

Housing, Communities and Local Government Committee

Oral evidence: Implications of waste strategy for local authorities, HC 2071

Monday 10 June 2019

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

Questions 99-164

Witnesses

I: Gurbaksh Badhan, Chair, National Association of Waste Disposal Officers; Cathy Cook, Local Authority Support Manager, London Waste and Recycling Board; Ian Fielding, Chair, Association of Directors of Environment, Economy, Planning and Transport; and Lee Marshall, Chief Executive Officer, Local Authority Recycling Advisory Committee.

II: Councillor Peter Fleming, District Councils Network; and Mayor Philip Glanville, LGA Environment Board and Mayor of Hackney, Local Government Association.

Examination of witnesses

Witnesses: Gurbaksh Badhan, Cathy Cook, Ian Fielding and Lee Marshall.

Chair: Thank you for coming to be our witnesses for this evidence session for the Committee's inquiry. You are very welcome to come and discuss with us the implications of the waste strategy for local authorities. Before I come over to you, I am just going to ask the Committee members to put on record any particular interests they may 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 office.

Mohammad Yasin: My office manager is also a councillor.

Matt Western: I employ a councillor in my office.



HOUSE OF COMMONS

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

Q99 **Chair:** Perhaps we will come over to you now. Just go down the table, if you could, and say who you are and the organisation you are representing.

Cathy Cook: Hello. I am Cathy Cook. I am the local authority manager at the London Waste and Recycling Board.

Lee Marshall: Hello. My name is Lee Marshall. I am chief executive officer of LARAC, which is the Local Authority Recycling Advisory Committee.

Gurbaksh Badhan: Hi. I am Gurbaksh Badhan. I am the chair of the National Association of Waste Disposal Officers.

Ian Fielding: Hello. I am Ian Fielding. I am the chair of the waste group for ADEPT, which is the Association of Directors of Environment, Economy, Planning and Transport.

Q100 **Chair:** Thank you very much for coming in this afternoon. The Government have produced a strategy, which has been consulted on. One of the key things that seemed to come out of it is a discomfort with the fact that people in different parts of the country get very different waste collection services and that perhaps we should have greater consistency. Would you agree with that?

Cathy Cook: On behalf of the London Waste and Recycling Board, yes, we are fully supportive of that. LWARB just works with all the London boroughs. There are 33 in total. We are generally very supportive of consistency. We feel there should be some local circumstances, because London is quite a specific area. There are lots of different types of borough and so on.

Q101 **Chair:** Is that consistency for London or for the whole country?

Cathy Cook: For the whole country, but London would really benefit from that as well.

Lee Marshall: In terms of consistency, what we have seen over the past few years and what could improve a little bit more is the consistency of the opportunity to recycle, so that is the materials. It does not necessarily have to be collected in exactly the same manner in exactly the same container, as long as everyone has access to being able to recycle the same materials. It is probably already more consistent than people give it credit for. Nearly all local authorities collect paper, card, cans and plastic bottles at the kerbside, and over 75% now collect pots, tubs and trays, so we are more consistent than we were. We have perhaps lost sight sometimes, when we talk about people not being able to recycle certain things, of how far we have come in the last 10 years.

Gurbaksh Badhan: I echo what Lee has just said, but I would also say that consistency is not just about collections; it is also about the design,



HOUSE OF COMMONS

in terms of what you can get in from the start. It makes recycling easier and, therefore, the systems you put in place.

Ian Fielding: There are some clear benefits that we will apply with being more consistent in the way we approach waste generally, including recycling, but we would advocate against a one-size-fits-all type of approach. A single system would not be the right way of doing it, certainly not nationally, and there are some good reasons for that. There are things like differences in demography, differences in geography, affluence and all these things that will impact on the best way of delivering a waste management service in a particular area.

One of the concerns that we have in ADEPT is about the scope of consistency within the consultation. It talks in one area about recycling collections. It also then seems to stray into other areas, including household waste, recycling centre operation, green waste and so on, and some of the other things that I am sure we will talk about in a minute.

In general, yes, we would support consistency, particularly on clearer consistency around the materials that are collected. There are some benefits and issues there, but we need to guard against one size fits all.

Q102 **Chair:** On both points that have been raised there, in terms of consistency of materials, that means we should not have these labels on things that say, "Check for local recycling". Nobody knows what that means, where you go to or what happens. People just do not do it, do they?

Lee Marshall: I will declare my own interest here, because I am a non-executive director of OPRL, which is the On-Pack Recycling Label scheme, and you are referring to that. In that instance, "check locally" is only a function of the materials and the end markets. The label is only reflecting where the local authorities can take the material to in the first place. Yes, ideally we want a binary system that either says, "Yes, recyclable", or, "No, not", and that is what consistency would help work towards.

Q103 **Chair:** Ian Fielding, can I just pick up your points about straying into other areas? What the Government are saying is that we have to have two-weekly residual waste and two-weekly food waste, and also green waste. Do you think that is necessary or do you think that could reduce recycling levels in some cases?

Ian Fielding: That goes further than is necessary to deliver on the resources and waste strategy objectives. First, even insofar as consistency of materials is concerned, the Government recognised in the consultation that their set of materials is a minimum set, so there is still an expectation that some authorities might want to do more, which is still going to create some of this confusion in terms of one area doing one thing and another area doing another. As a minimum level, we would support a consistent set of materials based on inclusion of things like



HOUSE OF COMMONS

pots, tubs and trays, which does not currently exist in a lot of areas. We can increase perhaps the minimum scope of materials collected.

As regards those other areas, we have some views—I am sure we share some of those views across the table—about things like food waste collection and free garden waste collections, which are not necessary to deliver the objectives and in some cases could be counterproductive.

Lee Marshall: In terms of weekly food waste collections, we all broadly support those. It is the funding of them that then becomes the issue, in terms of how we get those into local authorities. In terms of residual waste frequency, studies have shown that if you restrict residual waste, either frequency or capacity, you do get an increase in recycling. There are some really good examples out there of local authorities in England, Scotland and Wales that are now doing three-weekly residual, because they have comprehensive recycling collections in place that the public then use. If you think about it logically, if you want to recycle 65% or 70% of your waste, why would you collect the 30% weekly anyway?

Q104 **Chair:** If we go on to residual waste, food waste and green waste and we have a full recycling service with different containers for all different sorts of material, people end up with six bins outside their front door. Do you think the general public is going to see that as a brave new world that they are going to embrace with great enthusiasm?

Cathy Cook: In London, this is where it comes down to local circumstances, because certainly in a lot of the outer-London boroughs that is applicable. Not all residents would really want to do it, but if it then made recycling easier and improved the quality and the quantity, certainly that should be considered. You have to look at each area individually. Certainly, in the inner-London boroughs that would not even be able to be considered at all.

Lee Marshall: This is where the issue about consistent collections being interpreted as just one complete system has a problem. You need to take account of housing stock, demographics and lots of other things. There are local authorities that operate two different systems within their own authority to take account of the different housing stock and the collection issues they have.

In some places, yes, you can do a three-box system. Other places are better suited to one bin. People will take a while to get used to it. Again, there are councils that have high satisfaction rates that have services that operate, say, three boxes, for their dry recycling, a food caddy and a bin. There is probably a national-level communications and education service that needs doing to support councils to get people to realise why we need to recycle these things in the first place and about resource use. What we are trying to do ultimately is save resources by recycling.

Ian Fielding: To repeat my earlier message, we would advocate against a one-size-fits-all approach, where the presumption is that everyone will



HOUSE OF COMMONS

have all those different boxes. That may be the appropriate methodology in some areas, but what we would prefer to see is an opportunity for local authorities to be able to decide for themselves perhaps the method of collection and focus more on the outcome to be achieved.

Within a standard suite of materials, as long as the message is out there of what people can recycle, whether it is a box, a bin or a bag, people will understand that locally. It is generally not a big issue. The bigger problem of confusion tends to be, "Can I put this in my recycling bin or not?" That is probably one of the key things we need to address, but we do not need to move towards a single system of collection.

If we can focus on what we are trying to achieve in terms of objectives, so maybe greater incentives to deliver quality outputs of materials, so that we are collecting the right materials in the right quality, rather than aiming at massive tonnages of something that is difficult to recycle, that is where the greater benefits are.

Q105 Matt Western: Looking at the rates of recycling, I am interested to know your views on whether you think the Government are likely to fail to meet their target of 50% by 2020 and whether the strategy provides the right platform to meet the objective of 65% by 2035. Perhaps, Cathy Cook, you could start?

Cathy Cook: Yes. London in the last two years has increased its recycling rate by a small amount, but even so it has increased over the last two years. It is still fairly low in comparison to the rest of the UK, simply because of its dense urban nature and its very high proportion of flats; it is nearly 40% or 50% flats. We also support the Mayor's strategy of looking at 50% recycling by 2020. It is very challenging and the resources and waste strategy does start to address those, and certainly will start to help us be on the path to that, but it is a difficult target.

Q106 Matt Western: You think we will fail on 2020?

Cathy Cook: It is challenging for London because of the dense urban nature. I cannot speak for the rest of the UK.

Lee Marshall: Being realistic, 50% by 2020 is unlikely to happen.

Q107 Matt Western: Why do you think so?

Lee Marshall: You can see a correlation between the recycling rate starting to slow down or even plateau and the funding cuts for local authorities under austerity measures. As the funding was not there, local authorities started to make hard decisions, and in some areas people value perhaps their libraries or their social services more than they do their recycling.

