# Fifth report of Session 2023-24

## Department for Environment, Food and Rural Affairs

### Government's Programme of Waste Reforms

**Introduction from the Committee**

Government's 2018 Resources and Waste Strategy aims to establish a circular economy, where products are used again or for longer through reuse, repair, and recycling. It contained five strategic ambitions including doubling resource productivity and eliminating avoidable waste by 2050. In 2019, the need to decarbonise the waste sector became more significant due to the UK's commitment to 'net zero' greenhouse gas emissions by 2050.

As part of its work to deliver the strategy, the Department initiated three interrelated projects known as the collection and packaging reforms programme. The programme is intended to bring about major changes to how waste is paid for and collected. It includes:

- The extended producer responsibility for packaging scheme, which will require companies that produce packaging or sell packaged products in the UK to cover the full costs of collecting and sorting household packaging waste for recycling. The Department estimates these companies will pay around £1 billion (2020 present values, 2019 prices) a year. It plans to introduce variable fees, depending on the recyclability of the material used.
- The consistent collections project which will require local authorities, businesses and organisations such as schools and hospitals in England to collect food waste and dry recyclable materials (paper and card, metal, plastic and glass) separately where possible. Local authorities will also need to provide a separate garden waste collection for households. Since we took evidence in September 2023 the government has rebranded the project as 'simpler recycling'.
- The deposit return scheme in England, Wales, and Northern Ireland, which will place a redeemable deposit on all single-use plastic and metal drinks containers up to three litres in volume.

The Infrastructure and Projects Authority (IPA) conducted two interviews in June and September 2022 on the deliverability of the programme. The first review gave the programme a 'red' rating and concluded that successful delivery of the programme to time appeared to be unachievable. The second review noted the Department's progress in implementing recommendations but maintained a 'red' rating, as it did not have confidence the extended producer responsibility scheme (the first of the collection and packaging reform projects) could be delivered by its expected deadline in October 2024.

Based on a report by the National Audit Office, the Committee took evidence on Monday 11 September 2023 from the Department for Environment Food and Rural Affairs (DEFRA). The Committee published its report on 1 December 2023. This is the government's response to the Committee's report.

**Relevant reports**

- NAO Report: The Government's Resources and Waste Reforms for England:– Session 2022-23 (HC 1513)
- PAC Report: The Government's Programme of Waste Reforms:– Sessions 2023-24 (HC 333)

## Government response to the Committee

***1. PAC conclusion: There have been significant delays to the collection and packaging reforms, partly because the Department did not set the programme up well from the start.***

***1a. PAC recommendation: The department should write to the Committee after the Infrastructure and Projects Authority's next review of the Programme (due autumn 2023 when we took evidence), setting out how it will address any outstanding concerns that IPA raises.***

1.1 The government agrees with the Committee's recommendation.

**Target implementation date: March 2024**

1.2 The most recent Infrastructure and Projects Authority (IPA) review, in November 2023, assessed the programme as 'amber' and recognised the significant progress made in the design, delivery and capability of the programme overall. However, the review team were concerned about certain aspects of the programme that could be considered 'red', such as the operational readiness of the Deposit Return Scheme (DRS) and the packaging Extended Producer Responsibility (pEPR) timeline; and critical risks remain that require meticulous management attention to ensure the programme meets its time, cost, and quality objectives. The programme has developed a detailed action plan to co-ordinate progress of the IPA recommendations that are being monitored through senior governance fora and expediated via regular daily calls where necessary. The Department for Environment, Food and Rural Affairs (the department) will write to the Committee at the end of March 2024 to outline the actions taken to address any outstanding concerns raised by the IPA review.

***1b. PAC recommendation: The Department should ensure that the lessons it has learnt from these reforms are applied to improve the way it manages other projects and programmes. It should, as part of its Treasury minute response, summarise any common themes arising from Infrastructure and Projects Authority reviews across the Department's portfolio, and how these are being addressed.***

1.3 The government agrees with the Committee's recommendation.

**Recommendation implemented**

1.4 Since March 2020, the IPA has undertaken 27 reviews of the department's programmes that form part of the Government's Major Projects Portfolio (GMPP), which has resulted in 225 recommendations. The most common themes have been programme/project management, stakeholder engagement/communications and governance.

1.5 The programme/project management theme includes recommendations to improve critical path, resource planning, programme controls and integrated programme planning. To address these, the department has established an initiation service to transition policy into project delivery integrating IPA start up tools, greater resource and capability planning and maximising the use of digital tools/analysis to embed standards and ensure consistency.

1.6 Stakeholder engagement/communication theme recommendations focus on improving stakeholder identification, engagement strategies/activities with customers and feedback loops. The department is supporting individual programmes to develop stakeholder analysis and engagement plans, encouraging the development of management strategies and simplifying existing tools for identifying, analysing and proactively managing stakeholders.

