

Waste not, want not

A review of why recycling rates vary across London

October 2011



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Terms of Reference

The Environment Committee agreed the following terms of reference for a rapporteur inquiry on 15 July 2010:

To help provide the information needed to develop understanding, views will be sought on the following questions:

- a) How can a local “culture of recycling” be engendered and what examples are there of best practice?
- b) How do the structural, governance and management arrangements affect recycling rates?
- c) How do financial drivers transform waste into a resource?

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Contents

Foreword	8
Report Summary	10
1. Introduction	12
2. Why recycling is important	14
3. Factors affecting recycling rates: deprivation and household density	21
4. Factors affecting recycling rates: political leadership	26
5. Factors affecting recycling rates: Governance and contracts	33
Appendix 1 Recommendations	42
Appendix 2 The legal and financial framework	43
Appendix 3 Recycling and composting performance in London	46
Appendix 3b Annual recycling and landfill rates by borough 2009/10	47
Appendix 3c Household recycling rates 2004 – 2010 (inner London)	48
Appendix 3d Household recycling rates 2004 – 2010 (outer London)	49
Appendix 4 List of stakeholders contributing to the inquiry	50
Appendix 5 Orders and translations	51

Foreword



We have made great strides forward with recycling and composting our waste in London over the last ten years. But half of London's boroughs were unable to achieve the London average of 32 per cent, and many more fell below the national average rate of 39 per cent.

We will need to take decisive action over the next few years if we are to stem the spiralling costs of managing waste in London, and meet challenging national targets to cut greenhouse gas emissions (80 per cent by 2050 below 1990 levels) and increase recycling to 50 per cent by 2020.

London more than most regions faces significant challenges, given its high density and deprivation levels. But these challenges are not insurmountable and should not prevent us from aiming higher, and doing better. Some boroughs are defying the odds and recycling more than research or statistics indicate they should. We need to capitalise on that.

It is important that we focus on those aspects of waste management and governance that we can influence to help improve London's recycling performance. In this report we show that political leadership is pivotal to prioritising waste and recycling locally. By taking bold action, changes can be made for the better. We found that a focused communications strategy is integral to the success of waste service changes and to incentivising Londoners to recycle more. We need to be clear about why recycling is important and what the individual Londoner and local communities stand to gain (environmentally and economically) by recycling more.

With the recent Government review on waste policy under our belts, this is an appropriate time to take a long hard look at the way waste is managed and governed in London. We look at possible effects and influences the current statutory Joint Waste Disposal Authority arrangements in London have on boosting recycling rates, and highlight the need for a more systematic review to consider the need or scope for a more flexible approach.

Whatever the variables, the certainties are:

- we need to reduce the phenomenal £580 million costs of managing London's waste, and stem the escalating costs of landfill (almost half of our total cost outlay);
- we need to find more environmentally friendly ways of managing our waste; and
- we are fast running out of space to landfill waste.

This report takes a measured look at factors influencing recycling rates and what steps boroughs can take to improve their performance.

A handwritten signature in black ink, appearing to read 'Gareth Bacon', followed by a period.

Gareth Bacon AM

Report Summary

Average recycling levels in London have improved significantly over the last decade, up from eight per cent to 32 per cent. But the rise in recycling and composting levels across London masks a wide disparity in performance across the boroughs. Some boroughs are achieving recycling rates in excess of 40 per cent and as high as 51 per cent. While others are failing to reach the national minimum performance standard of 20 per cent set for local authorities in April 2007.

This report argues that recycling should remain an important part of the drive to meet the Government's target to recycle 50 per cent of waste from households, and to minimise the amount of waste sent to landfill.

It costs £580 million per year to manage London's municipal waste, and landfill costs currently account for just under half of that. Capacity to landfill London's waste is rapidly declining, with space within London running out by 2021, and space outside London by 2025. Waste reduction and re-use targets, if met, will not be sufficient to meet overall waste reduction requirements.

Recycling rates are the product of a complex interaction of a number of factors. There are some factors that boroughs can do little to influence or change, for example, the profile of local residents, social class and income levels (socio-economic factors), or housing density. However, other factors such as waste collection, and communication and engagement with residents can be influenced and shaped by local authorities to help boost recycling locally.

Socio-economic factors and housing density are generally perceived to be the main reasons for differences in recycling rates. This perception can lead to the assumption that recycling performance levels are largely pre-determined. This report shows that while both are important, they are not the sole determinants of recycling performance. Our research analysis finds that around 50 per cent of the variation in recycling rates across London boroughs can be explained by differences in deprivation levels, and that high density does not preclude a borough from boosting its recycling.

The report concludes that other factors must come into play. By drawing on political vision and leadership, boroughs can drive forward the changes to waste services needed to boost recycling rates. Recognising there are political risks, the report suggests that these can be managed to some extent, by greater transparency at the contract negotiation stage and by developing a comprehensive communications strategy. Communications that

draw the correlation between increased recycling and financial savings can motivate residents to recycle more. Promoting the value of community-focused reward schemes may further incentivise London residents to recycle.

The report reflects on the possible influences that current statutory Joint Waste Disposal Authority arrangements (SJWDAs) in London have on boosting recycling rates. London's complex waste governance arrangements bequeathed to the city following the break-up of the Greater London Council in 1986, are the result of happenstance rather than rational consideration. Concern remains as to whether they are best suited to deliver the national priorities of reducing landfill and boosting recycling. Only two out of the four SJWDAs in London believe that the 50 per cent recycling target is achievable.

The report therefore calls for more flexibility in the SJWDA regime, arguing that it could provide the impetus needed to help meet national landfill and recycling targets. Examples of additional flexibilities could include, easing the need for Secretary of State approval to changes to the SJWDAs' constitution, allowing deputy members to cover availability of the main representatives, allowing 2/3 decision-making powers, increased powers to take on a full waste service and mandatory action to make changes to the levy to more accurately incentivise recycling.