You have seen a tail-off in services being introduced because the funds are not there and, for me, that is the primary reason we are likely to fail. If you looked at it in terms of the services we already have in place, if



they were used completely by residents, we probably would not be far off it, or we would maybe even achieve it. There is a behaviour change issue there as well, about people being engaged with recycling, perhaps to a point; if we could get much higher engagement, the services that are out there at the moment would be delivering a higher rate.

In terms of the 65%, it does provide a good platform. Perhaps we need to remember that the new definition will be under municipal waste and that will include a lot of business waste. There is a lot more headroom in business waste for achieving higher levels than perhaps in the household. We need to make sure we do not lose sight of the fact that we can generate a lot more business recycling and not get too focused perhaps on the householder, although that is still going to be important.

Gurbaksh Badhan: I echo what Lee has said, but I would also say that it will probably be challenging for 2020, although the longer term is potentially achievable. One of the key things that we can see we would need is a lot of the infrastructure to be self-sustaining as well. If we are going to create this huge demand for this huge material, we need to find a home for it. That will just take a bit of time, to get through the development process. The lead-in time on the longer-term target is probably a bit more realistic.

Q108 **Matt Western:** Do you think the Government have learned their lessons from the likely missing of the 2020 target?

Gurbaksh Badhan: They probably realise that it is a very ambitious target to reach and are incentivising some authorities probably quicker, which can move quicker to make up that headroom and gap faster than some of the others, which may be a little bit behind and have more to do.

Ian Fielding: The Government have learned some of the lessons, because we probably would not be here if they had not. They are responding to that pressure and, frankly, are taking the bull by the horns. We welcome the ambition of the resources and waste strategy.

We have seen a plateauing of performance and a reduction in some areas. There is a correlation there with funding. We were just sharing some notes before we came in, and we were speculating—none of us perhaps has the evidence, but we would all suggest—that there is perhaps a correlation with the amount of money local authorities spend on communications campaigns nowadays, compared to perhaps what the peak level of performance was. That is one area where it is very difficult to prove cause and effect. You cannot guarantee an investment of £50,000 will deliver a saving of X, and increasingly that is the way we are having to deliver local government services. Anything that will help support that consistency of message across the country has to be welcome.

In terms of other lessons, the focus on household waste has continued. Picking up what Lee just said there, the strategy targets now are more on



HOUSE OF COMMONS

municipal, but there is more work that can be done on that. It is not just about household waste. A lot of the infrastructure, and even the reporting, is heavily geared towards household waste. There is not the same evidence base to support municipal waste, as in commercial and industrial, as there is for household. Perhaps there is more we can do on household waste recycling, but there is certainly a lot more that can be done on business waste recycling.

Q109 Matt Western: Gurbaksh, if I can just come back to you, you were talking about infrastructure. There is an estimate of about £10 billion capital investment required for infrastructure to help deliver the 65% target for 2035. Does that figure of £10 billion sound reasonable to you? Who do you think is going to pay that? Is there a possibility it will fall back on local authorities?

Gurbaksh Badhan: There are a lot of figures being bandied around at the moment. It all depends on what is going to be required and how much is going to be built in the UK or be self-sustaining and abroad. I would say it is probably a bit light. It probably needs to go upwards.

Q110 Matt Western: By how much—50%?

Gurbaksh Badhan: It probably needs to double, depending on what is going to be needed. Are we looking at regional facilities? Are we looking at a lot more smaller facilities? Where do you get the economies of scale within that infrastructure? What was the other part of the question?

Q111 Matt Western: Who do you think will be picking up the tab for that? Is it going to be local authorities?

Gurbaksh Badhan: It is interesting, because ultimately, at some point, someone is paying, including the consumer, who will pay at some point, and producers. We suspect that if there is not fair funding in the formula, in terms of how that is worked out, there could be some cost backed into local authorities as well. At some point, as a society, we will all pay. It is just at different points.

Q112 Matt Western: I have just one final point, and it is about the long-term contracts. In previous evidence that we have taken, many of these contractors have long-term arrangements in place with authorities. To what extent do you think that these contracts will need to be amended if we are going to achieve the 65% figure?

Cathy Cook: There are lots of different contracts of different lengths, and I know that there are some shorter-term contracts that hopefully will come to an end in the next couple of years and will not be too much of a problem. For the ones that are 10, 15 or 20 years long at the moment, there is obviously some negotiation that needs to be had, but some of them that I am aware of are very difficult to change. Some local authorities I know do not really have the option to deliver the requirements within the waste strategy, at least for the next 10 years, because of those contracts, so it depends.



There are discussions that could be had with the waste management companies, but certainly they would need to all be looked at in light of this strategy, because some of them, when they were put in place, were put in place for a long period before a lot of this was really on the table.

Q113 Matt Western: Are there any other points?

Lee Marshall: In terms of some of the longer contracts and perhaps the old PFI contracts, where we were looking at, in effect, acting as an anchor for a merchant facility that then could be bankrolled properly, that is not necessarily the case now. Both the private waste management side and the local authority side have learned a lot from that, so even if they are longer-term contracts still, there is a lot more flexibility built into them, but flexibility tends to come at a cost for contracts. You have seen instances over the last two or three years where local authorities have come out of long-term contracts, for some of the reasons that Cathy has already mentioned, and re-let contracts, perhaps over slightly shorter periods. You are seeing some of this happen anyway, but it does tend to be on a contract-by-contract basis.

Gurbaksh Badhan: It is not just necessarily the long-term contracts that will require some change. Even some of the medium-to-long-term ones—the five-year-plus ones—may need a change to reflect some of the changes today, because five years ago, how it was contracted, be it a collection service or a treatment service, was not known. It is probably a bigger issue.

Ian Fielding: It is a particular issue of concern to ADEPT. We estimate that about 60 local authorities have some involvement in long-term contracts, as in 20-year or 25-year contracts, and most of those facilities, or probably all of them, will have been designed and built and are operating on an assumption of the feedstock they will receive, whether that is an energy-from-waste plant or a mechanical and biological treatment plant. The investment will have been made on the presumption of a feedstock of a particular character.

Some of those contracts will also include recycling within them. The proposals, as we understand them, are likely to affect that feedstock. They will probably alter the amount of recyclate within the material going to that treatment plant. They will probably alter the biological content of that material. That will affect the efficiency of those plants, which means they will be operating suboptimally, so there is a question to ask about whether that is what we want to be doing. Do we want to turn an investment into something that is just running suboptimally, let alone the financial implications that will then almost certainly flow back to the local authority clients?

Most of those contracts, which are standard-form contracts negotiated using standard-form Government-sponsored PFI or PPP-style contracts, will include a provision for a change in law or they will include a guaranteed minimum tonnage and/or they will include something around



HOUSE OF COMMONS

calorific value or waste composition. It is very likely—almost certain, I would suggest—that there will be some flow-back of the cost implications of that to the client.

One of the things that we are very keen to ensure is that any funding mechanism that flows through EPR or through the new burdens provisions takes some account of these impacts. These will be authority by authority. It would be wrong to apply some blanket formula to that, because they will affect certain authorities in different ways. This is an area that we have a particular concern about.

Q114 Mary Robinson: Mr Marshall, you mentioned that in your view some local authorities, because of funding constraints, were making decisions over recycling and perhaps pulling back on recycling in favour of libraries or something else. That would imply that perhaps more would be going to landfill as a result. We know that landfill tax is currently running at over £91 per tonne. To what extent do councils consider matters such as landfill tax, because there is a consequence for every decision that is made?

Lee Marshall: Yes, they do. Again, because of the way the budgets and the funding have gone over the last 10 years or so, they are constantly reappraising their operations and looking at what is going to deliver best value for that authority. If they think that the cost of implementing a new recycling scheme will be outweighed by the disposal savings, they will look to do that. If it does not, they probably will not. It is largely cost-driven now for local authorities. You have to take account of what residents are asking for and want in that particular area, but, as I say, residents are engaged with recycling to a point, and it is not necessarily something that will create a strong campaign for a particular recycling service to the extent that the local authority may put more money into it than it needs to.

Q115 Helen Hayes: In 2012, the Welsh Government introduced statutory targets for recycling. Local authorities face fines if they do not meet those targets. That led to Wales meeting its 64% recycling target in 2017, four years earlier than intended. During our last evidence session, some witnesses suggested that we should have similar statutory targets in England. Do you agree that that would be a sensible approach?

Lee Marshall: I worked in a Welsh authority prior to my role here, so I have experience of that. It is easy to look at some of the Welsh Government policies in isolation and say that has been the thing that has worked, but you need to look at them in the round. While they have statutory targets, they have also put in funding and various supports.

You also have to realise that the high recycling rates in Wales have come at a cost. In 2002, local authorities in Wales were spending about £110 million on waste services. Go forward to 2013 and that had gone up to £180 million. It could be that if they had not done the recycling it would have been higher, but that is £70 million of funding that they have



put in to achieve that high recycling rate that, again, potentially has not gone into other services. The Welsh Government have backed that up. Their funding was £10 million at the start and went up to about £70 million, so it is not just the statutory targets. The Welsh Government have something called the sustainable waste management grant, which goes directly to local authorities for certain things, and they have done a lot of procurement support as well, so it is difficult to pick out one particular thing.

Generally, we are not necessarily supportive of statutory targets, especially with the onset of extended producer responsibility. Something else that happened in Wales was that by giving the local authorities statutory targets, the local authority had to do everything to get every last bit of packaging out of every last house. No producers needed to invest in collection services in households in Wales, because the local authorities had to do that to meet their own targets, so in effect the statutory targets overrode producer responsibility in Wales.

Q116 Helen Hayes: Does anyone else want to come in on that?

