

# Public Accounts Committee inquiry into *'The Government's resources and waste reforms in England'*

## Response from the District Councils' Network:

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### About the District Councils' Network

The District Councils' Network (DCN) is a cross-party network of 168 district and unitary councils. We are a special interest group of the Local Government Association, providing a single voice for all district services.

DCN member councils deliver a wide range of local government services to over 21 million people – 38% of England's population. They cover 60% of the country by area. DCN councils are home to 38% of England's businesses and 33% of national Gross Domestic Product.

They deliver visible frontline services that matter to every single resident and business in their local areas. These include waste collection, planning and housing, homelessness prevention, welfare support, environmental health, parks and green spaces, leisure centres, and economic development.

### District councils and waste collection services

Waste collection is probably the most visible – and most valued – service that district councils offer their residents. According to recent polling undertaken by BritainThinks and commissioned by the District Councils' Network, residents attached the highest level of importance to waste collection of all district council services, with 92% of respondents regarding it as an essential or very important service<sup>1</sup>. The same polling also illustrates high satisfaction rates for the delivery of waste collection services in district council areas with 81% of respondents deeming service area to be very or somewhat well run<sup>2</sup>.

Districts understand the importance of a sustainable, circular waste system to meet our commitments to combat climate change. As the first point of contact for 38% of England's population, our councils have the greatest understanding of their diverse communities, which include cathedral cities, coastal communities and rural villages. District councils have worked hard to deliver successful, sustainable waste services reflecting the unique needs of our communities.

The top five local authorities in the country for recycling are all district councils (Three Rivers District Council, South Oxfordshire District Council, St Albans City & District Council, Vale of White Horse District Council and East Devon District Council)<sup>3</sup>.

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<sup>1</sup> BritainThinks, [Districts Deliver: How local people view their services](#), Market Research Report, February 2023

<sup>2</sup> Ibid

<sup>3</sup> [ENV18 - Local authority collected waste: annual results tables 2021/22 - GOV.UK \(www.gov.uk\)](#)

## **The government's resources and waste reforms**

Four and a half years ago the government published its 2018 Strategy, *Our waste, our resources: a strategy for England*. This strategy covered three interrelated projects: Extended Producer Responsibility (EPR) for packaging schemes, Consistent Collections and the Deposit Return Scheme.

These programmes have been subject to extensive delays creating ongoing uncertainty for local authorities. Implementing these significant changes to how consumers and businesses handle packaging could have led to a shift in our economy and consumption. Councils understood this significance and began developing implementation timelines, despite concerns about some aspects of the schemes.

However, this initial momentum has now been lost. Whilst some councils introduced food waste collections in anticipation of these changes – the government has failed to respond for over two years to its consultation on waste consistency. This meant many districts have had to put off decisions on how to invest in services. Last month (July 2023), the government announced a one-year delay in implementing the Extended Producer Responsibility for packaging.

DCN is extremely concerned about the ongoing delays to waste policy announcements, and we are calling on government for urgent clarity on how it will deliver on its environmental targets. The continued uncertainty is actively hampering councils from investing in and improving their services, delaying procurement, and undermining local authorities' efforts to increase recycling rates, deliver greater value to local taxpayers and shift towards net zero. Alongside the wider impact of uncertainty, we are concerned that the modelled costs for Extended Producer Responsibility will fail to deliver true full net costs for all councils.

Similarly, the new burdens formula for local authorities to meet the cost of expanding their waste collection services to include new materials will leave councils with significant capital and revenue expenditure shortfalls. At a time where the sector is facing significant budgetary pressures, all new changes must be fully funded.

In the absence of clarity from government, doubt remains about exactly how prescriptive the ensuing reforms will be. We remain deeply concerned that top-down stipulations could threaten councils' freedom to deliver services in a way responsive to the unique geographical and community challenges in their areas.

DCN has consistently raised concerns about: (i) the impact of delays and a lack of clarity on procurement and delivery; (ii) the need for flexibility for councils to adapt their services to reflect their local circumstances; and (iii) the importance of net costs for councils being fully funded.

### ***(i) Impact of delays and a lack of clarity on waste collection services and procurement***

Councils have now been waiting for an announcement on waste consistency for over two years. Councils are keen to plan their services to ensure that they can continue to play an active role in promoting a circular economy and reducing the overall amount of waste produced in order to continue leading the net zero agenda locally. However, without clarity from government on the new service requirements, including what collections will be provided and where, councils are unable to plan how they will effectively deliver these new services.

As the National Audit Office has highlighted, these delays have “added to the challenge of achieving the expected benefits from the reforms”<sup>4</sup>. Without this certainty, procurement risks being stalled since councils cannot identify procurement timelines, and this will worsen the existing procurement bottlenecks. For example, there is already a wait time of up to two years for new vehicles. This is also holding back councils from replacing older fleets, decarbonising vehicles, finding renewable energy solutions and investing in more environmentally efficient services.

**(ii) Waste collection and disposal schemes must reflect local needs**

It is important that waste collection and disposal schemes reflect and respond to local needs in order to be most effective and promote a circular economy. While councils are committed to collecting more materials at kerbside, a top-down and overly prescriptive approach will prevent services from adapting to local community requirements.

The current proposals will remove councils’ ability to reflect their local circumstances. The crowded streets of our market towns and seaside resorts will have very different needs and capacities for new services compared to our rural villages and hamlets.

