



NATIONAL ASSOCIATION OF WASTE DISPOSAL OFFICERS

NAWDO statement: Emissions Trading Scheme (ETS) for energy from waste

Tuesday 10th June 2025

[Start]

The proposed expansion of the UK ETS to EfW poses significant financial risks to local authorities. In 2022/23, local authorities sent much of their residual waste to EfW facilities for energy recovery. This method of disposal for non-recyclable waste often represents a significant proportion of total disposal costs for local authority collected waste. It does, however, offer the best environmental and economic outcomes of the options available for disposing of non-recyclable waste.

We understand that the purpose of the ETS is to create a financial incentive to reduce fossil carbon emissions. The logic is that by allowing operators to pass ETS costs on to local government and other customers, these organisations will be incentivised to find ways to reduce high-carbon waste sent to incineration. However, in reality local authorities have very limited control over the content and volume of waste they are required to manage and have no credible way of removing carbon-heavy products or managing the resulting carbon emissions that are generated. NAWDO's members have a statutory duty to dispose of residual waste presented to them regardless of the amount and composition, thereby serving a public and environmental health function. Local authorities do not have any powers to require residents to segregate recyclable materials from other waste, and with the growing number of flatted developments, there is little scope to influence resident behaviour through the design and frequency of collection services.

NAWDO's members are extremely concerned that the current ETS proposals will be implemented when a wider set of reforms is necessary to decarbonise waste. Although the Government has cited its collection and packaging reforms as central to mitigating the costs of ETS for local authorities, in reality packaging only represents a relatively small proportion of waste going to EFW facilities. Products like electricals, textiles, Absorbent Hygiene Products (AHP) and furniture all contain significant amounts of fossil carbon, and there are no regimes in place to either reduce the fossil carbon content or mitigate the costs of managing these materials for local authorities. The evolving regulatory approach associated with managing persistent organic pollutants and other harmful chemicals is also reducing the scope for recycling these items even if they could be cost-effectively segregated from other



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waste. The availability of proven re-processing technology and fragile global markets for many types of plastics will make efforts to establish recycling services for some high-carbon products challenging.

The LGA estimates total costs to local government from the ETS of up to £1.1 billion per year. If this is not mitigated by further central funding or the removal of these costs from local authorities in the first place, we are likely to see local authorities being forced to increase Council Tax and make further cuts to already stretched services, all to the detriment of residents and local communities.

While it is vital that we all reduce our carbon emissions in response to the climate emergency, it is highly unlikely that this policy will effectively decarbonise the waste sector as it fails to target product designers and producers who are most responsible for the fossil carbon content of waste.

NAWDO believes that incentives which focus on industry are most likely to drive decarbonisation effectively, by encouraging a reduction in the use of fossil-based plastics and other similar materials. An alternative approach, such as extended producer responsibility regimes that focus on decarbonisation rather than just recycling, would more effectively drive a shift in the environmental impacts of the products that are consumed and the waste that is produced in this country. This would be more in line with the 'polluter pays' principle, to which the government has stated its commitment in the consultations on ETS. Otherwise, the regime as proposed will simply act as an "end-of-pipe" tax on local authorities who have very little control over the content and volume of the waste they must manage.

Government should only introduce ETS as part of a credible, system-wide plan for decarbonising waste which addresses the need for new technology and infrastructure and provides support for practical actions local authorities can take. If solutions which target producers or prevent local authorities from facing unreasonable cost burdens cannot realistically be implemented before 2028, then expansion of the scheme should be delayed or reconsidered.

[End]



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About us:

NAWDO, the National Association of Waste Disposal Officers, is the primary network and voice for local authorities with statutory responsibility for waste treatment and disposal. NAWDO was formed in 1992 and its members include London Boroughs, Metropolitan, Unitary, Joint Waste Disposal Authorities, Waste Partnerships and County Councils from all UK regions (except Scotland) to keep up to date with the fast-changing waste and resources industry. Through NAWDO local authorities are provided with presentation on regional, national, international and strategic forums and groups to inform, influence and collaborate with key stakeholders and policy makers. NAWDO is entirely run by volunteers and through its Policy and Advisory (P&A) Committee it sets the direction of the organisation with member engagement. With over 85 members NAWDO represents around 80% of all local authorities with waste disposal duties in the UK. NAWDO's members handle around three quarters of the UK's municipally managed waste. NAWDO holds quarterly meetings where its members, central government, regulators, waste industry and other affiliated groups discuss and debate challenges and current developments in the waste and resources industry, helping shape and influence (future) decisions and policy. It also provides an online forum where members can openly discuss and debate current and relevant issues facing senior officers with waste treatment and disposal portfolios.

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