1. Introduction

- 1.1 It costs £580 million per year to manage London's municipal waste, including its collection, transport, treatment, and final disposal costs.¹ At around £250 million, London's landfill costs make up a considerable proportion of this outlay. By 2014 landfill costs will increase to at least £310 million, even if London's waste levels stay the same, current performance is maintained, and overall waste costs do not increase.²
- 1.2 Increasing recycling and composting levels will be one important way to help mitigate the rise in waste costs. It will help reduce the capital's dependency on landfill, and also contribute to an overall reduction in greenhouse gas emissions.
- 1.3 London has improved average recycling levels to 32 per cent over the last decade. But performance in many boroughs falls considerably short of national and regional targets. Twenty-seven boroughs (out of 33) did not achieve the national average recycling and composting rate of 39 per cent last year. Seventeen (out of 33) boroughs did not achieve London's average of 32 per cent.
- 1.4 The rise in recycling and composting levels across London masks a wide disparity in performance across the boroughs. Some are achieving recycling rates in excess of 40 per cent and as high as 51 per cent.³ Unfortunately, other boroughs are not managing to reach the national minimum performance standard of 20 per cent set for local authorities in April 2007.⁴
- 1.5 This inquiry aimed to explore why recycling rates vary so widely across London. Gareth Bacon AM led the inquiry on behalf of the London Assembly's Environment Committee. The inquiry set out to test the hypothesis that factors, other than the structural ones relating to deprivation levels, and housing density have an important role to play in boosting recycling levels. The inquiry set out to test:

¹ Economic Modelling of the Mayor's Municipal Waste Management Strategy, GLA, July 2010

<http://www.london.gov.uk/sites/default/files/GLA001MWS%20APPENDIX%204a.pdf>

² Page 60, The Mayor's draft Municipal Waste Management Strategy, London's Wasted Resource, October 2010

<http://www.london.gov.uk/sites/default/files/GLA001MWSv2.pdf>

³ See DEFRA statistics <http://www.defra.gov.uk/statistics/files/mwb200910a.xls> Table 3

⁴ The Government set a minimum performance standard of 20 per cent for recycling and composting across the country for 2007/08. See the Waste Strategy for England 2007, page 85.

- the role of political leadership in boosting recycling rates, and
 - whether current joint waste disposal arrangements affect or influence recycling rates in the constituent boroughs.
- 1.6 This research is intended to complement the background study to the Mayor’s draft Municipal Waste Management Strategy, by Hyder Consulting. The Hyder report analysed the performance of London’s municipal recycling collection services and found that deprivation levels, housing type and waste collection methods go some way to explaining why recycling rates vary across London.⁵
- 1.7 The evidence supporting the views and claims in this report includes:
- desk-based review of existing research on factors influencing recycling performance
 - primary desk-based research and analysis on factors influencing recycling performance; and
 - views and information obtained through one-to-one stakeholder meetings and a stakeholder round table discussion.
- 1.8 Any statistical information we draw on and quote throughout the report will include figures for dry recycling and composting (unless otherwise indicated). We do this recognising that:
- i) Recycling targets are weight-based and expressed as a proportion of total household waste, so including organic waste will inevitably boost recycling performance levels.
 - ii) The inclusion/exclusion of organic waste will in part explain differences in recycling rates between inner and outer London boroughs.
 - iii) The decision to include or exclude organic waste is a service choice that the local political leadership will need to make, taking local factors into account.
- 1.9 In this report we focus on household waste and define recycling as *‘the process of re-using a given product (beyond its intended use), or producing a new product from a recyclable material.’*⁶

⁵ See

<http://www.london.gov.uk/sites/default/files/GLA001MWS%20APPENDIX%204c.pdf>

⁶ See http://www.clean-energy-ideas.com/energy_definitions/definition_of_recycling.html

2. Why recycling is important

2.1 In this section we set out reasons why recycling should remain at the forefront of current and future waste planning and management.

Reducing waste to landfill

2.2 London needs to reduce the amount of waste sent to landfill, for three main reasons:

- space to landfill waste is running out;
- we need to mitigate the negative environmental effects of landfill sites; and
- costs associated with sending waste to landfill are rising rapidly.

Landfill capacity

2.3 Capacity to landfill waste is rapidly declining. Twenty-three per cent of the capital's waste sent to landfill is accommodated within London's boundaries. This capacity is due to expire by 2021. Outside of London, capacity for the remaining 77 per cent of waste sent to landfill will expire by 2025.⁷

Environmental impact of landfill sites

2.4 The Climate Change Act 2008 (the Act) commits the Government to binding cuts in greenhouse gas emissions, of at least 80 per cent by 2050 from the 1990 level. The Committee on Climate Change (CCC), considered this target an appropriate UK contribution to global efforts to reduce Kyoto gas emissions to between 20-24 billion tonnes by 2050 (between 50-60 per cent below current levels). The Act provides a legal framework for ensuring that the Government meets its commitment to tackle climate change.⁸

2.5 In 2007, emissions from landfill sites, commonly referred to as landfill gas, made up around three per cent of the UK's total greenhouse gas emissions.^{9 10} Although emissions from landfill sites are going down - they have fallen by around 60 per cent since 1990 - they need to be reduced further to meet challenging national

⁷ Page 40, *ibid*

⁸ Letter from Lord Adair Turner to Ed Miliband October 2008

<http://www.theccc.org.uk/pdfs/Interim%20report%20letter%20to%20DECC%20SofS.pdf>

⁹

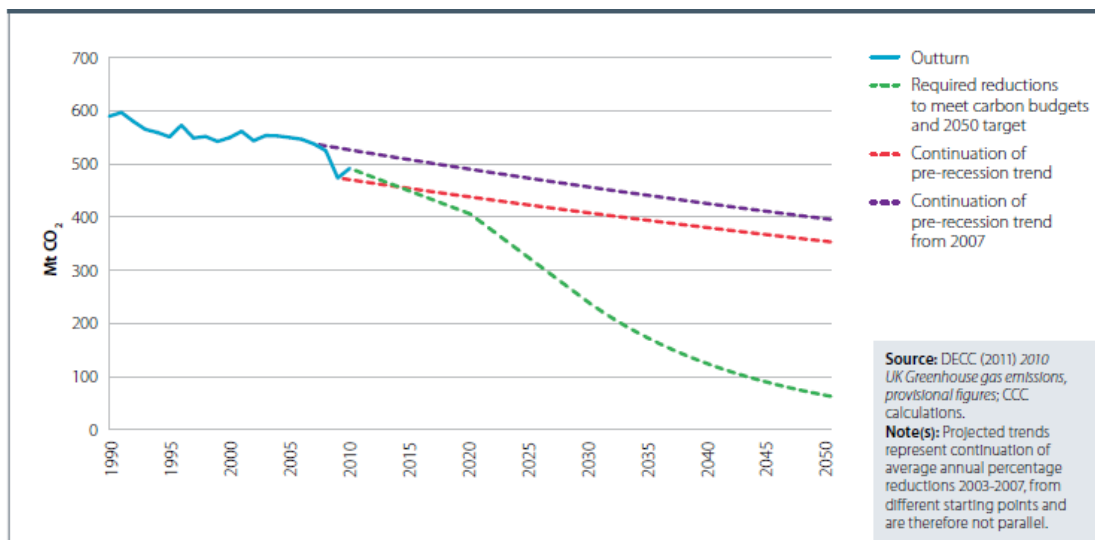
<http://www.decc.gov.uk/assets/decc/What%20we%20do/A%20low%20carbon%20UK/2050/216-2050-pathways-analysis-report.pdf>

¹⁰ Landfill gas is approximately 60 per cent methane and 40 per cent carbon dioxide.

