For me, it is around quality inputs and quality outputs. From my perspective, we have to look holistically at collection and use through to where the material is going, because compost and digestate has a value—a very high value when used in agriculture. It is very much about ensuring we are protecting our land bank and our soils. Within the 25-year environment plan, we hear about natural capital and preserving natural capital, so there are some really good things in there that support us. We are very excited about this opportunity. With garden waste collections, the possibility of collecting more materials for beneficial use is exciting.

Jacob Hayler: From our perspective, we are very pleased to see the strategy. We think it is very ambitious. We have spent the best part of a decade moaning about the fact that there has been no Government strategy. It is fair to say there has been less investment in the industry, in new recycling and in new recovery infrastructure than there would have been if there was clearer long-term policy direction. We have had a



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framework that has been set to run out in 2020. We have not known what is coming next. The strategy gives us a very clear direction on where to go to, and it is, as I say, very ambitious in terms of the recycling levels we are going to be expected to achieve in the future.

From our perspective, the two main challenges around recycling relate to inputs and outputs. On the input side, we are in a bit of a unique position as an industry. We have no control over our supply chain whatsoever, and that is from producers, who place on the market products and packaging that are very difficult to recycle, to consumers and getting them to put the right thing in the right bin. We suffer from a lot of contamination that arrives at our facilities that we then have to deal with going forward.

The other aspect is outputs. There is no point collecting material if there is nowhere to send it—if there is no end market for it. Traditionally, we have relied on export—overseas markets—to recycle our material. We want to do a lot more. We want to invest in new recycling and reprocessing infrastructure here in the UK. We think the Treasury's plastic packaging tax is a good start. It is something that might help to start incentivising the use of recycled content, but we would like to see more measures in that area in particular.

Martin Curtois: The industry has an overall value of £7 billion. It employs 150,000 people. It has never really been seen as a sector in its own right. It provides services. We think the resources and waste strategy gives it a platform to be seen as a sector in its own right and to contribute to growth for the UK as a whole. There are a number of areas of this.

The extended producer responsibility is an incentive on producers to make packaging more recyclable. That has to be a good thing. That is good for local authorities and recycling companies that are going to treat it.

The second area that is really important is that it has to be clearer for consumers to know what they can and cannot recycle. It is absolutely fundamental. If we make the labelling clearer on products so people know whether it is recyclable, or which bin it should go into, that has to be a step in the right direction. If we stick to just three forms—the WRAP scheme, basically, of the three options of collection—that is going to make it easier to understand for everyone. Again, that has to be a step in the right direction.

If we create a market for secondary materials that is stronger—for example, through the plastics tax—so there is an incentive for companies like us to invest in new infrastructure, that, again, is going to be beneficial to the market as a whole. It is going to be beneficial for us to invest in new infrastructure. There is a lot to be said for the strategy, but all the elements have to be brought together. It has to be fully integrated so we get the full impact of it, as opposed to a piecemeal impact.



Q52 John Grogan: Thank you for those replies. They were very interesting. Can I follow up with a couple of quick supplementaries? To quote Thérèse Coffey, the Minister, talking about the waste strategy in the Commons recently, she said, in one sentence, that additional residual waste energy capacity—in other words, incinerators—above that already planned for 2020 should not be needed if we achieve our recycling targets. Do you accept that? Listening to some of the earlier evidence, which I know a couple of you did, there was rather an interesting idea of an incineration tax to balance the landfill tax and perhaps provide money for local authorities to expand recycling. Would that be a good idea?

Jeremy Jacobs: I would not support an incineration tax, but it all depends on how effective the measures are in diverting material and in improving recycling. Recycling is very much about consumer awareness. It is giving consumers the tools to do the job and ensuring they have the knowledge and are provided with all that information.

If I look at food waste recycling, one reason it fails is that local authorities provide the bags initially, which are an essential ingredient for collecting food waste at home. They provide compostable liners that can be used. They provide some information. Then, after a period of time, maybe as a result of financial constraints, they do not provide the liners any more, so you see a fall-off. One thing we have asked for—and it is not particularly clear within the strategy—is to ensure there is adequate funding for the longer term for communications, because communications is often one of the first things to be cut in budgets.

Actually, it is about behavioural change. If we get behavioural change, and we can get that material out of landfill and for EFW, because food waste does make a significant contribution, since food waste is heavy and that is why it contributes so well to the recycling figures, that could mean there will be a requirement for fewer facilities in the future. It is somewhat of an unknown, but it is something we should have an ambition to work towards, because it is very important we get this material, this biogenic waste, out of landfill and make better use of it.

Jacob Hayler: Based on the modelling DEFRA has done for the strategy, the Minister is perhaps technically correct. While the strategy is very ambitious on recycling, it is perhaps less ambitious on energy recovery. The DEFRA figure is that it is expecting there to be around 20 million tonnes of non-recyclable waste. Even after all the recycling, and if we manage to meet all our really ambitious recycling objectives going forward, there will still be 20 million tonnes of non-recyclable waste left over. DEFRA is expecting there to be around 12.5 million tonnes of energy from waste capacity to treat that non-recyclable waste.

That means there is a 7.5 million tonne gap, which DEFRA expects to be met through a combination of 6 million tonnes to landfill and the rest exported as a fuel to energy from waste facilities overseas. That could of course have been used as a fuel and a resource here in the UK. We would say we should not be aiming merely to meet the 10% landfill cap, which



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is what the Minister's response was suggesting. We should be trying to recover energy from that material—from that non-recyclable waste—to replicate the Scandinavian model. They are generally seen as the leaders in the globe at achieving circular economy ambitions. Broadly, they try to recycle two thirds of their waste and then recover energy from the other third. That is where we would like to get to.