1.7 Governance theme recommendations include improving the effectiveness of programme governance and roles and input from stakeholders and subject matter experts. The department has reviewed standard programme board terms of reference/structures and programme board membership to ensure they continue to align to the functional standard, government best practice and to assess board effectiveness and maturity. Portfolio Directorate are looking at opportunities to strengthen governance following the appointment of the Director General for Portfolio Delivery and are considering options to provide improved oversight of the delivery of the Defra Portfolio.

1.8 In addition, the department is creating an easily accessed and searchable repository of useful learning for programmes to access and to help improve how the department manages programmes in the future.

***2. PAC conclusion: Businesses and local authorities still do not have the clarity they need from the Department to prepare for the changes that will be required, which risks increasing costs and delaying implementation.***

***2a. PAC recommendation: The Department should, as part of its Treasury minute response, set a firm date for when it will set out the fees obligated companies (namely, those that produce packaging or sell packaged goods) will pay under the extended producer responsibility for packaging scheme, when it will clarify the impact of these payments for local authority funding, and when it will publish the government response to its consultation on simpler recycling. This consultation response should include a clear timetable for the launch of simpler recycling.***

2.1 The government agrees with the Committee's recommendation.

**Target implementation date: November 2024**

2.2 All small and large obligated producers must pay a fee to the appropriate regulator of the pEPR scheme on registration. Producers must have registered by 1 October 2023 but the regulators have agreed, by means of a Regulatory Position Statement, that they will not enforce this requirement until after 31 May 2024, effectively giving producers an additional eight months to pay their fee. The level of the fee will be set out in the pEPR regulations.

2.3 The department expects producers obligated as 'large producers' under the pEPR regime to be issued with an invoice for their first year's fees as soon after July 2025 as the Scheme Administrator has the processes in place to be able to do so. Final base fees (in £/tonne of packaging material placed on the market) can only be calculated after April 2025 which is the deadline for producers to report the amount of packaging placed on the market in 2024. Given these timeframes, the department expects to be regularly publishing estimates ("illustrative base fees"). These estimates are expected to be based in a first instance on data reported by producers for the year 2023. The process for subsequent years will need to be confirmed by the Scheme Administrator once established.

2.4 The department expects that local authorities will be informed of their estimated payment amount for 2025-26 in November 2024.

2.5 On 21 October 2023, the department published the government response to the Simpler Recycling consultation, formerly titled Consistency in Recycling in England. This laid out the materials in scope of collections and the implementation dates for Simpler Recycling.

2.6 The department also launched a Consultation on additional policies related to Simpler Recycling in England, and separately consulted the relevant parties on exemptions and statutory guidance for Simpler Recycling in England. Both consultations closed on 20 November 2023 and the department is currently analysing the responses.

***2b. PAC recommendation: The Department should, as part of its Treasury minute response, explain how it expects to achieve government's 2035 target to recycle 65% of waste from households given simpler recycling will only increase municipal recycling rates to 52–60%.***

2.7 The government agrees with the Committee's recommendation.

**Recommendation implemented**

2.8 A multi-layered approach is essential to increase recycling rates. The CPR programme will get the department close to the target of a 65% recycling rate in England by 2035 and work is underway on to other policy areas to help reach this target, including the consultation on reviewing the Waste Electrical and Electronic Equipment (WEEE) Regulations. Department officials are currently reviewing the batteries regulations ahead of a consultation expected later this year which aims to drive up the volume of batteries that are collected and treated safely when they become waste. This complements the consultation on waste electricals published on 28 December 2023 and is available at Electrical waste: reforming the producer responsibility system in electrical equipment. Making it easier for householders to properly discard these items when they become waste can boost levels of recycling and reduce the risk of fires posed by their improper disposal.

2.9 Modelling suggests that meeting the commitment to achieve a 65% municipal recycling rate by 2035 will require policies beyond CPR. Further work is required to identify potential policies beyond CPR and their potential contributions towards meeting the commitment.

2.10 The department has developed waste and resource related indicators in the Outcome Indicator Framework (OIF) which, alongside the annual progress reports, monitor progress towards delivering the Environmental Improvement Plan (EIP). There are several Outcome Indicator Framework indicators for 'maximise resources, minimise waste', one of which is the J3: Municipal waste recycling rates (defra.gov.uk) indicator. This currently uses an interim indicator of waste from household recycling rates. The department's Resources and Waste statistics team are working to develop a statistical, data-driven definition of municipal waste and a municipal recycling rate metric with which to report progress against the commitment to achieve a 65% municipal recycling rate by 2035. These will feed into new statistical reporting publications and will be able to replace the OIF interim indicator. As part of work to refine the municipal recycling rate metric in development, the team have commissioned several projects looking into the origin of mixed waste codes such as chapter 19 codes, and the estimated tonnages of material rejected at recycling facilities that is then sent on to residual waste treatment. It is hoped that these projects will allow the department to report the rate of municipal waste that is actually recycled rather than the rate of municipal waste that is sent for recycling, as can be derived from currently available waste data, and identify tonnages of mixed waste codes that should be included or excluded from any definition of municipal waste.