<http://www.decc.gov.uk/assets/decc/What%20we%20do/A%20low%20carbon%20UK/2050/216-2050-pathways-analysis-report.pdf>

targets.¹¹ Projections suggest that emissions will continue to reduce as less waste is sent to landfill over the long term. But there is some concern about the pace of overall emissions reduction. The CCC's progress report on meeting carbon budgets notes that *"Although there has been a downward shift in emissions due to the recession, there is no evidence of a change in the underlying pace of emissions reduction. A reversion to the pre-recession trend would leave emissions above levels for subsequent budgets. This implies the need for acceleration in underlying progress in reducing emissions if future budgets are to be met."*¹²

Figure 1 CO2 emissions under pre-recession trend versus required reductions (1990 – 2050)



Source: Department of Energy and Climate Change/Committee on Climate Change

Landfill costs

- 2.6 Landfill costs account for 43 per cent of London's total costs for managing municipal waste. This proportion could increase to at least 53 per cent by 2014.¹³
- 2.7 Disposing of waste to landfill sites generally incurs two main costs, landfill tax and a gate fee. Landfill tax is an environmental tax applied to all waste sent to landfill. Introduced in 1996, the tax is a

¹¹ Environment Agency [http://www.environment-agency.gov.uk/static/documents/Research/\(14\)_Landfill_mitigation_FINAL.pdf](http://www.environment-agency.gov.uk/static/documents/Research/(14)_Landfill_mitigation_FINAL.pdf)

¹² Meeting Carbon Budgets – 3rd Progress report, June 2011 <http://www.theccc.org.uk/reports/3rd-progress-report>

¹³ Assuming no increase on waste levels, current performance, and waste collection and disposal costs. See page 60, the Mayor's draft Strategy <http://www.london.gov.uk/sites/default/files/GLA001MWSv2.pdf>

key mechanism in enabling the UK to meet the landfill targets set for biodegradable municipal waste (BMW) in the EC Directive. Landfill tax is levied on a per tonnage basis, currently £56 per tonne. But the tax is due to rise by £8 per tonne each year between now and 2014/15, when a floor of £80 per tonne will be set. A gate fee is a charge levied on waste received at a landfill site. Site operators generally levy the fee to offset the cost of opening, maintaining and eventually closing down the landfill site. London boroughs pay a gate fee of around £24 per tonne on average.¹⁴

- 2.8 There is the potential for an additional charge to be levied. Authorities with insufficient allowances under the Government's Landfill Allowance Trading Scheme (LATS) would be required to pay a penalty – currently £150 per tonne – for every excess tonne of waste sent to landfill.
- 2.9 Further costs are likely if the UK fails to meet EU waste reduction, prevention and recycling targets. Under the Localism Bill, the Government will be able to pass on fines to local authorities, levied against it by the EU, for failing to meet targets on waste recycling.
- 2.10 Increasing recycling rates will help to divert waste from landfill and could bring overall waste costs down. London boroughs are already implementing measures to minimise the impact of rising landfill costs. By applying cost effective ways to yield large increases in recycling rates and reduce the amount of waste sent to landfill, they have managed to generate significant costs savings.
- 2.11 The Government's recent waste policy review emphasised the value of recycling as part of an integrated approach to managing waste more effectively. Recognising the range of challenges that lie ahead, including financial, Government takes the robust view that *"we must continue to increase the percentage of waste collected from both households and businesses which is recycled, at the very least meeting the revised waste framework directive target to recycle 50% of waste from households by 2020."*¹⁵ Achieving the 50 per cent target by 2020 will be a significant but not impossible challenge for

¹⁴ £24 is the median gate fee charge levied on waste to landfill. See WRAP's Gate Fees Report 2010 http://www.wrap.org.uk/downloads/2010_Gate_Fees_Report.e94a1ebf.9523.pdf The charge levied on a given quantity of waste received at a waste processing facility. In the case of a landfill it is generally levied to offset the cost of opening, maintaining and eventually closing the site. It may also include any landfill tax which is applicable in the region.

¹⁵ Government Review of Waste Policy in England 2011, p6 <http://www.defra.gov.uk/publications/files/pb13540-waste-policy-review110614.pdf>

most London boroughs.¹⁶ Recycling performance across the boroughs is mixed.¹⁷ While some continue to make good progress year on year, others are finding that performance has slowed, and in some cases reversed.^{18 19}

Changing attitudes to managing waste

- 2.12 Over the last 25 years UK and European legislation have increasingly focused on encouraging more recycling and composting and less waste to landfill.
- 2.13 The 1999 European Commission Landfill Directive (EC Directive) was created to phase out disposal of biodegradable municipal waste (BMW) to landfill sites. It came into effect in the UK in 2003.²⁰ The EC Directive sets a decreasing limit on the amount of BMW that can be sent to landfill in 2013 and 2020.²¹ By 2020 the UK will have to reduce BMW sent to landfill by 50 per cent of the amount produced in 1995.²² Local authorities could face penalties if the targets in the Directive are not met.
- 2.14 The LATS scheme introduced by the Government in 2005, sought to encourage local authorities to reduce the amount of BMW sent to landfill. The schemes work by allocating allowances to each authority, which they can bank, borrow from, or trade with other local authorities. An allowance represents one tonne of BMW.
- 2.15 The Government has since announced that LATS will end in England following the 2012/13 scheme-trading year.²³ The decision follows an analysis of the range of policies needed to enable England to meet landfill diversion targets in 2013 and 2020. The analysis was completed as part of the Government's waste policy review. While the Government is satisfied that LATS has been effective in

¹⁶ Page 9, the Mayor's draft Strategy

¹⁷ As highlighted in the Committee's earlier report, Carrots and sticks: a review of waste financial reward and compulsory schemes, May 2011
<http://www.london.gov.uk/publication/carrots-and-sticks>

¹⁸ For example, Richmond upon Thames, Southwark, Hammersmith & Fulham, Hackney, Lambeth. See Capital Waste Facts <http://www.capitalwastefacts.com/>

¹⁹ For example Lewisham, Wandsworth, Waltham Forest. See Capital Waste Facts <http://www.capitalwastefacts.com/>

²⁰ Council Directive 99/31/EC, 26 April 1999

http://ec.europa.eu/environment/waste/landfill_index.htm Biodegradable municipal waste is waste that can be decomposed by bacteria or other biological means for eg food, garden waste, paper and cardboard.