I would just like to pick up a point in the earlier evidence session about whether energy from waste leads to lower recycling levels. That is just completely not true. That is not the case. There are numerous examples overseas in other EU member states where we see that the highest levels of recycling are generally complemented by high levels of energy recovery as well. We also see that here in England, where some of the best recycling counties, like the Oxfordshires, the Buckinghamshires, et cetera, combine very high levels of recycling with energy from waste for the treatment of the residual. It is fundamentally wrong to suggest that energy from waste competes with recycling. Energy from waste competes with landfill for non-recyclable waste. That is the whole point of it.

Q53 John Grogan: Should the two be taxed together then?

Jacob Hayler: On the incineration tax, I think that would do two things. It would penalise those local authorities that have done a good thing by making the investment and the commitment to put in place these energy from waste facilities. It would be an additional cost burden on those local authorities. At the same time, there would be a danger that it would put off investment in future facilities, in which, as shown by DEFRA's own figures, we are going to be 7.5 million tonnes short of capacity.

Martin Curtois: In relation to the incineration tax, I know, for example, that ADEPT, which represents local authorities, is against an incineration tax, because it is concerned about the cost being borne by local authorities. The fundamental point, in addition to what was said, was that there is an element of energy recovery facilities that will be helping the Government in their desire for heat. That is a big area. A lot of cities are looking for zero carbon in the future. There is a growing area, which is a bigger element, where the Government are pushing for organisations to bring heat networks alongside their energy recovery facilities. That can help meet demand for heat, which is going to be an increasingly big issue in the future.

Q54 John Grogan: I just have one final vignette. There is a clear difference of opinion between you and the learned Professor Gregson. I do not know whether you have put written evidence in about the link between incineration and recycling, because she was equally adamant on the other side, so if you could provide something in writing, that would be very helpful.

Finally, Veolia, Professor Gregson was pretty damning about Brighton. Perhaps others will ask about that, but it is not a very good example of partnership with a local authority, is it? Basically, the local authority is



saying you will not let it recycle enough.

Martin Curtois: In terms of the relationship with the local authority and what is not recycled, I believe there are ongoing discussions as far as that is concerned. I am not privy to the exact nature, but it is being discussed.

Jacob Hayler: Brighton has a joint PFI contract with East Sussex, and the recycling rates in East Sussex, I think, are roughly double what they are in Brighton. That just shows that it is not necessarily the constraints within that PFI contract that are leading to Brighton's poor performance.

John Grogan: It is always good to have an industry association coming to the rescue.

Chair: That may provoke a response.

Q55 **Mary Robinson:** Moving swiftly on to the constraints within recycling contracts and local authority contracts, is it likely that some local authorities will need to renegotiate their long-term contracts with waste management companies if the Government are to meet the recycling targets in their waste strategy?

Jeremy Jacobs: Yes, in short. We are in a position whereby none of this will be implemented fully, or start to be, until 2023. We have 2025, 2030 and 2035. Our feeling is that, in reality, 2030 is too close, so probably 2030 or 2035, with the 60%, will be the first time we start to reach the ambitious targets. Currently, we are recycling at about 44% in England. The achievement we wanted to hit was 50% by 2020. That is not going to happen by some stretch with our current strategy.

In terms of contractual changes, by default there will have to be some. If you look at mechanical and biological treatment, as an example, which currently deals with the residual waste, the black bag waste contains quite a high element—up to 40% in some cases—of biological waste, food waste. If you go to a mechanical and biological treatment, or MBT, facility, and that material comes out, there will be no need for the B, because there is not going to be a biological element any more. Some of those are the 25-year PFI contracts we heard about earlier, which in some cases still have over 20 years to run, so there is a concern that there will have to be contract negotiation.

Looking, at the same time, at those materials going to energy from waste, if you are putting a lot of food waste into an EFW plant, that changes the calorific value of that material. We are doing the right thing by getting it out. That is what we need to be encouraging—to get it out of landfill—but if the CV goes up, that means they need less of that material to create the energy that facility is designed for. They could potentially lose revenue on that facility, because they will not be able to take any more material. There are a lot of unintended consequences. When you look at the waste strategy, you have to look at it holistically. It is bonded



in several places. You cannot look at it in isolation. You have to look at it across the piece. That would be my initial position.

Jacob Hayler: There is a difference between collection and treatment contracts. The professor earlier was talking about contracts in terms of timeframes, so those very short contracts will be either extensions or contracts to send materials to a sorting facility. We have sufficient lead-in time for those not to be a problem. The eight to 14-year contracts she was talking about will be collection contracts, and the longer term ones will be for residual waste and principally for residual waste treatment.

When you look at collection contracts, there are 330-odd councils in England. I think 50 of those have collection contracts that are due to end after the 2023 implementation date. That is roughly 15% where there might need to be some change brought in. For the treatment stuff, Jeremy raises MBT contracts. I think it is fair to say there will be a very limited number of those where there might be impacts that would need to be renegotiated. For energy from waste, the concern would be around a shortfall in waste that is delivered from the local authority contract holder, but, because we have an under-capacity of energy from waste facilities, we should be able to make up the shortfall from other sources—commercial sources, for example.

There may be some contracts that need to be renegotiated, but the contractors are very experienced at introducing service changes. They are very keen to work in partnership with their authority partners to make sure these changes are introduced and work well for both parties.

Jeremy Jacobs: If you look at the strategy, it specifically talks about AD, anaerobic digestion, as a preferred technology for the treatment of bio waste, and we support that. A lot of our members are involved in that. Also, it speaks about where you add the food waste to the garden waste and what is known as a co-mingled collection. They do not really support that approach, and they are saying food waste should be presented separately and then afterwards added to the garden waste, which sends mixed messages.