Cathy Cook: Certainly for London, that would be very difficult and we would not support it. Out of the 33 boroughs, 14% is the lowest recycling rate and about 52% is the highest, so there is a really big range of recycling rates. That is not to say the one with 14% is doing much worse. Again, it is just down to things such as housing type, demography, the types of waste that they are producing and the number of properties that are flats. Properties, such as in outer-London boroughs, that have much bigger gardens have higher levels of garden waste; they are going to have much more tonnage and higher recycling rates. Certainly, that would be quite difficult.

In London, we are working with the Mayor of London and each local authority, producing a reduction and recycling plan. They are looking at the individual actions they can do, but they are not looking at statutory targets. They are doing what they feel they can do within their own circumstances, which we feel is a much better approach.

Q117 Chair: The centre of Cardiff is different from the middle of Wales, yet they have statutory targets.

Lee Marshall: It is, yes. I live in the middle of Wales and it is definitely different from Cardiff, hopefully in lots of good ways. Like I say, the local authorities have had to spend a lot of the funding and put funding into those services to get the levels up there, but there are differences in Wales. While the nation as a whole is hitting 64%, there are some authorities that have been fined because that individual authority has not met the target, so there is still a spread of performance in Wales.

Gurbaksh Badhan: Targets as they have been before, because we have had statutory targets as local authorities, and as they are set out currently in the consultation are weight based. Again, we are just chasing



heavy tonnage and it is not necessarily delivering the ambitions of the strategy itself, in terms of climate change and sustainability. We have to be careful on targets, in terms of where they are placed and making sure they are placed at the appropriate point, so that if it is a producer target it is being driven by the producers and the investment. We are just part of that system that is delivering that material through. We have to be careful about what we are doing with targets. As the material changes and it becomes lighter, you still have the heavier target to go and attain, so there is a real mix that is going to happen with the composition of waste going forward.

Q118 Mary Robinson: In the future, most additional funding is expected to come from the EPR scheme. Is this a reliable long-term source of funding for local authorities?

Cathy Cook: We feel, in LWARB, that it is certainly a positive thing, because it is taking the onus off of local authorities and putting more of the onus on to producers, but in the long term, with the better quality of design, the increased recyclability of material that is being pushed through on the EPR and the influence of the circular economy, we feel that there will be more and more recycle, which is a positive thing, so essentially there will be less and less funding coming in. It will almost be a victim of its own success in a way. It will be a positive outcome because there will be more recyclable materials, but that will mean that less funding will be coming through from the producers. Certainly, for the first few years there will be a good source of funding there, but as the system moves ahead, that funding may, because of the improved types of materials, start to dwindle.

Q119 Mary Robinson: What are the longer-term risks of relying on EPR?

Cathy Cook: They are exactly as I said, because of the better quality of materials. By relying on that one pot of money, that is going to be a very significant area of funding. By relying on that one area of funding, if that, for whatever reason, does not appear to deliver what it is meant to deliver over the next few years, then there need to be other areas of funding that need to be still available. Those other areas need to not have too much of an impact on local authorities, because, as Lee has already mentioned, there are so many other services that then suffer because money would be put into waste management, and local authorities really are struggling to try to meet that.

Ian Fielding: I do not mean to be flippant, but producer responsibility funding might be more reliable than Government funding. I am interested in the question as well, because it does imply this direct link between EPR funding and local authorities, and it is not clear in the consultation exactly how that would work.

We talk about risks. One of the risks that I would certainly be worried about is about any sort of commitment to funding and how that would pan out in the long term. For those of us who have been around long



HOUSE OF COMMONS

enough to remember, we were promised that landfill tax would be cost-neutral to local authorities. We need to make sure that whatever funding is there is sufficiently transparent that we can be sure we are getting, if you like, reimbursement of our costs, and that is in a way that means we can see that continue in time.

Q120 Mary Robinson: Would that be a real fear for local authorities? Is this a real concern, or is it just something to flag up?

Ian Fielding: It is a concern, because the scars are there from this sort of thing in the past. This is a lot of money at stake. If we are talking about funding those activities through extended producer responsibility, so the principle being that the activities that local authorities currently carry out in relation to recycling should in fact be funded by the producers, we might expect to see some money coming in as new money.

Another concern is whether this is going to be sufficiently transparent that we can separate this new money for those activities we are already doing with the new burdens that are also wrapped up into consistency around things like free garden waste collection and food waste collection. We are not quite sure how this is going to work in practice.

One of the other particular concerns is a very specific one in relation to the EPR models, in terms of security of funding. It is around the option 4 model, which is the levy-based system. We really do not understand enough about how that would work in practice to have any view on whether we could rely on it in the long term, other than perhaps to say it has to be predicated on some degree of failure; otherwise, there would not be any money in the system to pass through to local authorities. We really need more on that before we can form a view.

Q121 Mary Robinson: Is it your view that it should be ring-fenced anyway, for waste and recycling management services?

Ian Fielding: We are not a big fan of ring-fencing. Ring-fencing carries with it all sorts of connotations and difficulties. Transparency is what I would say we want to see. We want to see clarity and transparency on how the funding is then passed through to local authorities.

Gurbaksh Badhan: It is pretty much similar to what Ian said. We understand that producers, if they are going to be injecting some money into the system to deliver the right outcomes, are going to want transparency from us as well, to ensure that it is invested and we are playing our component part. It is transparency at both ends: us through the delivery system, money coming and being very clear as well on what sources, but also in terms of the producers being clear and transparent on their part, so that you can see how much money is flowing into a local authority, a region or a cluster of authorities and that no one is being disproportionate compared with the others, because our concern would



HOUSE OF COMMONS

be that there would be more losers than winners, so to speak, in this system.

Lee Marshall: Touching on all these points, the governance models are about how the funding would flow to local authorities, and some of those have more risks for local authorities than others. The one that has the least risk and is probably the simplest for local authorities is model 2, where you have a central body. With model 1, you have elements of contracting with local authorities; it is a bit like the current WEEE system. Some local authorities, like the one I used to work for in mid-Wales, have a large area but not many people and not much waste. It is going to be relatively expensive for a producer to contract with that sort of authority, compared to your bigger urban authorities that are high tonnage and small area.

There are risks in the governance models for local authorities in terms of the funding being able to flow and how simply it flows. In the long term, the packaging will change, so it is about how well the regulations are written in the first place as to how sure we feel of the funding coming through. To echo another point, it would be reasonable for the producers to expect transparency in the funds they are putting in, because it is a lot of money and they want to see not only efficient services being provided with that but also new services on top of the existing ones.

There is a bit of a historical scar with the market-based system and the PRNs. Local authorities have not been able to see the PRN funding spent with them. That is why we say we are funding 90% of the packaging costs at the moment and the producers no more than 10%. There is that historical scar, as it were, to get over. We want to see minimising risk going forward in the funding.

Q122 **Mr Dhesi:** As you will no doubt be aware, the Government are consulting on proposals to introduce a deposit return scheme for single-use drinks containers, and there are various options, such as the all-in model or the on-the-go model. Mr Fielding, which of the Government's options for a deposit return scheme would your organisation prefer and why?

Ian Fielding: We start off by being somewhat reluctant on the case for a deposit return scheme. Our preference would be to delay implementation until we have understood the impacts of EPR. Having said that, if one were to be implemented, we would be advocating an on-the-go system as opposed to an all-in one.

Q123 **Mr Dhesi:** Why is that?

Ian Fielding: An all-in system, as the definition implies, would cover every drinks container. This would fundamentally undermine the effectiveness and efficiency of local government collection systems for what we believe to be quite limited benefit. The case for a DRS within the Government's consultation seems to be predicated largely on avoiding litter. There is an awful lot of reliance put on some fairly unproven



HOUSE OF COMMONS

analysis on the amenity value of litter. The Government have recognised that there is a need to do a lot more work on this. We do not believe that they have effectively proven the business case for a DRS. If a DRS is going to be rolled out and implemented, it does not seem sensible to include those materials that are not prevalent in litter to any large degree.

An on-the-go system would seem to be more appropriate. When we talk about litter, we are not talking about just what is picked up from a litter collection. It is the recyclables within the litter bins, which typically are very hard to recycle and often are not recycled and go off for disposal. If we can target those materials that tend to be smaller, typically plastic or can containers, then I can see some potential value in doing that, but it does not seem to make sense to include wine bottles, for example, which I would hazard a guess make up somewhere around 50% of local authority collection systems; Lee might have better numbers, but it is a big proportion. It does not make sense to have them returned to shops or other deposit return scheme take-back places when they can be efficiently and effectively collected through local authority systems.

Q124 Mr Dhesi: Ms Badhan, what are your thoughts in terms of which of these options is preferable? Perhaps you could also answer whether you think there are financial risks. If so, what are the financial risks of a DRS scheme to local authorities?

Gurbaksh Badhan: We are slightly at odds. We looked at it as a trade body in terms of ease for customer and confusion. If you had an on-the-go and an all-in, what is the confusion from the consumer's point of view? That is really, again, about consistency—"Where do I put what material and why do I have to put it there?"—and confusion in that message.

We would not be advocating that a DRS should be introduced at this moment in time, but if a DRS is introduced our preference is that it is an all-in system to avoid confusion for the consumer. They need to know where to take that material. Whether you do all-in or DRS, there will be leakage in the system, because we are all creatures of habit. We go for the easiest system and what is most convenient to us at that point in day and time, so it would need to be covered in terms of financial risk, cost, leakage or performance through whichever system, but DRS gets caught in there, whether it is all-in or on-the-go, and EPR funding. You cannot just assume, just because it is covered under DRS, it is not going to leak back into a local authority system, because people are creatures of habit.