²¹ Fifty per cent of the amount of BMW produced in 1995 by 2013 and 35 per cent by 2020

²² Directive 2008/98/EC increases the percentage rate of reduction in BMW sent to landfill to 50 per cent less than 1995 levels. It was previously 35 per cent. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:312:0003:0030:en:PDF>

²³ The announcement was made on 14 June 2011. See

<http://www.defra.gov.uk/environment/waste/local-authorities/landfill-scheme/>

influencing local authorities to take action to divert BMW from landfill, it concludes that LATS is no longer the major driver for diverting waste. Landfill tax is now much more of an incentive.

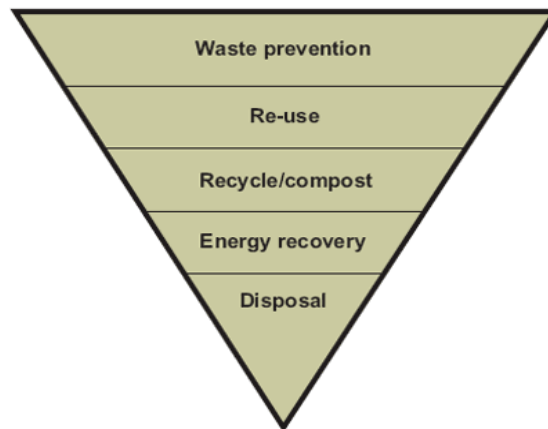
- 2.16 The increasing recognition of the negative environmental impact of landfill on the environment has also driven a change in attitude to managing waste amongst the public and waste professionals.
- 2.17 There is a drive to embrace cleaner technologies such as anaerobic digestion (AD).²⁴ AD is generally considered to be one of the most innovative and useful waste technologies developed in recent years. In addition to providing a large-scale solution for dealing with organic waste, it also provides a way to produce energy from natural sources and reduce the impact on climate change.
- 2.18 Greater emphasis is placed on converting waste to energy (WTE). WTE plants have traditionally operated by incinerating waste and converting the resulting heat into energy. Newer, quieter and more efficient forms of WTE such as gasification and pyrolysis are increasingly being used.²⁵
- 2.19 The Mayor is quite clear that London needs to maximise opportunities to manage its waste in ways that reduce any adverse impact on climate change. He is keen to see methods used that generate the optimum amount of carbon savings, and is to set a greenhouse gas performance standard that the various waste management activities and technologies will need to meet to benefit from Mayoral support.²⁶ He advocates a top down approach to the waste hierarchy, the starting point being waste prevention/reduction. (See Figure 2 below).
- 2.20 The Mayor's approach is not out of step with boosting recycling rates. Recycling, as much as reduction and re-use, can contribute to meeting the overall targets for reduced carbon and greenhouse gas emissions.

²⁴ <http://archive.defra.gov.uk/environment/waste/ad/> AD is a renewable energy and waste management technology. It produces renewable energy in the form of biogas from organic materials such as manures and slurries, food waste and sewage sludge

²⁵ Gasification converts organic materials into a synthetic gas (syngas) made up of carbon monoxide and hydrogen. The gas is then burnt to produce electricity and steam. Pyrolysis produces a clean, high calorific value gas from a wide variety of waste and biomass streams, which are converted into a gas suitable for gas engines, with associated electricity generation, or in boiler applications without the need for flue gas treatment

²⁶ Policy 2, the Mayor's draft Strategy, October 2010

Figure 2 The Waste Hierarchy



Source: DEFRA

2.21 Waste reduction and re-use are key elements of national and regional waste management approaches.²⁷ The Mayor has set challenging long term targets to:

- a) reduce the amount of household waste not re-used, recycled or composted by 20 per cent per household by 2031, and to
- b) increase London's capacity to reuse or repair municipal waste from 6,000 tonnes to 120,000 tonnes per year in 2031.²⁸

However important these targets are, it is clear that they will not be sufficient to meet overall waste reduction requirements. High volumes of recycling may well be the most effective way for boroughs to meet the Mayor's performance standard.

Economic value of recycling

2.22 Despite the dramatic drop in prices for recyclates in 2008, they remain valuable assets. The prices for plastic and paper have recovered and continued to rise.²⁹

2.23 Recycling can provide support for the green economy. A recent study by Friends of the Earth showed that across the UK, 51,400 jobs could be created if 70 per cent of waste collected by local

²⁷ Waste Strategy for England 2007, page 9 <http://www.official-documents.gov.uk/document/cm70/7086/7086.pdf>

²⁸ The Mayor's Municipal Waste Management Strategy, London's Wasted Resource, October 2010, see page 12 <http://www.london.gov.uk/sites/default/files/GLA001MWSv2.pdf>

²⁹ ENDS Report 420, January 2010 <http://www.endsreport.com/21776/recyclate-prices-back-to-pre-crash-levels>

councils were recycled. Of the potential 51,400 jobs, some 42,300 might be located in England with an estimated 4,700 in Scotland, 2,600 in Wales and 1,800 in Northern Ireland. According to the study, recycling creates 10 times more jobs per tonne than sending waste to landfill or incineration, with posts generated in collection, sorting and reprocessing, as well as in the supply chain and in the wider economy.³⁰ Preparing London to manage all its waste (including commercial and industrial waste, and construction demolition and excavation waste) in the most carbon efficient and economically beneficial way could generate approximately 1260 green-collared jobs and contribute £52 million of direct Gross Value Added (GVA) to the economy each year to 2025.

Conclusion

- 2.24 Recycling should remain an important part of the drive to minimise waste sent to landfill and further effort at local, borough and regional levels is required in order to meet the Government's target to recycle 50 per cent of waste from households.

