

ON BEHALF OF ESA, LARAC & NAWDO

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Jo Churchill MP
Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs
By email

Dear Minister,

Delivery of the Government's packaging and recycling reforms

Local authorities and their contractors are supportive of the Government's forthcoming packaging and recycling reforms and are committed to working with Government to ensure their successful delivery. We believe they are a necessary and important step towards reducing resource pressures and saving carbon by driving up the recycling of material from the domestic and commercial waste streams at a point where recycling can have the greatest decarbonisation impact. If done well, these reforms could unlock hundreds of millions of pounds of private investment into state-of-the-art new recycling and reprocessing infrastructure, support thousands of skilled jobs across all regions of the UK, and help deliver key government objectives to end the export of certain waste streams such as plastics.

However, Local Government and the private recycling and waste industry are becoming increasingly concerned that the delay in timelines for the delivery of the flagship packaging reforms (collection consistency, deposit return scheme and packaging extended producer responsibility) will in turn delay implementation, cause unnecessary bottlenecks in LA contracting and inhibit necessary contractual, service and infrastructure investments happening in a timely and effective manner. The current level of inflation will impact on the cost of infrastructure and services and further delay will only exacerbate this.

Significant elements will need to be implemented for the delivery of the new system, including:

- The adaption of existing infrastructure, which includes:
 - The acquisition of new vehicles, the lead-times for the purchase and delivery of which are currently extended
 - The acquisition of containers (bins, boxes etc) from a supplier market that will be unlikely to be able to meet demand
 - The retrofit and/or upgrade of existing sorting facilities and transfer stations to cater for new materials being collected at kerbside.
- The review and where necessary amendment of existing long-term contracts (both municipal and commercial) to marry with new or amended requirements (for collections, sorting, sampling and reporting) and subsequent changes to compositional and volume outputs.
- The review and amendment of existing services to meet new requirements, including but not limited to: the new EPR sampling and reporting regime; mandatory digital waste tracking; new collection regimes including new materials; and new waste management payment mechanisms.

- Identification and purchasing of sites for new sorting and waste treatment or processing facilities, as well as depots, which will also require appropriate planning permissions
- The timely provision of permits by the Environment Agency, which is currently struggling under a significant backlog of applications causing significant delays across the sector
- The tender, procurement and appointment of constructors during a current period of extremely high construction inflation and limited supply
- The availability of specialist support from experienced consultants if major procurements are compressed into a short timeframe
- The procurement of equipment, also subject to supply chain delays and inflation
- The commissioning of new facilities, including reprocessing infrastructure to onshore the recycling of material we currently export

The delivery timescales of all these factors need to be considered (along with the necessary public awareness raising), which makes it critical that the Government urgently provides the sector with the clarity it needs to invest. Industry requires upwards of at least one year's advance warning to budget for operational adjustments, as well as additional time of up to five years to deliver infrastructure changes. Unless these issues are addressed, then Local Authorities could suffer weakened value for money and the sector as a whole will struggle to deliver the reforms as planned.

As an industry, we stand ready to invest and implement the necessary changes but to do so we require:

1. Final confirmation of the list of materials which will need to be separated for recycling under Consistency of Collections, along with the clear implementation timeline.
2. Clarity of the final form that modulated fees will take under EPR, both in terms of their monetary value and also the overall assessment framework for recyclability, so that producers can begin to adapt the composition of their packaging portfolios.
3. Confirmation of the final form and timeline for the introduction of the Deposit Return Scheme, which we anticipate will divert 35% of the material value from Local Authorities' kerbside recycling services, and clarity on whether a digital DRS is under consideration.
4. Finalised TEEP guidance and minimum service standards so that the sector can understand requirements and any flexibility and derogations which may apply going forward.
5. Confirmation that the test of Efficient and Effective under EPR cannot override a successful TEEP assessment.
6. Clarity on penalties and the enforcement regime so that the industry can understand likely compliance levels with the regulations, which we believe will be essential to facilitate investment.
7. Transparency on how and who will financially support the new costs being incurred by the sector in supporting all of these changes. This could include a flexibility mechanism given to retrofitting and/or replacing infrastructure before its expected or contracted end of life.

The industry has estimated that £10 billion of capital investment will be required in the next 10 years to meet our recycling ambitions. Much of this investment will need to be coordinated so that we don't collect materials that cannot be sorted or where treatment infrastructure is not available or sufficient.

Contractors and local government partners are waiting to invest but are currently unable to do so in the absence of clarity on the above seven points. We anticipate that Defra intends for the majority of the planned reforms to come into effect from 2025, but every day that passes without the above clarification makes the achievement of this timetable more challenging. We implore the Government to provide us with the guidance and clarity we need to put plans into action and deliver a step-change in recycling.

We look forward to hearing from you.

Yours sincerely,

Jacob Hayler, Executive Director, Environmental Services Association

John Coates, Head of External Affairs, Local Authority Recycling Advisory Committee

Sam Horne, Chairman, National Association of Waste Disposal Officers