2.11 The recently published Maximising Resources, Minimising Waste programme (MRMW) sets out the department's priorities for action to manage resources and waste in accordance with the waste hierarchy and supports the department's drive to reaching this target and focusses on areas with biggest waste arisings.

***3. PAC conclusion: The Department is basing the design of the deposit return scheme on small trials and international experience, but a lack of like-for-like comparators may make it difficult to get the UK's scheme right.***

***3. PAC recommendation: Alongside its Treasury Minute response, the Department should write to the committee with an update on how it is drawing on international experience to inform the design and roll-out of the deposit return scheme. This should include commentary on what lessons there are from countries that have introduced deposit return schemes on top of kerbside collections.***

3.1 The government agrees with the Committee's recommendation.

**Target implementation date: Summer 2024**

3.2 The department has worked closely with other international schemes to learn lessons to support the design and roll-out of the deposit return scheme (DRS) in England, Wales and Northern Ireland. This includes learning lessons from the proposed DRS in Scotland, the forthcoming scheme in the Republic of Ireland, as well as established schemes in Sweden, Germany, Latvia, and others from across the world.

3.3 As part of gathering information, the department recently carried out visits to Sweden, Republic of Ireland and Slovakia to see their DRS in person and to meet with industry representatives, civil servants and scheme administrators to discuss the scheme set up. Information was also gathered from teach-ins with the German, Latvian, and ROI scheme administrators. And finally, the department carried out desk research on specific topics, reaching out to relevant international schemes, stakeholders and other organisations such as Reloop where further information is needed.

3.4 The department has particularly engaged with other comparable European schemes, many of which have similar key features to the UK's scheme such as:

- A collection target that covers a broad scope of packaging and container types.
- A meaningful deposit value – usually a round figure that is high enough to incentivise consumers.
- An easy-to-follow redemption system that is reliable, accessible, and fair to all in society.
- A system where producers help to manage, finance, and invest in the system.

3.5 International schemes have informed policy making on the set up of the scheme administrator, provision of return points and scope of the regulations.

3.6 The department will write to the Committee in Summer 2024 following the publication of the joint policy statement on DRS and notification of the draft secondary legislation, which sets out final policy positions of the scheme. This will ensure the letter can include specific examples of lessons learnt from international schemes once the developing policy positions are confirmed and made public.

***4. PAC conclusion: While the Department recognises the importance of waste prevention and reuse, it is not clear what its plans are for meeting its target of doubling resource efficiency by 2050.***

***4. PAC recommendation: Within the next 12 months the Department should write to the Committee to explain:***

- ***What measures it expects to introduce next (within the next five years) to encourage waste prevention and reuse; and what contribution it expects these measures to make to meeting its target of doubling resource efficiency by 2050.***
- ***Which measures it expects could make the biggest contribution overall to its target of doubling resource efficiency by 2050, and how long it expects it will need to prepare for and implement these changes.***

4.1 The government agrees with the Committee's recommendation.

**Target Implementation date: Early 2025**

4.2 The department's agreement and response to the recommendation 4 is on the basis that the above recommendation is amended to '...*meeting its ambition to double resource productivity*' as agreed with the Committee via email on 25 January.

4.3 The Resources and Waste Strategy states 'we want to increase the material efficiency of production and manufacturing processes, as part of our strategic ambition to double resource productivity by 2050'. The department therefore intends to increase the material efficiency of production and manufacturing processes. Improving resource efficiency increases productivity, cuts carbon emissions and enhances resource security.

4.4 On resource efficiency measures, it is challenging to model potential future policy pathways in the long-term as future policies are highly uncertain and will be the decisions of future governments. The exact make-up of any future policy pathway will be a combination of measures to get waste up the waste hierarchy, including waste reduction, reuse and repair activities. The Environmental Improvement Plan (EIP) laid out the department's plans for maximising resources and minimising waste, and in July 2023, the department published the Maximising Resources, Minimising Waste (MRMW) Programme in England which sets out the department's priorities for action to manage resources and waste, in accordance with the waste hierarchy, that will help deliver increased resource efficiency. In late 2024, the department will consult on several MRMW textile waste policies that aim to increase the amount of unwanted textiles that is reused or recycled and reduce the amount that is disposed of in the residual waste stream.

4.5 The Environment Act 2021 target to ensure that residual waste (excluding major mineral wastes) does not exceed 287 kg per person by the end of 2042 can be achieved through waste prevention, resource efficiency, and recycling of unavoidable waste. The department recognises the desire to see an additional target that reduces material resource use and improves productivity and continue to investigate this.