³⁰ guardian.co.uk, Tuesday 14 September 2010. The report can be accessed at, http://www.foe.co.uk/resource/reports/jobs_recycling.pdf

3. Factors affecting recycling rates: deprivation and household density

- 3.1 This section explores the impact of deprivation levels and household density on recycling rates.
- 3.2 Recycling rates are the product of a complex interaction of a number of factors. There are some factors that boroughs can do little to influence or change, for example, the profile of local residents, social class and income levels (socio-economic factors), or housing density. However, other factors such as waste collection, and communication and engagement with residents can be influenced and shaped by local authorities to help boost recycling locally.
- 3.3 Socio-economic factors and housing density are generally perceived to be the main reasons for differences in recycling rates. This perception can lead to the assumption that performance levels are therefore largely pre-determined. Our research shows that this is not necessarily the case.

The impact of deprivation and household density

- 3.4 Many of the stakeholders contacted during this inquiry argued that deprivation levels and household density influence recycling levels. Some felt that they could account for most of the variation in recycling performance across London.³¹
- 3.5 Industry research also shows that deprivation levels and household density have an impact. WRAP's analysis of recycling performance in England identifies these factors, along with others relating to the waste collection service provided as significantly affecting recycling levels.³² Typically, lower recycling rates occur in areas with higher levels of deprivation. Better recycling levels are achieved when a wider range of materials is collected and there is more space and larger containers to store the waste.

³¹ North London Waste Authority and South London Waste Partnership. See notes of stakeholder meetings

³²WRAP, Waste & Resources Action Programme. See www.wrap.org.uk. Analysis of kerbside dry recycling performance in England 2007/08, updated 2010 http://www.wrap.org.uk/downloads/EVA143-000_Kerbside_Dry_Benchmarking_UK_08-09_Report_FINAL_for_publication_V2_1.0a8dd3ee.8168.pdf

3.6 The Hyder research, which focuses on London, also contains data to support the view that recycling levels are principally influenced by deprivation levels and household density. Although their research indicates that borough level recycling performance is influenced by a combination of factors – socio- economic factors, housing density and service provision characteristics – it does find a direct correlation between national performance statistical data for recycling (NI192)³³ and the Index of Multiple Deprivation (IMD).³⁴ The Hyder research also draws a similar correlation between NI192 and housing density.

What our research showed

3.7 There are interesting exceptions to be found in both the WRAP and Hyder research findings. These indicate that other factors can also be important. The WRAP analysis shows that the significance of the effect of deprivation levels on recycling rates reduces when considered in isolation to other factors. The Hyder research identifies boroughs that defy the trend. It shows that some boroughs with high levels of deprivation, achieve better than expected recycling levels. It also highlights boroughs with lower deprivation levels with recycling rates that are lower than one might expect against the Hyder model.³⁵

3.8 The findings from the research carried out as part of our inquiry indicate that income levels, though important, are not the overriding factor. Simple regression analysis shows that around 50 per cent of the variation in recycling rates across London boroughs could be explained by differences in deprivation levels. See Figure 3.³⁶

3.9 We also found a number of interesting exceptions. High deprivation may not mean that there are insurmountable barriers to increasing recycling rates. Tower Hamlets and Newham have similar IMD scores but differ in the improvements made in recycling since 2006/07.³⁷ In 2009/10 Tower Hamlets and Newham had average dry recycling rates of 24 and 14 per cent respectively. In 2006/07, both Newham and Tower Hamlets had an average dry recycling rate of 12 per cent.³⁸ A low IMD score is not always associated with a much higher

³³ NI 192 is a national indicator which measures the percentage of waste that is reused, recycled and composted or disposed of by anaerobic digestion. For more information see <http://www.defra.gov.uk>.

³⁴The IMD was created by the Department for Communities and Local Government, and calculated in 1999, 2002, 2004 and 2007.

³⁵ The performance of London's Municipal Recycling Collection Service 2010, see pages 68-69.

³⁶ Figure 3 illustrates the relationship between data sets for deprivation and recycling. This is not, however proof of a causal link between the two variables and the relationship could have occurred by chance.

³⁷ Tower Hamlets has a score of 39.59 and Newham 41.84, IMD 2010 average score: DCLG

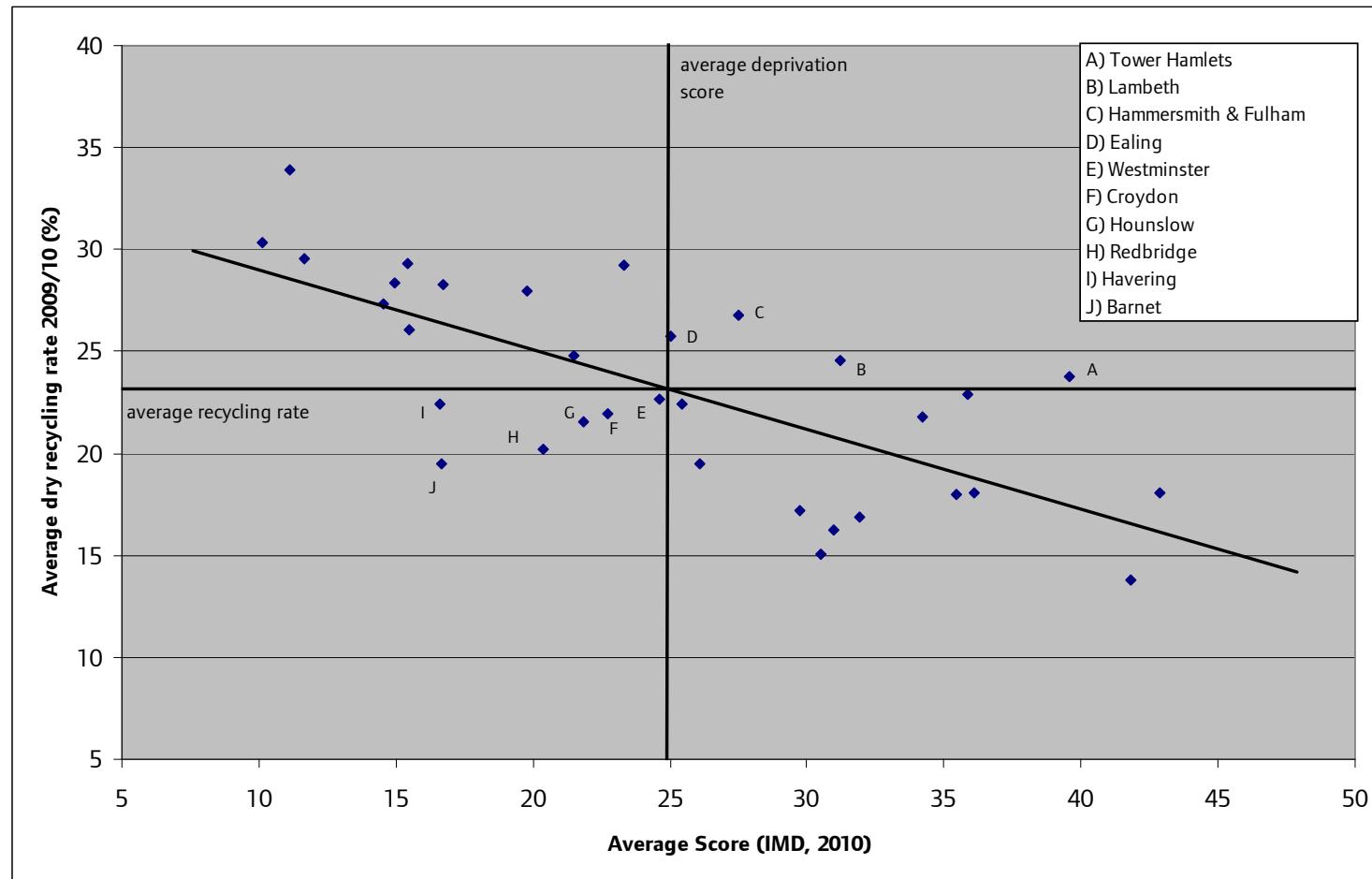
³⁸ Recycling rates for London boroughs by quarter 2006 – 2010 www.capitalwastefacts.com