We support an approach that allows local authorities the opportunity to choose a technology. We should be technology-agnostic, if you like. The important thing is value for money. It is about maximising that resource. Garden waste, for example, in other European countries, is used within a technology known as dry anaerobic digestion, dry AD. That is not mentioned anywhere within this strategy. There are opportunities to do things more than one way, and we would ask that it is less prescriptive and more open to opportunities that exist within treatment technologies.

Q56 **Mary Robinson:** I know LCC, Lancashire County Council, had a very well-known contract to deliver anaerobic digestion and had to pull it. It was mothballed; these plants were mothballed. Is the technology actually where it should be?



Jeremy Jacobs: Absolutely, yes. It is tried and tested, and well established. It has been going within the water industry for over 100 years, and within waste—for treating food waste—it is very much established. It is whether or not there is sufficient feedstock. It has been supported in the past through RHI and the feed-in tariff—so, financial incentives—and they are coming to an end shortly. It is fit for purpose in terms of the job it does.

Q57 **Mary Robinson:** Going back to you, Mr Hayler, do you agree with Professor Gregson when she said some local authorities were locked into long-term contracts with low recycling rates? If that is the case, what can be done short term? We were discussing long term, but short term what can be done?

Jacob Hayler: I would disagree that residual waste contracts are a big constraint that are preventing local authorities from boosting their recycling rates. There are other issues that local authorities have faced. We are all aware of the funding difficulties the local government sector has faced. At the same time, local authorities have not been subject to mandatory recycling targets, which has meant that local authorities, given these testing budgetary times, have perhaps been forced to prioritise other areas than recycling. That is a bigger driver as to why we look set to possibly miss the 2020 recycling target.

Q58 **Mary Robinson:** Mr Curtois, Veolia is one of the largest firms—one of the big five. If renegotiations of contracts are going to be needed, what appetite is there among large firms like yours for contract negotiations with multiple councils?

Martin Curtois: Contract variations are not unusual. They happen already. It is fair to say that, if you have a situation where you bring in free garden waste, or you bring in mandatory food waste, that is a change. They would be negotiated on an authority-by-authority basis.

Just to bring up the other point in relation to the infrastructure, we agree that if food and garden waste is being collected already, and it can go to in-vessel composting, where there is existing infrastructure, that would make sense. That is perfectly acceptable. Food waste on its own tends to go to anaerobic digestion. Bearing in mind that we see overall benefits from the strategy—in the fact that there will be better use of resources—if part of that means we need to do some negotiation of contracts, and some contract variations, that is probably ultimately going to help in terms of better use of resources, so that is fine.

Q59 **Mary Robinson:** Veolia would be willing and ready to do that and to lead the way with it.

Martin Curtois: Yes.

Q60 **Mary Robinson:** Given the proposals outlined in the Government's waste strategy, are future waste management contracts likely to be more expensive for local authorities?



Martin Curtois: More expensive?

Q61 **Mary Robinson:** Is this burden going to cost more?

Martin Curtois: There are a number of elements as far as that is concerned. They always say, in relation to an overall strategy like this, the devil is in the detail. There will be a need for fuller clarification. For example, we understand from the strategy that, if free garden waste is introduced, there is going to be a mechanism whereby local authorities will be reimbursed as far as that is concerned. Also, if mandatory food waste collection is going to be brought in—and it is a discussion point that was covered earlier—that will be cost neutral. As far as I understand with the strategy, there is going to be a follow-up phase, if you like. Local authorities are very interested to bottom that out.

Jeremy Jacobs: In my view, local authorities have some concern that there is going to be additional cost. You cannot take on all this additional responsibility for nothing. They have had £15 billion of cuts—60% cuts since 2010—so they are somewhat nervous having these additional impositions made on them at the same time as you have the circular economy package making greater demands. They will do their best. They do, and they have the ambition there, but it will come down to the funding. Extended producer responsibility—the EPR scheme—is meant to provide a significant amount of this money, but it is still not that clear whether an additional burden of money will be provided to ensure they have the means and wherewithal to make it happen. This is going to bring about significant changes for local authorities.

Jacob Hayler: In very general terms, higher levels of environmental performance come with a higher direct cost, but the benefits are realised elsewhere. That is the problem we have. A lot of the environmental benefits are seen elsewhere, where there is a direct cost burden here and faced by local authorities. There is a big variation in current provision. There will be circumstances where councils are going to have to put in extra services to meet the requirements of the strategy. From our perspective, we think it is absolutely fundamental for that to be properly funded.

I am sure the local government sector is very nervous about the Government potentially giving with one hand and taking away with the other. There is going to be a new funding flow coming in from producers, through the extended producer responsibility, but that is going to be focused on packaging and recovering the cost of recycling. Dealing with packaging waste, I think, makes up about 20% or 25% of the waste stream by weight. That is not covering the cost of introducing separate food waste collections if you are not already doing so. That is not subsidising free garden waste collections. It is absolutely vital that the Government make sure there is a proper and transparent funding mechanism for funding those additional services.

Q62 **Chair:** Mr Curtois, before we move on, you must think all your



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Christmases are coming at once. You happily sit down with local authorities that want to change services, and you talk about what the cost will be and what the benefits are, but here the local authority comes, both hands tied behind its back, and says, "The Government say we have to change the way we do things. How much is it going to cost us please?" You cannot lose, can you?

Martin Curtois: We are in a competitive market, so we have to make sure we optimise costs for all our clients.

Q63 **Chair:** You are in a competitive market, but with an authority with a contract for the next 10 years. They cannot go anywhere else—to your competitors—can they? They are stuck with you, asking for a change that you can price to what you want.

Martin Curtois: Given negotiations with local authorities, we have to work very closely with local authorities to make sure we provide an optimised service based on what they actually need. In terms of the general good, there is a very positive thing to be seen from the resources and waste strategy, in terms of the overall benefits that will result from it. When we are working with local authorities, we are looking at developing relationships in the long term. We will be looking at the next renewal. Therefore, we would have to make sure we provide an efficient service. That is a lot of what we do. We are willing to support them in providing infrastructure that is needed to make these services happen.