The economics and carbon impacts of increased collections in our rural districts in particular, have not been properly accounted for. For instance, in rural areas this could result in councils having to dramatically increase the size of their vehicle fleet – at significant expense to the taxpayer – with lorries travelling long distances to collect relatively small amounts of material. The environmental benefits of running such services are dubious.

Local context will be key in creating sustainable and effective waste services. The top three councils in the country for having the lowest amount of residual waste per household are all district councils (East Devon District Council, Stroud District Council and Vale of White Horse District Council) according to the latest data from the Department of Environment, Food and Rural Affairs<sup>5</sup>. The top five recycling councils are also all district councils (Three Rivers District Council, South Oxfordshire District Council, St Albans City & District Council, Vale of White Horse District Council and East Devon District Council)<sup>6</sup>. We know that the strongest recycling councils have used their knowledge of their local geography and the needs of their local community to devise the system which works best in their area, and DCN believes that we need to retain this local discretion for further success in future. Some councils sort materials extensively, others co-mingle their waste.

Enabling greater flexibility would enable councils to pilot innovative solutions to collecting additional materials without requiring each household to have new receptacles. For example, communal or smart bins for food and dry recycling have been used successfully in built-up areas. Similarly, more environmentally friendly approaches could be adopted to encourage residents and businesses to reduce food waste at source, and compost at home where possible.

Alongside this flexibility, there must be a strong focus on behavioural change to reduce the level of waste overall. We agree with the National Audit Office’s assessment that, “the success of the collection and packaging reforms depends on businesses and consumers changing their behaviour by producing less, and recycling more, waste”<sup>7</sup>.

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<sup>4</sup> [National Audit Office Report: ‘The government’s resources and waste reforms’](#), 30 June 2023, p.11

<sup>5</sup> [ENV18 - Local authority collected waste: annual results tables 2021/22 - GOV.UK \(www.gov.uk\)](#)

<sup>6</sup> Ibid

<sup>7</sup> [National Audit Office Report: ‘The government’s resources and waste reforms’](#), 30 June 2023, p.11

### ***(iii) Ensuring the costs for councils are fully funded***

District councils are facing massive financial pressures, particularly in relation to waste services. According to a survey of our members conducted last year (2022-23), 93.7% of responding councils identified that waste services were under pressure – or are likely to become so in the near future, directly as a result of costs increase or other general inflationary (non-pay) pressures. DCN is currently in the process of re-surveying our member councils and would be pleased to share this year's updated findings with the Public Accounts Committee, when available.

These reforms will require funding and councils need certainty on future services in order to effectively plan their finances. Research co-commissioned with the LGA in 2020, indicated that the cost of implementing a full kerbside sorting system would be around £680m for councils in England.

Officials must ensure the 'efficient and effective' standard takes into account: collection frequencies, collection and disposal methods, the impact of deprivation and rurality on recycling yield and local costs pressures. This standard must ensure no local authority is disadvantaged due to the communities and places they serve.

DCN is concerned that modelling which exists for the Extended Producer Responsibility will fail to deliver true full net costs for all councils. It is imperative that this postponement is used to engage with more local authorities to reflect the full costs of providing collections. The 'producer pays' principle underlying the Extended Producer Responsibility must live up to its name.

Local government is concerned that the data sampling of 65 councils will mean few councils will receive 'full net cost-recovery' from EPR funding in the medium-term. Further engagement is required to ensure this adequately supports the sector.

This methodology must account for the interdependencies in two-tier areas and not penalise either collection or disposals authorities as a result. It is imperative that it also takes into account the impact of the reforms as a whole, such as a decrease in kerbside yield once the Deposit Return Scheme is introduced.

DCN is concerned that new burdens funding for food waste, as currently proposed, will leave all waste authorities with unfunded capital costs which are necessary for these new services to function. For collection authorities, this would include funding for new vehicles, depot space (new or expanded) and waste transfer stations. For food waste services to function effectively every district will need a processing facility nearby – otherwise haulage costs will make services very expensive. There are not the required facilities in every English region – and without certainty and funding local authorities cannot begin planning these facilities. Different ways of collecting and storing waste all have different resource implications. Therefore, utilising a standard formula without consulting councils on how they would deliver collections could mean actual costs vary significantly from allocations. For example, POD-configured collection vehicles cannot be retrofitted and therefore authorities are unclear whether they will need to replace this part of their fleet.

### **Recommendations**

DCN is calling on government to:

1. Establish a clear timeline for achieving its resources and waste ambitions. Local authorities need certain, realistic timelines to implement changes to waste collection and disposal.

2. Engage all local authorities, including districts, fully and promptly at every stage of its plans to provide councils with as much clarity as possible. Only by effectively engaging with local government to understand contractual and practical barriers will services be ready from day one.
3. Give waste authorities as much flexibility as possible in collecting core materials. Local areas should have the discretion to determine appropriate waste collection services according to their unique needs and circumstances, reflecting the best practice in the top-performing district councils in England.
4. Maintain a focus on thorough consumer engagement and education to reduce the level of waste overall within all proposals as doing this effectively will be the key to the success of reforms.
5. Give further assurances on payments; both on how new burdens will be calculated and allocated in the Spending Review and in the future, and how EPR payments will be distributed in two-tier areas.
6. Ensure that new burdens funding covers the true net costs for councils.