recycling rate. For example, Havering and Bexley both have relatively low deprivation levels, and while Havering has a lower housing density rate their recycling rates differ considerably; Bexley's rate for dry recycling plus mixed garden and waste is 51 per cent, while Havering's rate for dry recycling plus an opt in and charged for garden waste is 34 per cent.

- 3.10 High density does not preclude a borough from boosting its recycling rates. Eighty-four per cent of properties in Tower Hamlets are flats, either purpose-built flats or in converted buildings.³⁹ The borough's recycling levels defy the limitations of the lack of doorstep properties. While recycling and composting rates in flats and on estates are typically around 10 per cent, Tower Hamlets is achieving more than double that. Housing density is however, likely to affect the capacity of boroughs to enhance green waste and composting rates, and over 90 per cent of Tower Hamlets' recycling is dry recycling.

³⁹ Capital Waste Facts www.capitalwastefacts.com

Figure 3 Graph illustrating the relationship between data sets for deprivation and dry recycling rates in London boroughs⁴⁰



⁴⁰ Figure 3 focuses on dry recycling rate only. For overall recycling rates (including green waste and composting) see Appendix 3b

- 3.11 Difficulties in providing facilities and infrastructure, for example the lack of storage space or container capacity are often cited as reasons for the lower level of performance. To some extent these obstacles can also be overcome. Eighty-nine per cent of properties in Westminster are flats. Installing recycling chutes in housing estates helped residents to recycle more. Recycling rates quadrupled during the pilot phase.⁴¹
- 3.12 The financial support that is being made to boroughs through the London Waste and Recycling Board (LWARB), to boost recycling in flats and estates, will help. LWARB put aside £5 million to fund a programme of infrastructure improvements.⁴² To date 30 London boroughs have benefitted from the fund.⁴³

Conclusions

- 3.13 Socio-economic factors and housing type are important, but our inquiry finds that recycling rates are not solely determined by income levels, or abode.
- 3.14 Other factors must come into play. The next section looks at the role of political leadership in making recycling a local priority and to put in place measures to meet national and regional objectives. In particular we focus on how a consistent communications strategy with a focus on value and community-based incentive schemes can re-energise local communities to boost recycling rates.

⁴¹ See Westminster press release - <http://www.westminster.gov.uk/press-releases/2009-02/award-winning-recycling-chutes-help-residents-recy/>

⁴² *London's Wasted Resource*, The Mayor's draft Municipal Waste Management Strategy, October 2010

⁴³ The first round of funding was awarded to 12 boroughs in June 2010 - Havering (in partnership with Barking & Dagenham, Newham, and Redbridge), Waltham Forest, Croydon, Hillingdon, Lambeth, Hammersmith & Fulham, Camden, Westminster and Hackney. Eighteen benefitted from the second round of funding in March 2011 - Tower Hamlets, Lambeth, Brent, Hounslow, Hackney, Richmond, Westminster, Merton, Islington, Lewisham, Wandsworth, Southwark, Ealing, Bromley, Bexley, Enfield, Harrow and Croydon

4. Factors affecting recycling rates: political leadership

4.1 This section reflects on the value of local political leadership in shaping waste collection services to encourage increased recycling.

Political leadership

4.2 There is a strong local political engagement with waste collection. It is one of a handful of local services where local politicians can be held directly accountable. By the same token, this means that politicians are well placed to provide the vision and leadership to drive through any waste service changes that might be needed to boost recycling rates.

LONDON BOROUGH OF TOWER HAMLETS
Borough profile: A unitary authority with one of the highest population densities in inner London (102.2 per hectare). Flats make up around 84 per cent of properties, which are mostly rented and managed by private landlords and housing associations.
Achievement: Doubled household recycling from 13 per cent in 2007/08 to 26 per cent in 2009/10.
What they did: Secured political and corporate backing to embed sustainable waste management across the Council's functions and ran extensive communications and initiatives programmes to help tackle the unique challenges it faces and drive up recycling rates, including: <ul style="list-style-type: none">• running a high profile campaign in 2008 – 'Together we can recycle more' – using local residents as champions to foster community spirit and engage with non-recyclers;• developing pictorial based communication material to overcome literacy and language barriers.• Launching a forum, the Public Realm Sub-Group, to foster joint working between the Council and property managing organisations.

4.3 The hypothesis tested here was that political vision and leadership can lead to significantly improved recycling rates. Our conclusions are drawn from a range of sources, including discussions with stakeholders, borough case study reviews, and analyses of survey responses.⁴⁴

4.4 We found that political leadership is pivotal to efforts to prioritise waste and recycling locally. Stakeholders emphasised the importance of having the political backing to prioritise waste

⁴⁴ Notes of the stakeholder meetings and survey responses are posted on the assembly website at <http://www.london.gov.uk/who-runs-london/the-london-assembly/publications/environment>

- 4.5 Local politicians can demonstrate leadership in two ways, by decisive action to implement changes to waste services, and through focused communications, to keep residents engaged in recycling. We discuss specific characteristics of successful communications strategies later on in this section.