Q64 **Chair:** Normally what then happens is this: "You can have some more expenditure on infrastructure and, by the way, we will extend the contract by another five years so we can cover our costs". Is that normally what happens?

Martin Curtois: Not necessarily. It varies, does it not?

Q65 **Matt Western:** You may have heard me ask the previous panellists about whether you would encourage and welcome the recycling, or the leaving of materials actually at the stores themselves, whether it be the big sheds out of town or in our supermarkets. Would you welcome that?

Jeremy Jacobs: A lot more responsibility needs to be given to producers. EPR does that. What we are seeing now is going naked in stores, where a lot of materials, a lot of products, do not have packaging on them. Packaging has a dual role of protecting the product in transit from damage, and making it safe and easy to transport. A lot of work is being done on that, but, yes, why should they not take on some of that burden? Their profits would probably indicate they can afford it more than local authorities. It is something we should be looking at in more detail.

Q66 **Matt Western:** We are light years behind Germany and other countries on this—20 or 30 years by my recollection. Why have we not done anything about it?

Jeremy Jacobs: Yes, putting materials loose. I used to grow mushrooms for a living, so I know something about this, having supplied the



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multiples for some time. They do not like loose products because, when you deal in a loose product that is not prepacked, the wastage, from you delivering the product, to them getting it to the consumer, goes up by several factors. It is ease—the ease of putting it in a 250 gram pack the consumer can take off the shelf. There is less damage. There are a number of reasons they do it, but, to answer your questions, yes, they should be doing a lot more.

If we are going to follow the waste hierarchy, it is about waste minimisation in the first place and ensuring we do not create the waste. Somebody made the point earlier that recycling can act as an incentive for spending more money on goods and driving up consumption. Behavioural change is one of the most significant aspects, which I do not think is given much credence within the waste strategy. A lot of time and effort needs to go into informing the general public, and I include myself in this, to understand the whole concept of waste minimisation.

Q67 Matt Western: Would you agree that the packaging is leading to over-purchasing of, say, foodstuffs and therefore food waste? You are overbuying.

Jeremy Jacobs: Yes. Easter eggs were a good example. Easter eggs used to be hugely packaged, did they not? You used to see a great big box and in it you had the smallest egg, much to my disappointment and my sons' disappointment when I used to buy them an egg, because most of it was unnecessary packaging, unnecessarily. They have addressed that, and those types of issues are being addressed more widely. I am not sure you buy any more product, although that is a different debate—where you were asked to buy a bigger pack of mushrooms, in the case I am used to, because it was deemed to be better value, but, in many cases, you did not use all that product, and that drove waste. So that answers your question.

Q68 Matt Western: Are there any other comments?

Jacob Hayler: As Jeremy says, packaging fulfils a purpose. It has a function. In your example about whether it leads to overbuying, which might lead to food waste, most of the evidence is the other way round, that the packaging protects the food, increases longevity and therefore avoids food waste. There is a sort of net benefit there. Undoubtedly, we all want and expect producers to do more. The Government are bringing in these new producer responsibility measures. An important feature of those measures is that the fees producers will have to pay will vary according to how recyclable their packaging is. That will create the incentive to design the worst formats off the market and make the waste stream more recyclable. That is absolutely fundamental from our perspective, because we think the 2030 and 2035 targets are really very ambitious—so ambitious that we think they are not achievable, given the current nature and composition of the waste stream. We need to do more, in terms of changing the design of stuff to make the waste stream more recyclable, in order to make those targets achievable.



In terms of store takeback, personally I think the priority should be on making sure our kerbside systems work as well as they can. We have a great history and tradition of providing kerbside services here in the UK that perhaps was not necessarily the case in other overseas markets. Wales has shown what can be achieved via a combination of higher funding and statutory recycling targets. They like to say they are the third best or the second best recycling nation in the world, with rates well over 60%. That shows exactly what is possible.

Q69 Matt Western: In that area, talking about standardisation—the word “consistency” has also been used—you heard what the previous panel was saying about consistency or standardisation of waste systems. Do you have any comments on that? We were talking about colours of boxes, shapes of boxes, sizes of boxes, containers and so on, but also about the frequency. Would those things help, or do you agree with the LGA, where there is this view that there are reasons for differences and that flexibility needs to be retained?

Martin Curtois: As far as we are concerned, there are benefits in retaining the choice of three. That is because, according to different local authorities, there are different systems that suit each better. The current system in Harrow, where there are mixed recyclables, then residual waste and then food waste, is relatively straightforward for the consumer. The recyclables are all in one bin. It is important that the choice of three is there. That is also because you have differences in areas, and in some areas it may be difficult to have the large number of single-source bins.

We have to go back to basics here. You have to make it as easy as possible for the consumer to recycle, so they must know what goes in what bin. It can often be a matter of time, especially for busy families. They literally want to do their recycling in two minutes. If all the recyclables—the paper, the card and the plastic—can go into one bin, that is the most straightforward way for them. At the moment, there could be up to 100 different systems. It is really important. If ultimately it comes down to three, we retain that choice, and local authorities can select which is the one they think will best suit their area, that would be a sensible way to go and would benefit industry and recyclers.

Jeremy Jacobs: Building habits with consumers is where you see the real gain. When people have greater clarity on what is expected from them, you see greater participation and improved performance. We have to look at the materials stream from collection through to the end user. It is important that the quality of the material collected is fit for purpose. Too often, materials that are collected are not suitable. In recent years, we are seeing the demand for higher-quality recycle. In the old days, you would get away with putting anything out there. That has changed.

Another approach to this is through using, for example, bags you collect your groceries in that are compostable, so you can make them dual purpose. There is a big drive now towards using compostable materials.



