

House of Commons Committee of Public Accounts

Government's programme of waste reforms

Fifth Report of Session 2023–24

Report, together with formal minutes relating to the report

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The Committee of Public Accounts

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Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee's email address is pubaccom@parliament.uk.

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Summary

Government's 2018 Resources and Waste Strategy aims to establish a circular economy, where products are reused, repaired, and recycled. However, five years on from the publication of the Strategy, there has been very limited progress. The Department for Environment, Food & Rural Affairs (the Department) has been slow to develop its high-level ambitions into more detailed plans for delivery. Implementation of the strategy's main programme, the collection and packaging reforms (the programme), is currently delayed by at least two years. The Department expects the programme to make a substantial contribution towards meeting its overall resources and waste ambitions, although the programme will not be enough on its own. The delays mean the Government is not building the momentum it needs to achieve its ambitions for reducing the environmental and economic costs of the waste that households and businesses create. Recycling rates have not improved since 2011, and remain below the 2020 target to recycle 50% of waste from households.

The Department recognises that it did not set up the collection and packaging reforms programme well from the start. As part of responding to recommendations from the Infrastructure Projects Authority, it has increased its project management capability and capacity, and has recently carried out a wider reset of the programme. However, the Department's continued lack of clarity on both the programme and the long term waste infrastructure capacity that is needed has made it hard for businesses and local authorities to prepare for the changes they need to make, and this is actively hampering essential investment. This means there is a real risk of insufficient facilities to deal with the increased volumes of recycling arising from the reforms, meaning packaging will be incinerated, sent to landfill, or exported for other countries to deal with.

The Department has other work under way and planned, beyond the collection and packaging reforms, which it expects will contribute to achieving its resources and waste ambitions. However, the Department has not set out how the waste system as a whole needs to change. This means stakeholders in the waste sector, including those responsible for investing in new recycling infrastructure lack the certainty and clarity to invest.

The Department recognises that a critical part of minimising the damage to the environment from waste involves increasing waste prevention and reuse. Its target is to double resource efficiency by 2050, but it is not clear what the Department's plans are for meeting the target.

Introduction

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 reviews 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.

Conclusions and recommendations

1. 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. The Department's original expectation was to launch the collection and packaging reforms programme in 2023. In July 2023, the Department decided to delay the introduction of the extended responsibility scheme, the first part of the programme, to October 2025. It plans to introduce the deposit return scheme in 2025, but it has not yet set out the timings or its requirements for the implementation of simpler recycling. Weaknesses in the Department's set up of the programme contributed to these delays, including running the programme as three separate projects and poor programme management capability and capacity. This is reflected in IPA's June and September 2022 reports and the Department has since looked to implement comprehensively all the IPA's recommendations. The Department says that factors outside of its control have also contributed to the delays, for example, COVID-19 limiting its engagement with stakeholders and local authorities.

Recommendation 1

- a) 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.
- b) 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.
- Businesses and local authorities still do not have the clarity they need from 2. the Department to prepare for the changes that will be required, which risks increasing costs and delaying implementation. The collection and packaging reforms are reliant on businesses and consumers changing their behaviour by producing less, and recycling more. The lack of clarity on the requirements of the simpler recycling scheme, uncertainty around fees obligated companies will pay under the extended producer responsibility scheme and the impact of the payments to local authorities on their funding leaves businesses and local authorities unable to prepare. For example, this could result in all local authorities procuring new lorries and bins at around the same time, placing pressure on supply chains. It has been over two years since the Department closed its consultation on simpler recycling, and it has not yet finalised or published its requirements. The Department expects simpler recycling to increase recycling rates from 42% to 52-60% by 2035 which, without significant contributions from other projects, would leave it well short of its 2035 target to recycle 65% of municipal waste. Municipal waste is household waste and similar waste from other sources, for example from businesses. Continued uncertainty is actively hampering councils from investing and improving their services, delaying procurement, and undermining local authorities' efforts to increase recycling rates.

Recommendation 2

- a) 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.
- b) 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%.
- 3. 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. The National Audit Office recommended the Department considers piloting the scheme due to uncertainties around the scale of the benefits to ensure it is value for money. The impact assessment for the deposit return scheme showed that more than 90% of the benefits of the scheme are based on an estimate of the value to society of reducing litter, and this is inherently difficult to determine. The Department does not plan to conduct a pilot of the deposit return scheme due to the practical challenges of setting it up. It plans to use the information it has on small trials combined with looking at the experiences of other countries who have implemented similar schemes. However, the Department accepts the international comparators are not directly comparable to the UK, for example some countries do not have kerbside collections which recycle some of the same waste.

Recommendation 3: 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.

4. 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. The government considers that most of the damage to the environment from waste could be avoided at the design and production stages by considering the materials used in production and the ease with which products can be reused or repaired. It has an ambition to double resource efficiency by 2050. Stakeholder's concern is that government has not given waste prevention and re-use sufficient priority. The Department has selected seven sectors to improve reuse and recycling, including textiles, waste electric equipment and batteries. It has set out a vision and approach, but what is lacking is a clear plan to understand when decisions need to be made by to ensure it is feasible to achieve the ambition of doubling resource efficiency by 2050.

Recommendation 4: 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.
- 5. 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. It is clear that stakeholders responsible for investing in the necessary new recycling infrastructure need more certainty, clarity and granularity about the Department's long-term policies on resource and waste management. Without this there is a risk of insufficient facilities to deal with the increased volumes of recycling arising from the reforms, and the packaging will be disposed of by incineration or sending to landfill, or exported for other countries to deal with. The Department plans to publish an infrastructure plan imminently, to set out a vision of where waste will be coming from, providing more confidence to invest in waste infrastructure.

Recommendation 5:

- a) 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.
- b) 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.
- 6. 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. To track progress and refine its plans the Department needs good information on outcomes such as waste production, landfilling and recycling. There are serious gaps and limitations in the Department's data, for example commercial and industrial waste represents around one-fifth of total waste generated but the Department does not publish data on how much of it is recycled as it does not yet have a robust methodology for determining this. It is confident the waste-tracking project, expected to be completed by April 2025 at a cost of £9.5 million, will provide significantly more data to understand how waste is recycled and to ensure waste exports are legal and meets its waste export requirements. The Department says that it has an evaluation programme in place to develop new measures and the data behind them, and is carrying out research to fill gaps in its data.

Recommendation 6: 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.



Government's programme of waste reforms – Report Summary

This is a House of Commons Committee report, with recommendations to government. The Government has two months to respond.

Author: Committee of Public Accounts

Related inquiry: The Government's resources and waste reforms for England

Date Published: 1 December 2023

This is the report summary, read the full report.

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