Q125 Mr Dhesi: Mr Marshall, I noted that your organisation has called for this scheme to be deferred. If the scheme is to be implemented, which of the two options would you prefer?

Lee Marshall: We called for a deferral as well, because we feel more research needs doing. One of the recommendations of the Government's own voluntary rewards panel was to defer. If it had to come down to it and one was introduced, we prefer on-the-go, but, as I say, deferral is



better, because the EPR and the consistency policy changes are quite big and could bring about improvements in recycling. Let us see how they work. Let us get those bedded in and then, when we can see what that performance realises, if something needs doing DRS can be layered on top.

We do not advocate an all-in because we think it is going to cannibalise the kerbside system. We are part of a group that contributed to a modelling tool for local authorities that they could use to assess the impacts of DRS on them. In one county council area in the south of England, all the district councils used this tool and their average recycling rate, under an all-in DRS, went down by 3.98%. A DRS would have to bring that back just to get even, before it did increases.

In terms of financial risks, the feedback we got, albeit, we admit, from a small sample size, is that local authorities were reporting on average a £126,000 increase in their costs under an all-in DRS; if you scale that up across England, it is £44 million. That is a £44 million cost that the producer would incur before they incurred the cost of the DRS itself.

Q126 Mr Dhesi: Ms Cook, I know from your London Waste and Recycling Board submission that you asked for greater clarification on this whole process, but which of the two schemes, if they were implemented, would you prefer? Could you highlight, from your perspective, what the financial risks are to local authorities?

Cathy Cook: Again, we agree that there should be a very careful consideration and close relationship between the EPR and the DRS. How they are rolled out, how they are implemented and how they would work with each other should be looked at quite closely. However, if there was a DRS scheme, we have opted for an all-in. We think that there would be less confusion. We recognise that there would be some detrimental financial risks for local authorities, but we feel that, because of the least confusion, that would essentially be a better option.

Some of the financial risks that we have looked at are things like the higher-quality materials possibly going into the DRS deposit points rather than the kerbside, which would generally make a lot of the collections less efficient, possibly with vehicles carrying less material, still having to go to each of the properties but not collecting as much. There is the possibility of some people looking through bins and trying to get good-quality materials out to get deposits back from some of the reverse vending machines and this sort of thing.

However, we are still unclear on how it would work potentially if local authorities were involved in the collection of some of the DRS material. We are not clear how that would work and who the material would belong to once it had been recovered from the DRS system. Would some of that go back to local authorities? Would they then be able to recognise that within their recycling targets? That could be a potential benefit for local authorities, but that is still unclear in exactly how it would work.



HOUSE OF COMMONS

Q127 **Mr Dhesi:** Setting aside the lack of clarity from the Government, would you say that any loss of income to local authorities would be offset by operational efficiencies?

Cathy Cook: No, because the operational efficiencies may decrease. As I say, the vehicles still have to go to every single household. If they are collecting less material or less quality material, it would make the system less efficient. It might be harder for local authorities to get good contracts if they are not picking up very good-quality material, so there is a big risk to local authorities. It is just difficult to know exactly how that will pan out. Will people still continue to place good-quality materials into their kerbside bins? If they are on-the-go, they would at the moment possibly tend to put them in a litter bin anyway, rather than take them home with them, so it is difficult to know if that good-quality material would come out of the kerbside or not until the scheme is in place.

Q128 **Mr Dhesi:** Ms Badhan, you were shaking your head there. Do you think that any loss of income would be offset by operational efficiencies?

Gurbaksh Badhan: No. A few of the authorities and members we have talked to, which have done some of their own modelling, can still see a cost, because this whole DRS thing is being pushed by the litter amenity value issue. You still have to go out, you still have to go and clean the street and you still have to send people out, so those costs will still be in the system. There is no ability to offset that.

Q129 **Mr Dhesi:** Mr Fielding, along with comments on that, would you say that disposal authorities and collection authorities are affected in different ways?

Ian Fielding: They will be. One of the comments I forgot to mention in the earlier response, which I wanted the opportunity to make, is in relation to particularly rural areas under a DRS. The Government recognise in the consultation that they do not really know how this is going to work in a rural area. My authority is a rural area. We do not know. We will wait to see what happens in Scotland—that is very interesting—but I cannot get my head around how particularly an all-in DRS scheme will work in a rural area, where there is not the infrastructure there to enable people to take back all their containers.

It does not exist yet, as far as I am aware, but when the technology exists to be able to record the household level when you put your container into your kerbside collection system—your bin or your box—and to have that credited to you, then I can see an all-in DRS system being very effective at encouraging that sort of behaviour. Until we get to that point, I am not quite sure how it will work. That is a concern.

On your point about whether disposal and collection authorities will be affected differently—by a DRS, I presume you mean—yes, they very much will be. I work for a disposal authority, and we do not get involved in kerbside collections. Our obligations are to pay collection authorities recycling credits where they recycle from the kerbside. Anything taken



out of a kerbside collection system will reduce collection authority income and will be beneficial to a waste disposal authority. I am not saying that is beneficial to society as a whole or the taxpayer as a whole. It probably will not be, but it would be beneficial to the waste disposal authority. That is one of the perverse issues around two-tier working.

Q130 Mohammad Yasin: The Government have said that if their wider policies in terms of their waste ambitions do not work in the long term, they will consider the introduction of a tax on the incineration of waste. Do you think there should be a tax on incineration?

Ian Fielding: ADEPT has said very firmly that it does not believe an incineration tax would be appropriate. We believe it would be unnecessary with an effective EPR and it could well encourage or lead to perverse outcomes. It will change the economics of waste disposal and there will need to be great care to ensure that it does not incentivise the wrong behaviours in landfilling or fly-tipping.

More important, perhaps, is the idea particularly of a weight-based incineration tax. We tend to think of it as being analogous to the landfill tax. A weight-based incineration tax will then primarily drive heavier items out of the waste stream, so it will have very little impact on plastics, for example. This is the area of greatest concern. This is the area that the Government have talked about in terms of the potential benefits of incineration tax, but we believe it could well be counterproductive. Fundamentally, it will simply push the prices back to local authorities.

Cathy Cook: LWARB works in partnership with the Mayor of London. He does not support incineration. We also represent the London boroughs, which are supportive of incineration as opposed to landfill. Our position is fairly neutral in that sense, but we do believe that, rather than thinking about the end result—whether it should be incineration or whether it should be landfill—we need to step back one part and say that there is still a huge amount of very useful resources in terms of materials that go into residual waste, and we need to reduce that in the first place.

The focus should be on reducing the amount of residual waste and reducing the material within the waste that can be recycled or that can be composted. We feel that more emphasis should be on that, rather than potentially looking at a tax, because we feel that that will not necessarily incentivise further recycling.

Q131 Mohammad Yasin: Mr Marshall, there is much concern regarding a permit granted for the waste incinerator near Bedford, just outside my constituency. A number of my constituents are concerned about the air quality and public health, which both come under local authority responsibilities. What impact do you think it will have on local government?



Lee Marshall: I am not sure about that specific case, but generally modern incinerators are very clean things. They are highly regulated and highly scrutinised, so there is probably an out-of-date view about what modern energy-from-waste plants are and what they do. They are very clean and the contracts nowadays, compared to maybe 20 years ago, are done in such a way, with high recycling in mind. It is not simply the case that, if you have an energy-from-waste contract, you cannot have high recycling ambitions. You can, and local authorities now have learned the lessons of 20 years ago. They are able to let contracts for energy from waste that would still allow them to achieve the 65% or 70% target in the future.

Energy from waste is a legitimate disposal route, especially if you have energy recovery from it as well. There is almost, dare I say it, a marketing campaign. It is the wrong phrase, but an education process about what energy-from-waste plants are is needed generally across the country, not just in specific areas, because there are a lot of benefits to them being in place and dealing with waste.

Q132 **Mohammad Yasin:** What about air quality and public health concerns?

Lee Marshall: Modern energy-from-waste plants are highly regulated. They are not chucking out smoke and stuff like they were 20 or 30 years ago. They tend to operate within very strict parameters. I appreciate there are public health concerns that people will have, but when you look at the monitoring data and the evidence behind it, they are very good. We have heard of evidence from Denmark where they have put colourant in the smoke, because people want to see it working because they know it is generating electricity. It just shows the different perceptions of these facilities in different countries and how people take to them.

Gurbaksh Badhan: My day job is back at Buckinghamshire. We do have our own energy-from-waste plant in Buckinghamshire, funded by the authority, because it was better than sending waste to landfill. Taking that through the planning process and so forth with our partner was challenging. There were a lot of these misconceptions and myths about public health. There is a lot of research out there now and they continue to do that research. We should never be complacent, because you can always improve and clean even more, but the emissions are far cleaner than what is coming out of your car exhaust. That is how much scrutiny those plants are under.

The permit, which is the environment permit the regulator, the Environment Agency, would have issued, is literally attached into the monitoring centres of these plants and they feed back live data into the waste regulator every 30 minutes. There is a check. They literally have that live access into these modern facilities, which helps in terms of some of the controls and the emissions. When you take the local constituents of an area to a running facility and they can see some of that, it helps allay some of those fears and concerns in a positive way.