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The Co-op uses them in its stores. You can have a dual purpose for that bag, so once you have finished shopping with it, you can then use it to line your food waste bin. There is what we call closed loop recycling, for example at venues, where people cannot contaminate it with other materials. The packaging, the plates, the cutlery can all be compostable. You are creating material that is made, in many cases, from biomass. They do not go into the recycling stream but they go to a composting facility. There are a number of ways to approach this.

Jacob Hayler: I would agree with Martin. The two key dimensions are what you collect and then how you collect it. We would like to see consistency around what you collect, because that could really help with consumer engagement, improving communications, clearer labelling—all those sorts of things.

In terms of how stuff is collected, there needs to be some degree of flexibility so councils can adapt things to their local circumstances. We think the three systems that were in the 2016 WRAP consistency framework should provide the degree of flexibility councils need. We would not like to see further restrictions—say, trying to go down to two or one system. With three you have enough, but fewer than three places too many constraints on councils.

Q70 Matt Western: What would your view be if the Government were to insist on food waste being collected every week, for example? Also, do you think the Government should require local authorities to be collecting garden waste?

Jeremy Jacobs: Food waste definitely should be collected weekly. There could be some exceptions and exemptions in rural areas, where it is more cost-effective to collect it fortnightly, maybe with the garden waste.

Q71 Matt Western: Should there be a charge on garden waste?

Jeremy Jacobs: We think there should be possibly a small charge on garden waste, so it should be partly subsidised. They are talking about full subsidisation. The evidence we have seen is that, where you put a small charge, you get improved quality of outputs and a more efficient collection regime. Because somebody is paying for that service, they will generally ensure their bin is out. There is no point in providing 100 bins and only getting 30 or 40 put out, because the take-up rate, when that vehicle goes down to pick up the bins, is very ineffective and inefficient. The charge should only cover the costs; it should not be a profit-making scheme. The evidence shows that, when you make a small charge, that works very well, and, as I say, improves the quality.

Yes, collecting food waste is absolutely essential in terms of meeting our climate change commitments, because of the methane it produces in landfill, but more widely, as I mentioned earlier, the benefits of using this material sustainably in agriculture. We lose 3 million tonnes of topsoil



every year from agriculture, so using this beneficially to improve our soils and soil health is really essential. It is looking at the bigger picture.

Jacob Hayler: We would support separate food waste collections, partly because of the environmental benefits associated with separate collections and then sending that to AD. Also, from a more practical perspective, there is no way we are going to reach the future targets if we do not have the contributions from food waste recycling and garden waste recycling. I think that, at the moment, roughly two fifths of recycling is garden waste composting. We need that contribution, and we need to maximise that contribution, whether that is through a small charge or whether free garden waste collections help to maximise that contribution. We really need that.

Q72 **Matt Western:** On the garden waste, for a lot of people it is just another great big green bin or whatever, a huge thing, which you could do without in your backyard. In the States, they use brown bags, which you buy from the superstore or wherever. You pre-charge it, and that gets collected from the kerbside. It is already in a brown paper bag. You do not need big lots of plastic. Would that not be a better idea?

Jeremy Jacobs: Some local authorities provide compostable bags for garden waste collections. Some of the discussions we had earlier about constraints on the size of your garden can mean a bag is more appropriate. The issue with bags is that you then come down to health and safety constraints, because somebody has to pick up a bag full of wet grass. There are other considerations to be made, so maybe smaller bins for certain sizes of houses should be recommended as well.

Martin Curtois: In terms of bags, there is a problem sometimes when bags split. I know there are authorities that have tried using bags as recycling receptacles, and they have not been necessarily happy with the final result. In terms of the different elements—the weekly food waste and the free garden waste—as long as it is revenue neutral so local authorities receive the full funding for bringing those in, that is going to contribute to improving overall recycling performance. I can see the logic of bringing it in.

Q73 **Bob Blackman:** Can I follow up? Mr Curtois, you were talking about the position in Harrow. Indeed, across London generally, we have a very transient population, and often, when people move from one borough to another, they get totally confused over the colour of bin to be used. I could take you to Kenton Road, for example, where, on one side of the road, the bins are one set of colours because they are in Brent, and on the other side of the road, they are totally different because they are in Harrow. Is there a case for saying the bin lid or something should be consistent in all waste collection?

Martin Curtois: It is something that is going to make the biggest difference. The problem is if people are confused by a different lid colour, a green lid on a brown bin. That is just the inevitable circumstance. I



know the last thing the academic who was speaking before wants to do is to see lots of plastic bins, for example, being thrown away to bring in this change. Even clearer labelling on bins—on every bin—would be a great step forward, just to make it abundantly clear what can go in and what cannot. That is always a step in the right direction. As you say, with transient populations, we have to make it easier for everyone to recycle. At the moment, I do not think we are doing it. We are missing a trick. There is this communications element—just spelling out what can go in what, even if it is a label stuck on a bin, a very clear, waterproof label. That would help.

Q74 Bob Blackman: This is one suggestion I have made to everyone. Everyone has to register to vote on the electoral register, and they get sent a notice saying they have registered. Why could we not send them a page of A4 saying, “This is how to recycle”? That is relatively simple and very cheap.

Jeremy Jacobs: A lot of local authorities hang it on the bin. It says, “This is what can go in and what can go out”. Personally, I do not think the colour of a bin will make any difference. It is about the communications and ensuring that householders understand. It will be different; it is utopia to think we will have the whole country with all the same coloured bins. That is not necessary. If we put the time and effort into communications and ensure that, as part of this strategy, there is sufficient funding to support that going forward, I am a firm believer that people generally want to do the right thing and support recycling. We have seen so much more in the public domain since “Blue Planet II”. The young children of today are much more aware of these issues than I ever was. The colour of a bin is a bit of a diversion from good communications effectively proposed to all residents.