4.6 Options for reducing use of material resources have been explored through research on policies to improve resource efficiency in collaboration with the Department for Energy Security and Net Zero (DESNZ). This research focuses on 11 sectors. Findings from four sectors have been published already (Unlocking Resource Efficiency) and further research is planned regarding how legislation related to warranties and guarantees can be used to encourage increased repair and extend the use of products.

4.7 The department's research to date has not identified a clear policy pathway for significantly reducing the effects of resource extraction and use on the natural environment, which was assessed through a resource productivity metric. Similarly, metrics for monitoring how new measures achieve resource efficiency savings have not been agreed.

4.8 The most impactful policies will be considered following completion of the research projects listed above and agreement on metrics for monitoring resource efficiency. The department will write to the Committee in early 2025 to explain the above recommendation.

***5. PAC conclusion: The Department has not yet set out the waste infrastructure capacity it expects will be needed in England to meet its ambitions, which makes it more difficult for the private sector to make informed investment decisions.***

***5a. PAC recommendation: We expect the Department to have published its planned waste infrastructure plan before its Treasury minute response, but if this does not happen it should explain why not, and update the Committee on when it expects this will be published.***

5.1 The government agrees with the Committee's recommendation.

**Target implementation date: April 2024**

5.2 The department is in the process of finalising analysis to enable publication of the first part of the 'Waste Infrastructure Roadmap'. This will set out anticipated waste arisings to 2035, reflecting Defra's Collection and Packaging Reforms (Simpler Recycling, extended producer responsibility for packaging (pEPR) and a deposit return scheme (DRS) for drinks containers), mapping this modelling against known waste management infrastructure for various waste streams, including organic wastes, and dry recyclables (paper/card, glass, metals, and plastics). The department is also preparing detailed analysis regarding residual waste management infrastructure.

5.3 Once published, the intention of the first part of the 'Waste Infrastructure Roadmap' is to provide a signal to investors as to where there is considered to be a likely over or under-provision of waste management capacity to target investment. However, the first part of the 'Waste Infrastructure Roadmap' will not detail where or how investment should be made and is meant to be a tool to support investors and local authorities in decision making. The department will be exploring what more could be done beyond signalling in due course.

5.4 Those looking to invest in waste management infrastructure are encouraged to engage with the UK Infrastructure Bank.

5.5 The department intends to publish this analysis in April 2024.

***5b. PAC recommendation: The Department should consult with key stakeholders after publication about whether this gives them sufficient clarity to make informed investment decisions and write to the Committee to explain how it will address any outstanding gaps this highlights.***

5.6 The government agrees with the Committee's recommendation.

**Target implementation date: September 2024**

5.7 The department will engage with key stakeholders after publication and write to the Committee by September 2024.

***6. PAC conclusion: The government does not yet have good enough data to manage the waste system effectively, which it needs to understand how waste is recycled and to ensure waste exports are legal.***

***6. PAC recommendation: The Department should set out it in its Treasury Minute what it sees as the priority data gaps and set ambitious timescales for filling the data gaps.***

6.1 The government agrees with the Committee's recommendation.

**Target implementation date: April 2025**

6.2 In 2024, the waste tracking service will be publicly available to users on a voluntary basis – this is expected to happen in phases with specific groups of users being invited to use the service over time. Green list waste exports are the first phase to have successfully transitioned to private beta at the end of 2023.

6.3 From April 2025, legislation will come into force across the UK, subject to approval across all four legislatures. The requirements of the regulations will be mandatory from this point and service charges will also be payable. This will provide the foundations for capturing information on waste generated and treated, including waste recycling. The Government response of the consultation outcome is published on Gov.UK.

6.4 The department is currently developing a *Data Strategy*, identifying and filling gaps around the required regular ongoing data to run policy and monitor progress within the Resources & Waste Strategy and Environmental Improvement Programme. This includes progress against targets in residual waste and municipal recycling rates and, if necessary, introducing legislation for new data reporting requirements.

6.5 The department's key performance metrics are publicly reported and updated at least annually where possible. These form the core part of the 'Monitoring Progress' reports and track strategic priorities in the Resources & Waste Strategy.

6.6 The department is increasing the number of regular published statistics and from this year it will be up to at least 11 publications which is an ambitious target. Later in 2024, the department intends to address key data gaps by publishing new statistics on:

- *Residual waste by material type*, to assess progress against the residual waste target, planned for May 2024.
- *Municipal recycling,* using a new definition of Municipal Waste, probably July 2024.
- *Drivers of consumption-based carbon emissions,* probably June 2024.

6.7 The department is also collecting new survey data as part of the Resources & Waste Strategy Evaluation Programme, which will give us valuable new insights as policies are implemented.