HOUSE OF COMMONS

Q133 John Grogan: I have just one follow-up question on that. It is interesting you mentioned Denmark. Its slogan now is about more recycling and less incineration, because it fears that it has reached a point where it is incinerating stuff that could be recycled. Is there not a fear that local authorities are encouraging the incineration of material that could be recycled? We were quoted South Oxfordshire last week as a great example. It is a great example. They are recycling over 60% now, but before they had an incinerator it was recycling over 70%. Is that not a fear? You said that cost was everything in terms of your decisions. Because the externalities of incineration are not really priced in and because there is a tax on landfill and so on, are you not a little bit worried that you are incinerating stuff that should be recycled?

Lee Marshall: It is more about the end markets for the recycler. It is promoting those rather than penalising incineration. The landfill tax was good at moving waste from landfill to incinerators, but that is a direct jump and a direct substitute. The recycling end markets are not necessarily a direct substitute in the same way. As Ian has pointed out, if you tax incineration, that is an immediate cost to the local authority that it probably cannot avoid through the end markets of recycling in the same way that it could when landfill tax came in and it moved to incineration. Things like the proposed plastic tax might do better in changing the economics of making recycling more attractive without adding additional cost on to local authorities.

Are there plastics being incinerated at the moment that could be recycled? Yes. That is more to do with public behaviour than local authority cost decisions, because the services are likely already in place for someone to put their plastic bottle in their recycling bin rather than their recycling box. Local authorities have learnt lessons from 20-odd years ago; they structure contracts in such a way that will allow for high recycling. Now we know the Government's ambition of 65% recycling, we know that there is no point in putting in place contracts that incinerate more than 35% of your waste.

Ian Fielding: As Lee has said, the perception of incinerators is probably based on some truth and reality from the 1980s, 1970s and before. A modern plant is not recognisable. The danger is to consider this as a choice between recycling and incineration; it should never be. The danger again would be to try to stick our finger in the pipe as a way of responding to that and as a way of pushing material back. That is not the best way. The best way of dealing with it is along the lines that Government are outlining, through things like extended producer responsibility and direct incentives to local authorities to collect more recycling and put more recycling-quality product into the system. The worst thing would be to collect recyclate that we cannot find a market for.

Q134 John Grogan: The Government said in their waste paper, did they not, that there is no justification, if the recycling rates are reached, for further energy-from-waste plants? That is what they said.



HOUSE OF COMMONS

Ian Fielding: There are different views in the industry as to where the country is in terms of energy-from-waste capacity. I am not going to take a view on that. I am not expert on it, but there clearly needs to be a balance. We should be careful not to provide more capacity than we need. In terms of whether or not we are at that point yet, perhaps I will leave you to form your own views.

Q135 **Matt Western:** I just finally want to look at joint working. I understand that there are something like 350 different local authorities involved in collecting waste and recycling, of which about 25% are unitary authorities. Should the Government get more involved where there are disparities or significant variances between adjacent authorities to encourage or coerce joint working, Mr Fielding?

Ian Fielding: There are improvements that can be made to better encourage joint working between the tiers and across tiers. Generally, economies of scale are recognised and there is good practice and good experience of authorities working together to deliver efficiencies based on economies of scale, where they have the same interests, particularly district councils and unitary authorities or even county and unitary authorities, and particularly around things like long-term waste treatment arrangements.

Where there are more opportunities is in relation to two-tier authority areas, where the structure and the governance are perhaps rooted in the 1970s almost, when landfills were plentiful and local arrangements were very different from now. The legislation has tried to keep pace over the years with that but still inherently has conflicts in there, including things that we have already mentioned. Recycling credits have always been a bone of contention between disposal and collection authorities. There are things like recognitions of powers of direction. Authorities that would need to rely on a power of direction will be authorities where that relationship has broken down. It should never be relied on but for some reason it is in there. Tipping-away payments is another one where decisions are often made perhaps in the interests of an authority but not in the interests of the overall taxpayer.

There is a lot that can be done between two-tier areas. Generally, authorities in neighbouring areas tend to recognise the benefits. They may not all have the same collection system in place but I am not so sure that that is, in itself, a barrier.

Cathy Cook: I do not necessarily feel that neighbouring authorities with quite different recycling rates would improve by them working together. It might improve in terms of efficiency, as Ian has said, and may save money, but in terms of recycling rates, you are still collecting the same material from the same number of properties. If you have differences in recycling rates between neighbouring authorities, you need to look at the differences in those services and differences in the housing types and that type of thing. It may be that, for the authority with the lower recycling rate, it is the best that they can achieve with those



HOUSE OF COMMONS

circumstances. Joint working can certainly bring efficiencies but would not necessarily increase recycling rates.

Q136 **Matt Western:** On the question around two-tier authorities and how they work or do not work, should there be a fundamental review of governance and how the two tiers work, where they apply, for a better service to consumers and to improve efficiency? Do you have any thoughts on that, Gurbaksh or Lee?

Gurbaksh Badhan: I would echo what Ian said earlier. There is some modern footing needed, especially in two tiers, in terms of some of the funding flows and drivers, potentially, so that people can move to a common place. What we had before was a need for waste management joint strategies in those areas and some common ground across all partners, so you could have one upper-tier authority and up to 11 or 14 lower-tier authorities. Trying to get to a common place among 15 or so partners can be difficult and challenging. There are some things that can happen in there that could be driving the right behaviours across 15 partners.

Q137 **Matt Western:** I am sure that, if you asked a lot of residents, they would be amazed that there should be two bodies involved in waste and recycling. Is it not staggering?

Ian Fielding: It is very confusing.

Matt Western: It is ridiculous.

Gurbaksh Badhan: It is their council.

Lee Marshall: It is what we have to work with at the moment.

Q138 **Matt Western:** We could change that, could we not?

Lee Marshall: We could change that.

Q139 **Matt Western:** We could say that, by 2020 or 2035, contractually they need to change the deal?

Lee Marshall: I have worked in Wales, where they are all unitary authorities, but when it came to procuring waste facilities, we still ended up grouping ourselves into five or six consortia because you need certain economies of scale and it was not big enough on unitaries. It was interesting that that was forced, to a certain extent, by the Welsh Government. The partnership that I was in admittedly had only two councils involved, but we had already been working together informally for five or six years.

On food waste treatment, we started our procurement last and finished it first, because we had a good working relationship and we were able to build on that. There were other partnerships that had been forced together, in the loosest term, and they had trouble with their procurement. If you are going to work together, it is about how you do it and what the basis is for it. To a certain extent, unitary authorities or



unitary governance may have benefits for waste management, but there are some really good examples of two-tier working out there already. It is not a case of, "Two-tier is all bad."

Ian Fielding: I was going to make that point. There are some very good examples of effective two-tier working, but they tend to be the exception rather than the rule. They are almost in spite of the arrangements. In my view and in ADEPT's view, there is a need to move us forward to recognise that we are in a different environment than we perhaps were when the Environmental Protection Act was drafted and to give us a mechanism to overcome some of those barriers that are there, to improve two-tier working now. There are options such as statutory joint waste authorities. We are not necessarily talking about local government reorganisation; we are maybe talking about something more structured around a single waste authority for an area.

Matt Western: That is the point, yes.

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

Examination of witnesses

Witnesses: Councillor Peter Fleming and Mayor Philip Glanville.

Q140 **Chair:** Thank you for joining us to give evidence to the Committee. Could you say who you are and the organisation you are representing, please?

Philip Glanville: I am Phil Glanville. I am the directly elected Mayor of Hackney. I am representing the LGA and the Environment, Economy, Housing and Transport Board.

Councillor Fleming: I am Peter Fleming. I am leader at Sevenoaks District Council. I am representing the District Councils Network.

Q141 **Chair:** Thank you both very much for coming. The LGA has said that the Government's waste strategy is a significant step in the right direction. The DCN has said that there are contradictory ambitions. Before we get on to some of the concerns—colleagues will be raising issues about finance, standardisation and recycling—do you have any key messages of support for the Government's approach that you might like to give us, before we go on to the issues and difficulties that you might like to address?

Philip Glanville: We are very clear that we support the ambition in local government. What we would also say is that the recycling and waste services that we provide as local authorities are popular. Eight of 10 residents are happy with the services we provide, and we have maintained that high-quality service even with 10 years of budget cuts.



Although we have not quite hit that 50% figure for next year, getting to 45.7% is very positive. Going on from that is something that we absolutely support. It is where the public are, if we think about where their views are on single-use plastics and some of the campaigning that we are seeing around climate change at the moment.

The challenge, if we are going to meet that ambition, is about how it is paid for and the new-burdens principle. For us as local authorities, it is about how you recognise the difference between different local authorities and some of that financial impact as we move to that next stage. We really welcome the focus on the producer responsibility work, which is long overdue. European colleagues and partners have been doing better on that previously. We have to get beyond just seeing it as a waste management and recycling problem, to also look at the waste production and consumption side of it. Those principles that are being explored in the strategy are very positive.

Councillor Fleming: We would back much of that. We clearly support the “polluter pays” principle. That is something that everybody can get behind. We also welcome more responsibility being placed on businesses. They are big producers of waste. We often focus on household waste, but the reality is that businesses are huge participants in that waste stream. I would say that those are the two main areas where we can find some support for what the Government are talking about.

Q142 **Mr Dhesi:** In terms of the financial implications, the Government have promised local authorities that they “will receive additional resource to meet any new net costs arising from the policies set out in the strategy and consultations when implemented. This includes both upfront transition costs and ongoing operational costs”. Why, then, Mayor Glanville, are councils concerned that they will not have sufficient funding to implement the strategy?