Q75 Mr Dhesi: Given the context of the climate change crisis and the huge importance of us as a nation showing global leadership on recycling, do you think it is possible for existing waste and recycling infrastructure to realise the recycling rate of 65% or higher?

Jeremy Jacobs: To achieve 65%, we have to do a combination of all the things we have spoken about that are in the strategy. That is achievable by 2035, but certainly no sooner than that. The detail is who is going to pay for it, because there is going to have to be new infrastructure built. As a result of some of the changes, there will be stranded assets that no longer have any value. As I was saying earlier, if you take the food waste out of black bag waste, that will change the dynamics and the treatment that you can afford to do with that material. It comes down to affordability. Certainly, 65% is ambitious, but we should not be afraid of that ambition. We should strive to achieve that.

Jacob Hayler: The first thing to say in terms of climate change is that we have done a fantastic job already as a sector. We have already reduced our emissions from 1990 by 85%, and we were mentioned in the Committee on Climate Change report for having been one of the



exemplar sectors in doing so. We want to do even more. That historic stuff has all been on the basis of landfill diversion. We want to be maximising the carbon benefits of our resources and our resource management going forward. Can existing infrastructure meet 65%? Not a prayer. In order to meet those future targets, we think roughly £10 billion of capital investment will need to be made in infrastructure. That is a great opportunity: £10 billion of investment, 50,000 jobs. We think the new processing facilities will save around 7 million tonnes of CO₂ equivalent per annum, and that is a great news story.

Q76 Mr Dhesi: Do you think all that funding should be coming from the Government to meet that obligation for additional or different recycling infrastructure?

Jacob Hayler: Absolutely not. That is private sector investment. From the Government, we are looking for the long-term investment-grade policy stability that will give the long-term certainty so the private sector can invest against it. That is long-term certainty around things like making sure we do not backslide on landfill and making sure the ambitions to recycle 65% are actually biting.

Q77 Mr Dhesi: Mr Curtois, how much funding do you think the Government need to provide for additional or different recycling infrastructure?

Martin Curtois: I do not think it is so much necessarily for the Government. It is for the private sector. If I can give an example in terms of plastics, it is generally estimated that we are going to need another five plastics reprocessing facilities if the plastics tax comes in, which is the one about 30% recycled content. That is something that is very positive, because it is going to be UK domestic infrastructure. It will be investment by private sector companies, and it would mean we can start to deliver the recycled content that would be necessary as part of the plastics tax. Plastics has been a lead area as far as that is concerned. That is a good example of where more investment in new infrastructure will be needed, and it will be needed on a national basis. There will often be regional shortages of infrastructure in different parts of the country, and that is where the gaps are going to have to be filled. That is an important way we can make a difference.

Q78 Mr Dhesi: Mr Hayler, you have made written submissions as well. But just on the key things, what particular infrastructure concerns around the proposals are there for local authorities in terms of collecting food and garden waste separately?

Jacob Hayler: On food and garden waste in particular, the historic issue has been the lack of certainty around the feedstock. The AD industry has not been able to make those bankable investments, because they have not been sure of where their feedstock is going to come from. Once those collections are introduced and are made mandatory, that will really help make much stronger investable propositions for anaerobic digestion.

Q79 Mr Dhesi: Mr Jacobs, what infrastructure challenges do you think there



are in terms of how these vary by geography, particularly between rural and urban areas, in terms of our recycling?

Jeremy Jacobs: There are different requirements between the two. If you look at garden waste and food waste, the collection frequency is going to vary. Typically, in rural areas they have larger gardens, so they do a lot of home composting, both of their food and of their garden waste. Potentially, there is an opportunity to collect less frequently. In urban environments, clearly, not all houses have gardens, and you have high-rise apartments. There are different frequencies. The important thing is that everybody has the opportunity where they need to. We spoke earlier about Milan as an exemplar for food waste collections in a built environment, where you have the opportunity to recycle food waste in a public space. That should be looked at more closely as an opportunity to do the right thing.

Q80 **Mr Dhesi:** Mr Curtois, given your own experience within Veolia, and given that the likes of Somerset Waste Partnership have highlighted some concerns with regards to the extra infrastructure challenges for rural areas, can you please elaborate a bit further in terms of what challenges you have faced geographically, between rural and urban areas?

Martin Curtois: Sure. In terms of collections, for example, if you are in a rural area, it is a much wider spread, so you have more distance in terms of travel. You have to work according to the proximity principle, so the idea is that waste travels less far. That is good for carbon, and it makes the whole system more cost-effective. Therefore, you have to make sure that, if the system is designed for food waste or garden waste, the relevant infrastructure is in place in order that it can be collected and treated relatively close together. That is the key element in a rural area.

Q81 **Chair:** In terms of the infrastructure, Mr Curtois, you are the contractor for Sheffield Council.

Martin Curtois: That is right.

Q82 **Chair:** I have asked Sheffield Council why they cannot do what you have suggested might be a good idea, which is to put all the recyclables in one receptacle, and then the contractor sorts them out. It is because you, as the contractor, cannot sort them out. You do not have the facility. Where do you go to with that problem?

Martin Curtois: I believe that is like a sort of segregated collection facility in Sheffield. You were asking about bags and boxes, I think. I know from talking to Sheffield City Council that one of the things it stipulates is to avoid using bags or boxes as receptacles because they are not weatherproof. That is an example of where we have to make sure it is the right system for the particular area. In working with Sheffield City Council, we have to talk about this in order to make sure we have the system correct. I do not know the details of the individual infrastructure we have there.



Q83 Chair: Surely it is a problem, because you, as a contractor, do not have the MRF. I have seen the one you have in London, where it is great. You do it, and it is all mechanised and automated, but you do not have those all round the country, so you cannot offer all these systems, can you, to everybody?