Changes to waste services

- 4.6 The case study examples we examined demonstrate that a willingness to make bold changes to waste collection services can boost recycling rates. Harrow introduced service changes at the same time as launching compulsory recycling. Its recycling rate has more than doubled, from 19 per cent in 2007/08 to 46 per cent in 2009/10. In 2004 Bexley radically changed waste collection across the borough to focus efforts on boosting recycling. The borough's recycling rate rose from 21 per cent in 2003/04 to over 50 per cent in 2009/10. Introducing weekly collections of food and garden waste and fortnightly collections of residual waste helped Greenwich to almost double its recycling within a two year period. The recycling rate increased from 24 per cent in 2006/07 to 42 per cent 2008/09.
- 4.7 The political risks attached to making changes to local waste collection arrangements are high. Changes can lead to local opposition, as seen from Harrow's experience. The level of local demand that would generate from a major waste service change was underestimated. This fuelled operational challenges and difficulties in disseminating information to local

LONDON BOROUGH OF HARROW

Borough profile: A collection authority with low population density –39.3 per hectare. Around 62 per cent of properties are houses and 38 per cent flats.

Achievement: More than doubled household recycling from 19 per cent in 2007/08 to 46 per cent in 2009/10.

What they did: Introduced a three-bin system (blue for recyclables, brown for kitchen and garden waste and green for residual waste. Introduced fortnightly collections for recyclables and residual waste and weekly collections for garden waste. These changes were implemented alongside the introduction of compulsory recycling.

⁴⁵ See notes of the meetings with London boroughs of Bexley, Havering, Tower Hamlets and notes of the meeting with SERCO.

residents. Anecdotal evidence suggests that this underestimation and the effects that flowed from it, contributed to the governing party's loss of seat at a ward by-election occurring during the transition period.

Waste collection contracts

- 4.8 Fear of the political risk involved can lead to caution in waste contract negotiation. We were told that this can in turn, inhibit change and stifle innovation as contract negotiation is approached in an overly prescriptive way. As a result, boroughs can find themselves locked into long-term inflexible contracts, which do not routinely allow for capital-share in waste treatment facilities or for revenue-share entitlements.⁴⁶
- 4.9 This can also significantly reduce the opportunity to realise the economic benefits to be gained. Incorporating a provision in contracts to share with private contractors the revenue they gain from selling on materials can help capitalise on these economic benefits. As can a provision to share in revenue generated from producing energy from residual waste. According to the Mayor such skilful use of contract terms could reduce municipal waste management costs by around £90 million per year.⁴⁷
- 4.10 Introducing a greater level of transparency in waste collection contracts could lessen the likelihood of the limitations (inflexible terms and conditions over a long-term period), currently being experienced. We support the Mayor's commitment to establish a framework of waste collection contracts from which waste collection authorities can draw down services, and to working with London Councils and Capital Ambition to develop model municipal waste contracts for waste authorities to use.⁴⁸ Both will help promote a more transparent approach to contract negotiations, and hopefully develop more flexible and consequently more effective contracts in the longer term.

Communications

- 4.11 We found that a clear communication strategy was integral to the launch of waste service changes or new initiatives directed at boosting recycling rates. Communications continued to play a central role post-implementation. Any misgivings residents may have about waste service changes are more likely to be exacerbated where

⁴⁶ See the notes of the meeting with Veolia Environmental

⁴⁷ Mayor's draft Municipal Waste Management Strategy, p 64

⁴⁸ Policy 3.2 and 3.3 Mayor's draft Municipal Waste Management Strategy

access to information is limited, or the message being conveyed is inconsistent or difficult to understand.

- 4.12 From our research we were able to identify two key characteristics of successful communication strategies: coherence and consistency in relaying the importance of recycling to residents; and a focus on the value of recycling to the local community.

A coherent and consistent message

- 4.13 A commercial perspective of recycling can help in developing a cohesive message that can be communicated to residents. Stakeholders told us that recycling should be perceived as a brand product, needing a regular input of resources to drive the message home. This, they believe, is vital to maintaining local interest in recycling, and necessary to create opportunities for ongoing information and education to residents about ways to better manage their waste.

The economic value of recycling

- 4.14 Emphasising the economic value of recycling can help to encourage residents to recycle more.
- 4.15 Half a million pounds was saved in Hammersmith and Fulham last year because of resident's efforts to recycle more. The Borough launched a recycling campaign in June 2011 in a bid to maintain the momentum on residents' efforts.⁴⁹ Reminding residents of the economic value of recycling is a key emphasis of the campaign. This is done by including cost comparisons on advertising literature, for example, *"It currently costs ...£128 to dispose of a ton of waste while the cost of recycling a ton is just £73."*⁵⁰
- 4.16 Hounslow reported a saving of more than £1.2 million last year made by residents' efforts to recycle and reuse more waste and as a result diverting 14,000 tonnes of waste from landfill. A link is made between the savings from increased recycling and savings on council tax, but no specific figure is highlighted.⁵¹ Hounslow's recycling rate increased 10 percentage points in 2009/10 and now stands at 33 per cent.

Sustaining behaviour change

- 4.17 Two key challenges that remain for boroughs are, firstly, how best to stop a reversal in recycling rates, and secondly, how to further

⁴⁹ As part of the Mayor's Recycle for London campaign

⁵⁰ See <http://fulhamroad.co.uk/articles/2011/06/16/recycling-week-2011-159>

⁵¹ <http://www.westlondonwaste.gov.uk/recycling-residents-save-1-2-million-in-hounslow/>

incentivise residents to recycle even more. Borough recycling rates have increased significantly over the last decade, but in the last few years increases have slowed and in some cases reversed.⁵²

- 4.18 In our recent report, *Carrots and Sticks*, the Committee showed that both compulsory and reward-based schemes have helped to boost recycling rates, but that there is no evidence as yet that they lead to a change in behaviour in the long term.⁵³ The report highlights positive and negative aspects of both incentive schemes but raises concerns over the possible inequity of a reward scheme that fails to find ways round the specific challenges London faces, for example, the high proportion of flats.
- 4.19 Stakeholders' two main concerns about reward schemes geared to the individual were raised in the report. They felt that such schemes could encourage individuals to generate more waste, and more generally, lead to increased consumerism.
- 4.20 A community-focused reward model could circumvent both potential problems and help boost recycling rates. The Government favours an approach, which rewards and recognises people who are making efforts to manage their waste better. One of the Government's key commitments, following the review on waste policy, is to launch a grant-funding scheme for innovative reward and recognition schemes. The funding will be made available to community groups, civil society organisations and local authorities.⁵⁴
- 4.21 There are existing models to draw on, for example the Recycling Reward Incentive Scheme launched in Ealing in November 2010. The scheme awards a total of £80,000 to the top recycling wards in the borough. £20,000 is awarded to the ward with the best participation rates, and £20,000 each to the three wards with the most improved participation rates. The reward money is used to make local improvements. Recycling participation rates increased as much as six percentage points over a six-month period.⁵⁵