Philip Glanville: There is a very important principle to set out, as you have, but the devil is in the detail. We just had an extensive debate on everything from incineration to food waste, and to some of the challenges of deposit schemes and the “producer pays” principle. All that complexity is still to be borne out in how things will be implemented. We have raised concerns, as the LGA, around some of the impact assessments and how the averages used by WRAP have been played out. Before we jump for some of those policies and understand their financial implications, we want to go into much more detail with the Government.

If that principle gets through the devil in the detail, it will be welcome, but the challenge for us is that there is still too much uncertainty there going into the system, as well as how funding may be passed on. We heard a discussion earlier about ring-fencing. The real challenges for local government, against a background of austerity and the fair funding review, with the spending review to come, is how those inputs will go into a system with these increased burdens, recognising that some local councils have also already invested extensively. Other local authorities



HOUSE OF COMMONS

are looking at how they might extend things like food recycling. There is not an easy baseline to understand where those additional resources going into local government will land.

Q143 **Mr Dhesi:** Councillor Fleming, on behalf of the District Councils Network, are you happy? If not, why are you not happy?

Councillor Fleming: No. We have zero confidence in the fact that the funding will follow the new function. This is borne out through history. This Committee will have seen multiple examples where Government have passed responsibilities or changed the role of local government and talked about funding coming, but it has not come. This is an incredibly complex area. We will talk later, I am sure, about some of the elements within this strategy, but it is quite clear that the Treasury has not even had a cursory glance at how much this strategy is going to cost. If it had, I very much doubt we would be sat around discussing it today.

If we just talk about things such as vehicle replacement going forward, in terms of new vehicles that we do not currently have, these vehicles are between £150,000 and £250,000 per vehicle, with most councils having multiple vehicles. If we start just pushing that across the 200 district councils in this country, you start to get into an idea of the ongoing costs of this scheme. If we talk about the fact that, within this strategy, they talk about every council and every resident having the same colour and size of bin, just think about trying to put that across the country, let alone when we start talking about things such as green waste, much of which is charged for at the moment but would now be free during the growing season, as yet undefined within the strategy. Can you imagine every council going out to try to procure staff, machinery and resources to collect green waste for free during an undefined growing season, all at the same time?

None of these costs is set out in this paper, so it is quite clear that that is an area where work still has to be done. Local government would absolutely hold firm that they would not take on these new responsibilities unless there was significant money put in place, not just for the transition but for the future. You will know that tying future Governments to ongoing funding for something is impossible.

Q144 **Mr Dhesi:** It is great to hear that you are such a great fan of this. I am assuming that, in terms of the Government's impact assessment and whether it accurately estimates the costs to local authorities, you are not going to be in agreement with that either.

Councillor Fleming: We do not know the factors that were put into the impact assessment. It was clear that the Ministry were not really aware of the work that was going on in the Department. We, as a major part of this whole policy, were clearly as blindsided as the Ministry were on it, which means that we had no opportunity to take part in the impact assessments. We do not know what is and is not included. Until we do, frankly they are not really worth the paper they are written on.



Q145 **Mr Dhesi:** Just coming back on that, the Government said in their impact assessment that their third option, which is multi-stream dry recycling, will generate a saving of £679 million a year for local authorities. Are you not in agreement with that?

Councillor Fleming: We do not know what is included within the impact assessments. Until we have all of the technical work that was done, I am afraid that that figure just sounds like one that has been plucked out of thin air. Of course, that may be the true figure and that may be the savings figure, but unless you know how much the cost figure is on the other side of it, frankly, 600 and whatever million pounds sounds amazing, but if it costs £3 billion to do, it is not amazing.

Philip Glanville: There is a question about the infrastructure you need to roll that sort of model out. There is the cost of collection and then there are the gate fees that you might get on the landfill side and in terms of the market for recycling. All that is as uncertain as Councillor Fleming has said.

Councillor Fleming: The other bit that I would say is that all the evidence shows that residents' participation is key. The simpler the scheme is, the higher the participation level. This seems to be based on every single person obeying all the rules all the time.

Q146 **Mr Dhesi:** In terms of most of the additional funding, that is expected to be coming from the new extended producer responsibility scheme. What are your thoughts on that? Do you expect that to be a reliable, long-term source of funding for local authorities? Should funding for the EPR be ring-fenced to ensure that it is only spent on recycling and waste management services?

Philip Glanville: We heard some of the challenges in the previous evidence session around the fact that this is not a source of funding that local government has had access to up to now. There are some perverse incentives, depending on how the "producer pays" principle is applied. If it means that the recycling streams alter in terms of quality of plastics, it can be very uncertain. The better we do, potentially, the less money could be available. It is long-term, stable funding that we would want to see. There are historical challenges around ring-fencing and the whims of future Governments.

There is also the sense that it depends on how the "producer pays" principle is rolled out. If it is recycled we may understand where that product has ended up, but if it is in the residual waste stream, are we also being paid for that? More broadly, with regard to the public affairs and awareness work that we need to do to explain these systems and get resident buy-in, we would need to make sure that it was funding the roll-out of these schemes fully and not just certain types of product entering the waste stream. Sweeping is costly in some of the long-term investments that we have to make.



HOUSE OF COMMONS

Councillor Fleming: There is also a fundamental problem, which of course is that we are in the middle of the process. Both the collection and disposal authorities are right bang in the middle of this process. At the other end of the process is the market, and the market for recyclables is incredibly volatile. When I first became a councillor, there was a huge market for recycled glass, then there was not a market for recycled glass, and then some coloured glass had a market and other coloured glass did not have a market. Now we are in a position where it costs to take glass away. Frankly, you cannot have a model that is based on those variables. It does not work and does not stack up, and it will not stack up into the future.

Mr Dhesi: Thank you very much. I am sure the Chancellor will be very happy to read today's notes from the meeting.

Chair: It might not worry him in the future.

Q147 **Matt Western:** Do you think local authorities would welcome or would like to see great consistency in terms of waste and recycling?

Philip Glanville: It depends on what you mean by "consistency". There is a consistency end, as Councillor Fleming was talking about, in terms of colour of bins, the size of bins and what is collected in those bins, or there is the consistency coming in from the producer market. There are seven different types of plastic entering the waste stream. Where national Government have a really important role is in negotiating around that producer, consumer and retail end. We will all have picked up packaging that says, "Read about what can be recycled locally. Contact your local council." That is a huge disincentive to people recycling.

It cannot be solved purely by placing the burden for consistency on local government. Where there is a really important role is in getting the industry's act in order and making sure that they are not producing packaging that is not recyclable or only recyclable in the most perfect set of circumstances. Reducing consumption is as important as dealing with the endpoint. We could end up recycling 100% of water bottles, but that is not the future of how we should be consuming water.

Q148 **Matt Western:** You said "negotiating". Would you say "legislating" as well?

Philip Glanville: It is a combination of both. There is eye-catching work that has happened around straws and plastic bags. We do not want to end up with perverse outcomes where you introduce biodegradable water containers into a system that cannot accommodate them, so we do have to be careful with what we do, but there is a huge role for national Government in the upstream. As Councillor Fleming said, we are caught between two ends of a market: a market for recycling and a market that is producing these materials. The consistency issues are at the market end as much as they are about the services that we provide.



Councillor Fleming: Those are hugely well-made points. Clearly, if there were only two types of plastic to be recycled, both ends of the market would be there. The market would come to the fact that they only need to produce a machine that can recycle these two bits of plastic. As was said by the Mayor, there are seven, and it makes it incredibly difficult and incredibly costly.

The Government need to make up their mind. Do they want a national rubbish-and-recycling service? Do you really want to spend your time in Parliament discussing the vagaries, or do you want to leave it to local government? There is a clear point here, which is that either we have local government or we have national Government that does all the local services.

Many years ago, I sat in a room with Sir Simon Milton, who was the leader of Westminster Council. He listened to a debate at the time that had been kicked off by Eric Pickles. There were council leaders discussing weekly collection and alternate-weekly collection. After half an hour, he leant back in his seat and he said very quietly, "In Westminster, we collect every day." That killed the conversation because the reality is, for Westminster, they have to collect every day. You cannot have a national scheme because we are very different places. We either trust local government to find the scheme that best serves the people who we serve, or we dictate it from the centre.

Philip Glanville: It is not even one scheme within one local authority. That is the important thing to say. It is different if you are doing estates recycling, if you are on the street, kerbside, with flats above shops, or if you are dealing with suburbia; that is the complexity within inner London, never mind if you try to have a national set of guidelines that get down to the detail of the colour of people's bins.

Q149 **Matt Western:** On that, do you think the Government's proposals strike the right balance in encouraging local decision-making versus best practice, Councillor Fleming?

Councillor Fleming: If you have a strategy that dictates the size, type and colour of bins, you can honestly say that local decision-making has been taken away from the scheme. It is clear from this strategy that they want one scheme to conquer all, which is a national scheme. You have taken local decision-making out of it. In my area, we have in-house services. We collect rubbish and recycling every week and we charge for green waste. As a Conservative, I have just returned 46 out of 54 councillors on the back of pretty much talking about our weekly collection of rubbish and recycling. My neighbours choose a different scheme, and that is absolutely fine.

Let us be brutally honest: most people do not have a second home in a different area. Most people only have to remember one scheme. If that scheme works and if that scheme is brought in by a council that has



political legitimacy at the ballot box, I do not believe that this place should be dictating how we collect rubbish.

Matt Western: That is pretty clear, thank you.

Q150 **Helen Hayes:** Based on some of those answers, I might be able to pre-empt what you might say in response to my questions, but let us have a go anyway. The Government have outlined three options for dry recycling: the existing system, which has four bins; a two-stream system, which has five bins; or a multi-stream system, which has six bins. DEFRA's preference is for option 3, which is the six-bin, multi-stream dry-recycling system. Which do you think is most realistic for more local authorities?