Martin Curtois: That is why we need the flexibility of the different systems. The thing you are identifying, which is absolutely right, is that you have to have the right infrastructure in place. When the infrastructure is not in place, the system is related to it. The issue that you have is the secondary market. Effectively, you have the recyclates that are being collected, and then they are being processed accordingly. That is the most important thing you need. If we have infrastructure in place that is more suitable to a different system, unless there are investments or improvements that can be made, we would have to look at that.

Q84 Chair: Who should pay for those improvements and investments?

Martin Curtois: It is like all these things. They are usually the subject of negotiation.

Q85 Helen Hayes: I want to turn to the question of joint working between authorities, where that is necessary. In your experience of joint working between local authorities, what are the main challenges and opportunities?

Jacob Hayler: The opportunities are around efficiency and savings. There are lots of good examples of joint working around the country where a lot of savings have been realised by authorities working together. It might help to avoid some of those situations where a street might have different types of receptacles on each side.

From the contractor's perspective, there are two principal challenges. One is around the governance arrangements that are put in place. You need to make sure the joint entity is robust as a counterparty for you to be dealing with. You have to be able to make sure no individual authority is able to, essentially, act as a roadblock to decision making. It has to be a proper functioning decision-making entity. The other one is around finances and making sure the finances and funding of the entity are robust.

Jeremy Jacobs: Sharing infrastructure is very important, because the investment in some of these facilities is significant. In order to make them effective and cost-effective, you need to sweat those assets. By combining materials from different local authorities and using them in one facility, that is going to assist. In terms of the proximity principle, it avoids you having to move material too far, because too often we see materials moved all round the country to find a suitable facility. That cannot be good in terms of the carbon miles we are expending on doing that.



Martin Curtois: There can be a lot of benefits from joint working. It may become more prevalent if the resources and waste strategy comes in, because of consistency in terms of the different materials that are being collected. So that is something where you could see something like that. Also in terms of benefits, there is having the same system for people on different sides of the road, as referred to earlier.

There are other benefits. You could have a situation with a larger area being communicated to. There are going to be economies of scale in terms of similar communications if they all have the same recycling system. You could have benefits in terms of ICT, in terms of technology. You would have the initial investment in, say, fleet performance, the fleet systems that go in, if they are the same across two different boroughs, if they are working more closely together. It is something we could see more of in the future. It is one to watch out for.

Q86 **Helen Hayes:** We discussed with the previous panel some of the complexities around two-tier authorities. Does there need to be a fundamental review of delivery and governance models for management of waste in two-tier areas?

Jeremy Jacobs: It is disproportionate in terms of the cost allocation of collection versus treatment. There certainly needs to be a significant review of the way that is handled. Collection authorities generally bear the higher burden than treatment, but it depends on the authority. We are seeing an inability of some local authorities to deliver on the basis of that two-tier complexity. It is important that we keep it as simple as possible. That often makes it more complex than it needs to be.

Jacob Hayler: Jeremy is right, but there are examples of good practice in two-tier areas, where the disposal and collection authorities work together to try to address some of that imbalance, particularly around the payment of recycling credits, with the disposal authority being proactive in helping the collection authorities to put in place the systems that are right from a more holistic perspective.

Martin Curtois: The disposal authority is looking at perhaps a wider area. It is looking at treatment across a wider area. Sometimes its collection contracts are on a smaller scale. The jury is still out, as far as that is concerned.

Q87 **Helen Hayes:** Do you think the Government should be mandating partnership between local authorities, or should it be for local councils to decide whether they want to work in partnership?

Jeremy Jacobs: Personally, I think it should not be mandated. The waste strategy should be about giving that flexibility to local authorities. It is never going to be one size fits all. I believe local authorities want to do the right thing, so it is a combination of being flexible within a national framework, but allowing them that opportunity to do what they consider is best for their local residents.



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Jacob Hayler: We would agree. We are fully supportive of local authorities, what they are trying to achieve and what they have already achieved in the field of recycling and waste. We think the strategy should put in place the right drivers to enable them to make a step change in their performance going forward. I do not think we would support forcing them into certain types of arrangements.

Martin Curtois: I agree. I do not think it should be mandatory, but clearly there are authorities, or neighbouring authorities, that can see a logic, so they are the ones that start talking to each other and start doing the process. If they can see economies of scale, if they can see overall benefits to their residents, they take it further. We should leave it as free will as far as that is concerned.

Q88 **Helen Hayes:** What about situations where you have a poorly performing local authority area adjacent to a well-performing local authority area? Does the urgency of this issue around waste reduction not create a case for a monitoring role and, in certain circumstances, Government direction to force a step change where one is needed?

Jacob Hayler: The new proposals that are coming forward, particularly around producer responsibility and how councils will be funded and rewarded for the improvements they make, will be varied on the basis of ruralities. Density and demographics are the real key drivers for recycling performance for local authorities. That tends to drive a lot of the differences. If you get the right system and framework in place to reward the councils in the right way for doing the right thing, they are the best placed to make the right decisions over how to achieve it.

Q89 **Chair:** You have talked about Wales having the high performance levels. Have they got mandated requirements there?

Jacob Hayler: There are statutory targets. The Welsh Government set statutory targets for local authorities.

Q90 **Chair:** Are you suggesting they should be part of this framework for England as well?

Jacob Hayler: It would help. There needs to be flexibility. It is no good having a 65% target for each individual authority. Each individual authority should have a reference/benchmark level of performance that it is expected to achieve in order to contribute towards an overall 65% recycling target. For example, Tower Hamlets should not be expected to reach the same level of performance as South Oxfordshire or somewhere, because it is just never going to happen.

Chair: It is an interesting challenge.

Q91 **Bob Blackman:** Can I clarify this? One of the issues is that we have waste collection contracts and waste disposal contracts. Do you have a different view, on those two aspects, about forcing people to co-operate? Waste collection is one thing, but waste disposal is another big issue



where economies of scale are potentially huge.

Jacob Hayler: Disposal authorities are already at county level, so there is already a reasonable amount of potential scale there. Also, the market has moved on. The waste PFI programme was closed in around 2014, or something like that. We are not going to see these big PFI, PPP-style contracts going forward. Instead, we are seeing private sector operators putting in place the infrastructure and then using a number of different local authority contracts in order to feed those facilities. That is a natural development and trend in the market.

Q92 **Bob Blackman:** The market will take that on anyway.

Jacob Hayler: Yes, so you do not necessarily need to force disposal authorities to work together. At the collection level, as Martin said, they are much smaller scale, and there should be a greater degree of potential economies of scale for working on a greater scale with those arrangements.

Q93 **Bob Blackman:** Moving on to deposit return schemes, do you have a view on whether deposit return schemes should be introduced?

Martin Curtois: To start on that one, currently, in relation to plastic bottles, the collection rate is about 59%. If you were looking to improve that, one way you might want to consider would be the on-the-go option, which basically would mean it would be complementary to the existing kerbside scheme. As has been mentioned earlier in the conversation, I think, it would be particularly in areas where you could have transport hubs, venues of entertainment or retailers. It might capture the bottles that people are currently consuming on the spot. In terms of collecting plastic bottles and aluminium cans—

Q94 **Bob Blackman:** For clarity, you are talking about the smaller bottles, less than 750 ml, and cans.

Martin Curtois: That is it, correct. You could see it as complementing a kerbside system—a fill-in, if you like—which could bring us up to maybe as high as 90%, say, recycling of plastic bottles. I know, for example, that Scotland is going a different way. They are going for an all-in scheme, which is another way to approach it. In terms of a workable scheme or a workable start, I can see a logic in starting that process and considering it in more detail. It has to be evaluated in more detail. It would be like the next stage of the consultation process. I can see a benefit, in terms of boosting overall recycling rates.

Jacob Hayler: Absolutely, it needs to be complementary. I think the previous panel also made the point that it needs to be complementary and not compete with existing kerbside arrangements or indeed future kerbside arrangements. I made the point earlier that, unless the nature and composition of the waste stream changes, and unless things are made more recyclable, we are not going to meet the targets.



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In our view, that means you need to maximise the amount of material going through the extended producer responsibility system, where you can vary the charges and incentivise producers to design packaging better and to improve the recyclability of the waste stream. We want as much going through that EPR system as possible. Then you can use a DRS to fill in the gaps, whether that is for on the go, for packaging and drinks containers.

We also think you should bring in measures on other items. For example, domestic batteries are an absolute nightmare to deal with. We think a deposit scheme for those would help to get them out of the waste stream. Coffee cups are another one where they are not widely collected at the kerbside. We think there is an opportunity there. Stick a deposit on them and get recycling rates for coffee cups up.

Q95 **Bob Blackman:** There should be a value on our Costa coffee and so on that you then get back. In fact, it is a commercial opportunity, I guess.

Jacob Hayler: Yes, exactly.

Bob Blackman: You go back to the same place for a refund.

Jacob Hayler: Potentially, yes.

Jeremy Jacobs: The bigger picture on this is what it does to the consumer. It drives that behavioural change. When they understand there is a value to these materials, they do the right thing with them. We are involved in the Plastics Pact with WRAP. They were discussing recycling of plastic milk bottles. You think that is a fairly standardised product material that everybody uses. An awful lot of that material never makes it back to the recycling. If they can achieve 30% of that material going back into the virgin stream to be used again, that is doing well.

Q96 **Bob Blackman:** There is some confusion round about the caps on milk bottles, or plastic caps that are screwable.

Jeremy Jacobs: Some ask you to remove the caps.

Q97 **Bob Blackman:** Yes, so they can crush them, presumably.

Jeremy Jacobs: Often it is made out of a different material, so there is a potential conflict there. It comes down to this responsibility to consumers to understand what they are doing. If it has a value, they start to think about the wider implications of recycling. Consumer behaviour is quite significant. You only have to walk through London to see how much is consumed on the go now. It used to be fairly negligible, but people now, with busy lives, tend to do a lot. You come out of a Costa, as you say, with your coffee cup. You walk down the road and you have consumed it. Where do you put it? You put it in the residual waste bin and it is lost.

Bob Blackman: You would hope that people would put it in the bin.

Jeremy Jacobs: Yes, or on the floor.



Bob Blackman: It tends to be that they just throw it when they have finished.

Jeremy Jacobs: To me, it is important. We should be doing that, and it needs to be managed.

Q98 **Mary Robinson:** Mr Hayler, I think we have managed to get through almost over two hours without specifically mentioning batteries, and you have raised them. You said they are a nightmare. Should we be talking about recycling batteries more? What are the particular environmental problems?

Jacob Hayler: Batteries catch fire. They can cause a particular problem with fires at recycling facilities, so they can be difficult to manage from that perspective. Also, a lot of people leave batteries in the residual waste stream and they contain heavy metals, which are very toxic materials to try to deal with. That can make that particular part of the waste stream very difficult to manage. Absolutely, we would like to see batteries separated for dedicated recycling. At the moment, we think the best way to capture those would be by sticking a deposit on them.

Jeremy Jacobs: They often end up in the garden. Although they are in the mixed waste stream, when they go through an MBT, they go through the trommel because they fall lengthways, and they end up within the organic fraction. The heavy metal content contaminates the material, which is classed as compost-like output, so it can only be used for land restoration anyway, but the heavy metal content should never be there, because it is immobile. Most of it will stay there for some time once it is in the soil.

Chair: Thank you all very much for coming to give evidence to the Committee this afternoon. It is appreciated.