Philip Glanville: It has to be local decision-making based on experience. There will be contractual reasons for continuing with different methodologies, as well as the issue of whether or not this place and Whitehall should be making those decisions. By all means have some best-practice guidance, but if you are living in an inner-city location, as I represent, taking my LGA hat off for a second, it is impossible in most flats to have that segregation at the household. Even if you then try to take it to kerbside, it can be incredibly difficult and is not necessarily the most efficient way of ensuring that you have a simple scheme that is easy to use for residents. Dictating that level of detail from Whitehall simply does not make sense and is not the experience of local authorities that have been delivering, tweaking, changing and piloting their waste streams. We are a weekly collection. We are insourced. We do food recycling. That has grown up over the experience of working with good council officers and with the North London Waste Authority, which is the partnership that we are involved in. It just does not make sense to dictate that nationally.

Councillor Fleming: The reality is that we need to find the solution that best fits the local circumstances. As the Mayor has said, in certain areas that might be different schemes in different types of housing, because that is what works best. I would go back to the point that the more complex you make the scheme, the more chance there is of issues with the scheme, and the more chance there is that people will not take part in the scheme. The simpler you can keep the scheme, the more likely it is that residents will take part.

Q151 **Helen Hayes:** In terms of simplicity, for the purposes of this discussion, is it all about minimising the number of bins, or are there any circumstances in which increasing the number of bins could aid an increase in recycling rates? That is important, because the Government are proposing, and the Department is recommending, a scheme that involves six bins. It is really important that we have absolutely clear evidence from people who are responsible for waste collection as to what that is likely to result in on the ground in terms of residents and their recycling practices.



Councillor Fleming: One of the issues is about what happens to that recycling afterwards. In our experience, if some recycling is in any way contaminated, whole loads get turned away, which has knock-on impacts. The more complex the scheme is, the more chance there is of there being contamination to a particular stream of it, and then a whole batch of recycling being taken away.

What we would say as waste collection authorities is that we have experience up and down the country of 200 authorities that collect waste and recycling. The evidence of multiple different ways of doing it is the simpler you can keep the scheme, the more chance you have of the public taking part in that scheme. I would question whether anybody in the room is currently in a system that has six bins. A six-bin system is untried and untested, and we would counsel against that. What we are saying is that, out of the options, you need to keep all the options open for local authorities to find the best scheme for their local area.

Philip Glanville: I would echo that. There is no assessment that has been shared with the LGA, which the LGA has been able to test, that has proven that moving to six bins will see that increase in recycling rates. There are fantastic different methodologies that have been rolled out by local authorities in their circumstances. There are circumstances where garden waste makes up a much higher proportion of both recycling and residual waste than it would in an urban area, where 70% of people do not have access to a garden. To have that set out from the centre, without a clear evidence base of why it would be better, is what we are disputing. If there is some piloting and if the Department wants to invest in that sort of piloting work to prove that sort of concept, I am sure there would be local authorities queuing up to work with them.

Q152 **Helen Hayes:** Accepting that you have both said that frequency of everything should be determined at a local level, is it an important principle, in order to encourage recycling, that residual waste is collected less frequently than recyclable and compostable waste?

Councillor Fleming: I do not believe that that follows. There are many councils now that offer alternate-weekly collection of residual waste, but it is dependent on what happens upstream of it. Another part of the strategy talks about reducing landfill. For my authority, our residual waste goes to an energy-from-waste plant and less than 2% of our waste goes to landfill. When we talk to residents who have been watching "Blue Planet II" and other things, they are talking to us less about recycling but about how much of their waste is going to landfill. What we have seen is residents change their focus from recycling to landfill because they know that not all recycling is necessarily recycled in this country. They want to know where their waste is going and where that end is.

It has to be up to the local authority to decide the best method for residual waste. There are councils that comingle their green waste with their food waste. Within the strategy, that has been seen as separation. We would say, why is that a separation? Why can you not continue to do



HOUSE OF COMMONS

something along those lines? Again, it has to be about choice for local authorities.

Philip Glanville: It is absolutely choice. There are good examples of fortnightly and three-weekly collection of residual waste. It is also then about investment required in food waste and recycling collections in between. All those decisions are best taken locally and have been iterations that people have gone through. Hackney collection is weekly. We are one of the few weekly collections still in London. All London councils with weekly collections are looking at potentially moving to less frequently, but it will also depend on how they have invested in their other types of collection scheme. To say by a certain date that it should be fortnightly or more frequently would just be an error.

Q153 **Helen Hayes:** Are the Government right to propose that garden waste collections should be free in all local authority areas?

Philip Glanville: No.

Councillor Fleming: No. The garden waste section of this is a session all on its own, in reality. It makes very little sense for those authorities, many of which are already charging, to stop charging for what is a discretionary service and to allow others to provide the service for free. In terms of the cost to authorities, we would be talking in the tens of millions of pounds in loss of revenue that comes from it. We would also be imposing a tax on those who do not use the service and who do not have gardens. At some point, somebody will have to pay for that to happen. Again, it is one of those areas where, I am sure, the Treasury cast their eye over this and see why we would take away a chargeable service and then have to fund it from the centre to provide it for free to people who do not use it.

Philip Glanville: If we look at the scale of some of the challenges we are talking about, again we would want that new-burdens funding if it was rolled out, but we believe it should be a local decision. There are then also different arrangements where, to some extent, you are looking at composting, with local authorities investing heavily in making sure there is a better local loop for garden and, indeed, food waste. That is not something that is necessarily going to be valued in a system that is encouraging councils to provide it for free. Why would you take that additional step within your community or as a household to do that composting work? As I said before, it also makes up different amounts within recycling versus residual waste, so it is not an area that should be dictated from the centre.

Councillor Fleming: Just on one of those points, it is interesting that the rest of the strategy looks at the waste hierarchy and yet, when it comes to garden waste, where you would want to be promoting composting, it is suddenly, "Provide a free service and collect it all."

Q154 **Matt Western:** It sounds a good idea for a leadership campaign, does it



not, that sort of strategy? Maybe; that is just a random thought. Just to move on to recycling rates, is the Government's strategy going to provide a platform for the achievement of a 65% target by 2035?

Philip Glanville: Potentially. As we have said, we recognise that ambition. There is definitely work here that could lead to that. The interesting thing is how things like the deposit-return schemes will interact with recycling. If all that is removed from local authority waste streams, whether it is a full system or an on-the-go system, it will have an impact on recycling rates. It will be the high-quality materials that are taken out through a deposit scheme, so it may well be that it is impossible to get to 65% recycling if you have a very extensive DRS.

There is a lot here in terms of the "producer pays" principle that could really help clarify the types of material that are entering the waste stream and make it easier to recycle. Introducing food recycling, with the right support around new burdens, is, again, an important step. There is a lot in here, but there is still a lot of complexity to work through before you give something a completely clean bill of health that it will definitely get us there.

Councillor Fleming: The 65% is ambitious, and probably rightly ambitious. Our members make up two-thirds of the top 100 councils for recycling rates, so we believe that we can do this. However, we have got there without having the Government dictating. Experience shows that, when Governments try to intervene too much or try to set structures too rigidly in terms of how we reach that target, quite often we end up with a perverse system where we miss those targets. Again, we need to have that flexibility, and our members need to be able to find the thing that gets there the best.

The idea of penalising, rather than setting a target that encourages, is probably wrong because, again, we are stuck in the system. I do not want to go on about it too much, but we are right in the middle of a system where, as the Mayor has pointed out, if the producer bit of the system does not work and if the market is not there for us to put those recyclates into, then frankly we are stuck with a target that we are never going to reach. Both ends of this need to work together, with us in the middle.

Philip Glanville: There just needs to be more co-production on those inputs and outputs—that is what we, as the LGA, have been saying—to make sure that the targets, the impact assessment and all the building blocks of the strategy have been gone through with local government, if we are all going to sign up to it.

Q155 **Matt Western:** Can I just quote from the LGA's written evidence, where it said that it "cannot comment on the accuracy or deliverability" of recycling targets as, of course, they were not involved in the development of them. They called on WRAP to share its data with them. WRAP then told us that most of its modelling had been published online,



HOUSE OF COMMONS

with the rest provided directly to DEFRA. What else do you think local authorities would like to receive from WRAP and DEFRA? Do you doubt that WRAP/DEFRA recycling estimate?

Philip Glanville: WRAP has been collecting data for 15 years. They are experienced in this work and DEFRA is commissioning them to provide some of this information. What we are saying is a lot of it is averages and projections, and we want to see some of those underlying figures and work with the Government, as the LGA and, no doubt, with DCN and others, to go through those figures and project them out. That level of detail has not been shared according to the discussions I have had with the policy team that has advised me and the board. There is still a lot more work to do in taking those averages and turning them into something meaningful that you can then make policy off the back of.

Councillor Fleming: It comes back to that impact assessment question from earlier. Without a full suite of the data that they have used to drive many of the assumptions in there, it is very hard for us to make a value judgment on whether it is correct or not. We know our own figures. We know what we are doing. We have collected those figures for a long time. Understanding how those projections have worked and whether those projections have worked, to get to a certain answer, is a different question. Of course, we will not know that unless we have all the data on which those assumptions have been made.

Q156 **Andrew Lewer:** During our last session, academics who work in this field told us that there were some local authorities that are locked in to long-term contracts that have low recycling rates. Do you anticipate that existing long-term contracts would need to be amended in order that the recycling targets set out in the strategy are reached?

Philip Glanville: Contracts have been evolving. I was sat in on that previous session. There are lots of different types of contract involved here. There is the collection contract and how we are organised to do waste management, street cleansing and recycling. We all have different approaches to that. The two authorities here that are represented have insourced contracts. Others have outsourced contracts or hybrids. Then there are disposal contracts and the MRFs, and that part of the market. Then there are people who have got into long-term funding agreements around things like incinerators. There is a huge degree of complexity, and I suppose we would want that recognised in any changes, as well as any new burdens for local authorities and some transition time for that. It is such a complex picture to say that one size fits all, and we want to make sure that is reflected in how the Government implement this strategy.

Councillor Fleming: This is a massive part of the potential costs of the system, and also unknown costs. The majority of districts will be in contracts at the moment. Some of those will need to renew before that 2023 deadline. How do they spec that? Do they go into a short contract up to 2023, not knowing what they will have to do post that? Will there be an increased cost in that? Yes, there will be. You will not know what



HOUSE OF COMMONS

the ongoing costs of that are. This is part of the problem with this whole thing: the costs are so unknown in terms of whether there will be a market there to go in for these new contracts. Will all the current suppliers want to bid for these contracts going forward? If they do bid, what level are they going to bid at? Those are some of the unknowns.

Just to pick up the other point, some of these long-term contracts with energy to waste are based on high calorific content, which tends to be food waste. If you take that food waste out of the waste stream, so that it is not going to energy from waste, some of these very long contracts start to fall down, because you are contracted to give them a certain amount of calorific content to run these machines. These are not cheap facilities, and if you have to then subsidise them going forward, again the Treasury will be that sharp intake of breath you hear from down the road, when suddenly some of these unknown costs come to light.

Q157 John Grogan: Is there also a risk of a reward for failure: that those that have achieved low recycling rates would get more cash from the Government than those that had done the right thing earlier on anyway?

Philip Glanville: That is a concern that the LGA has about new-burdens funding and how it might play out. If food recycling was rolled out across the country and, effectively, incentivised through new-burdens funding, but did not recognise investment that had already been put into that by some local authorities, it would be intrinsically unfair. That could go for any of the things that we have been talking about, including deposit schemes and others. It is a challenging picture in terms of looking at what those costs could mean.

Q158 Chair: Some local authorities, I understand, are charging for non-household waste at recycling centres. I understand that, where a business comes along with a white van full of builders' rubbish, you charge them, but if it is a householder who has done a bit of DIY and has a doorframe, is it reasonable to charge them in those circumstances? Is that discouraging recycling?

Philip Glanville: It is about local decision making. Again, it will depend. Some local authorities do not have those sorts of site. Some have extensive kerbside bulky-waste collection that they may or may not charge for. Some authorities will have real challenges with HMOs and landlords, where that easy definition that you, Chair, have described between business and householder can be quite complex. At the moment, you are seeing HMOs and those sorts of people dumping or taking to those sorts of site. Some of it can have very high weight costs of disposal. Some of it could be recycled or reused. If you are talking about real local-loop, zero-waste investment, you would want those beds and, potentially, cookers reused rather than dumped, so there can be a way of incentivising people not to take them to those sorts of centre and to think about Freecycle methodologies.

Q159 Chair: Local authorities are charging people to take them to the recycling



HOUSE OF COMMONS

parts of those sites? Is that not perverse?

Philip Glanville: We are not seeing that there has been that impact on recycling through any charges like that. We do not have evidence that is having an impact on recycling rates.

Councillor Fleming: We are not a waste disposal authority, so we do not run them.

Q160 **Chair:** We have talked about the need for local discretion and local decision-making, but the reality is that we have got to 44% recycling rates with authorities deciding what they are going to do and how they are going to do it. In Wales, they have recycling targets laid down by the Welsh Government; they have got to 64%. Does that not show that a bit of central direction might not go amiss?

Philip Glanville: There is a challenge that was highly explored in the last session around the fact that it came with proper funding. It was statutory targets with funding, and probably a less complex unitary system around the organisation of government. You cannot just take the example in Wales and necessarily apply it to the complexity of the things that we have been discussing in this session. Targets can play a part, but making them statutory would really focus on that new-burdens challenge. I still think there are a lot of upstream challenges around what is going into the waste system that need to be resolved, and that is where proper statutory regulation would have its biggest impact in terms of delivering recycling and reduced waste.

Councillor Fleming: We would err on the side of caution in making any judgment on being able to take a Wales situation and just graft it on to England. For the reasons that have been given, the Welsh Government and local government funding in Wales are significantly different from funding in England. Just in terms of scale, we are talking many times the scale. The local government set-up in Wales is fundamentally different as well.

What we would say is that, if standardised targets are brought in, we would expect some sort of consultation with stakeholders before we got to the production of this sort of paper that we are talking about today. Both the Ministry and local government were fairly blindsided by all this. In the Welsh example, there was an amount of work that was done with Welsh authorities and with the Welsh Government before they got to this stage, so we would say we should have perhaps had an extended debate around this prior to any papers being written.

Q161 **Chair:** If there had been that extended debate and that full involvement and consultation, would there have been any role at all, or any room, for targets to be set and rewards to be linked from central Government to local authorities that hit their targets?

Councillor Fleming: Anything that brings in new penalties or new burdens to local government at a time when we have seen—



Q162 **Chair:** And new money to deliver them?

Councillor Fleming: Unfortunately, Chair, we have history with the Government on this when new money is promised. The reality is that it can last for a period. There can be a big announcement around the money. This is going to need ongoing finance beyond a Parliament, whenever that may or may not start or finish. The reality is that this is many millions of pounds and we just do not believe that that money will flow to the right parts of local government, at the right time, for the extended period that would mean that we were able to deliver this.

Philip Glanville: We all said at the start that the aspiration is absolutely right. There is a capital and revenue cost, as Councillor Fleming has talked about, in terms of real up-front investment in infrastructure to deliver and then the ongoing funding costs of delivering those improved services. Also, underneath all that, are you rewarding failure or rewarding people who have innovated? In terms of the discussion that Mr Lewer instigated, do you fund those who have not rolled out different types of recycling or those who have? Do you fund those who hit a 65% target, or do you fund people to get there? I am not sure that we have a good model in experience within local government to show which would work.

Q163 **Chair:** If I was Secretary of State sat there saying, "We all agree we need this recycling rate of 65%," what certainty would I have that councils were going to deliver that in the multiple ways of doing things, if there was no requirement there?

Councillor Fleming: I do not think you would have. The reality is that the 65% target is an incredibly stretched target. However, looking at the middle of the system and saying, "You must reach 65%," is entirely the wrong way of looking at it. As has been said by the Mayor, if the producers are not producing stuff that can be recycled, and there is no market for recyclates at the other end of it, then frankly we are going to be stuck with a target that we may be penalised for, while we have no control over either what is coming in or what is going out. Frankly, that does not make any sense either. Of course, if they legislated around both of the other ends, rather than the bit in the middle that is, frankly, picking it up and taking it somewhere else, perhaps there would be more sense.

Philip Glanville: It comes back to my bottle analogy: even if you did have the two types of plastic and you recycled 100% of it, that debate has not touched on whether it should have been produced and consumed in the first place, as well as the market at each end.

Chair: You mentioned that they have a different system of local governance in Wales, so Andrew has a question.

Q164 **Andrew Lewer:** You did reference that. Along with on-street and off-street car-parking, and leisure centres for one and libraries for another, waste disposal authorities and waste collection authorities are many people's favourite reference points for the problems of two-tier local



HOUSE OF COMMONS

government. Given that this strategy is coming along in one short form or another, even if it is changed, does there need to be a fundamental review of delivering governance models for the management of waste, particularly in two-tier areas?

Philip Glanville: I do not think there does. There are really good examples of partnership between counties and districts, such as Oxfordshire, Hertfordshire and other places. There is a different relationship in London, where we are part of a waste authority while being a unitary authority as well, and there is considerable freedom within that system. You have all the benefits of economies of scale as a waste authority with an energy-from-waste contract at the heart of that, with some of the abilities across that waste authority to do public affairs campaigns around changing how consumers behave. However, you are still able to control how you collect.

Through the time that we have been operating with the North London Waste Authority, we have outsourced, insourced and partially insourced services at a local level. The most important thing is understanding the democratic ability, the recognition of place and encouraging partnership, as we have been discussing, rather than saying that a fundamental review of two-tier systems is right, unless you are talking about an even broader review of local government, which we know has pitfalls to it, whether it is Northamptonshire or elsewhere.

Councillor Fleming: It is a huge red herring, and quite an easy one, for people to go, "Two-tier areas are all too difficult." The reality is that, in two-tier areas, waste collection and waste disposal authorities work together. We work together around campaigns. In fact, the Kent Waste Partnership is based in my local authority. The officers from there are based there. We roll out things on issues from fly-tipping to recycling. It does work and it does allow for the difference between many coastal authorities and many inland authorities. The problems of seagulls and making sure that you provide seagull-safe bins are well known to those in seaside authorities; I know less about that.

The reality is that two-tier is here and is in place. We have waste collection and waste disposal authorities. From our perspective, we need to make sure that, if this goes ahead and funding comes, the funding flows to the bit of the system that needs it. The funding must not just end with the waste disposal authority if it is the waste collection authority that needs the funding for that bit of the change. That is where we would say we need to make sure that that happens.

Andrew Lewer: Your strength, Peter, is your consistency. Thank you very much.

Chair: Thank you both very much for coming to give evidence to the Committee this afternoon.