⁵² Capital Waste Facts provides recycling and composting data for a five year period working back from 2009/10. See <http://www.capitalwastefacts.com/>

⁵³ *Carrots and Sticks: A review of waste financial reward and compulsory recycling schemes.* <http://www.london.gov.uk/sites/default/files/Waste%20financial%20incentives%20FINAL2.pdf>

⁵⁴ Government Review of Waste Policy in England 2011, p46

<http://www.defra.gov.uk/publications/files/pb13540-waste-policy-review110614.pdf>

⁵⁵ For more information see

http://www2.ealing.gov.uk/services/environment/recycling/recycling_rewards/index.html

- 4.22 The Local Green Points scheme recently launched in Bexley is another example.⁵⁶ The scheme rewards households for recycling more and reducing the amount of waste sent to landfill. Through the scheme, participants can play an active part in building community cohesion and pride, and support the local economy in the process.
- 4.23 The scheme works by awarding green points that can be redeemed for community or individual benefit. The Green Points received by participating households are based on the total recycling and total waste saved in the local area.
- 4.24 Points can be donated to participating local charity projects, or can be used by the participant to purchase items from the scheme's online 'Green Shop'. A household/individual also benefits from signing up to the scheme by receiving a Local Green Points Activation Card offering a range of discounts and offers provided by the scheme's retail partners. These partners are drawn from local independent businesses.
- 4.25 Community stakeholders contributing to this inquiry argued that residents respond well where they are able to see the benefits of their actions to recycle more.⁵⁷ What may help to motivate them further is to provide formal evidence of the savings that can come from increased recycling. Clearly setting out the revenue from the proportion of waste recycled provides tangible evidence of the wider benefits to be gained from recycling and of its value to the community. In turn residents are likely to be motivated to change their behaviour over the longer term.
- 4.26 Re-investing money from the savings made into the local community could also help to boost recycling rates. This, we believe, can be achieved through community-focused reward schemes. As well as bringing communities together for a common positive cause, it can help to provide a legacy of what community action can achieve.
- 4.27 The Mayor's Recycle for London campaign's headline message is that recycling saves money.⁵⁸ We believe there is scope for the Mayor to build on this message by championing the use of community-focused reward schemes.

⁵⁶ For more information see <http://www.localgreenpoints.com/>

⁵⁷ See Appendix 6, notes of meeting dated 24 September 2010

⁵⁸ Launched May 2011, <http://www.recycleforlondon.com/>

Conclusions

- 4.28 Political vision and leadership is necessary to drive forward change in waste services to boost recycling rates. Politicians are well placed to prioritise waste and recycling and initiate the changes needed to make it happen.
- 4.29 The political risks attached to making changes to local waste services can be managed to some extent, by introducing greater transparency at the contract negotiation stage and developing a comprehensive communications strategy.
- 4.30 Communications that draw the correlation between increased recycling and financial savings can motivate residents to recycle more.
- 4.31 The Mayor can, through the Recycle for London campaign, help to promote the value of community-focused reward schemes to further incentivise London residents to recycle.

Recommendation 1

We recommend that boroughs publish annual data that put a value on the volume of recycling material collected and disposed off. This will help provide tangible evidence of the wider benefits to be gained from recycling and of its value to the community.

Recommendation 2

We recommend that the Mayor promote the value of community-focused reward schemes through the Recycle for London campaign.

5. Factors affecting recycling rates: Governance and contracts

5.1 This section sets out reflections on the possible influences that the current statutory Joint Waste Disposal Authority arrangements in London have on boosting recycling rates.⁵⁹

Waste governance arrangements

5.2 Following the abolition of the Greater London Council (GLC) in 1986, its waste responsibilities (including strategic waste planning) were transferred to London's local authorities. The Government at the time believed that co-operative arrangements for disposal would emerge of their own accord. However, no such proposals came forward and the Government had to impose such arrangements based on the then existing cross borough facilities and contracts.

5.3 The Secretary of State for the Environment established under powers contained within the Local Government Act 1985, four statutory Joint Waste Disposal Authorities (SJWDAs) comprising 21 London boroughs. The four SJWDAs are, as they were originally established, East London Waste Authority (ELWA), North London Waste Authority (NLWA), West London Waste Authority (WLWA) and Western Riverside Waste Authority (WRWA). See figure 4 below. All the boroughs kept a statutory duty for the collection of municipal waste.

5.4 Committees made up of two representatives from each member authority (one each in the case of West London), govern the SJWDAs. They are established under statute to operate as separate authorities in their own right, and representatives are there to make decisions in the interests of the disposal authority for the collective area.

5.5 The 11 London boroughs and the Corporation of London remaining outside of the SJWDAs became unitary waste authorities responsible for both collection and disposal.

⁵⁹ A KPMG report

(<http://archive.defra.gov.uk/environment/waste/localauth/documents/kpmg-waste-governance-complete.pdf>) produced for Government in March 2006 last examined London's governance arrangements to inform discussions that were taking place at the time about the possibility of creating a Single Waste Authority for London. While the report made the case for change and set out a number of options it concluded that, largely because the implications of LATS were uncertain, that "there is insufficient information to take a decision on a preferred option at this time".

5.6 As already highlighted recycling rates are the result of the interaction of a complex number of factors. This part of the inquiry was concerned with a comparison of recycling performance between UDA boroughs and those that are part of SJWDAs to indicate whether these arrangements could have an influence on recycling performance. Figure 5 below indicates that the average recycling rate of UDA boroughs has been higher than the average for SJWDA boroughs since 2007/08. This suggests that taken as a whole at the end of 2009/10 the UDA group was closer to the Government's target of *"at least meeting the revised waste framework directive target to recycle 50 per cent of waste from households by 2020"*.⁶⁰ (However, this is a comparison of average figures and there are some exceptions. For example, the boroughs of Richmond upon Thames, Harrow and Hillingdon all have recycling rates of over 40 per cent while being members of West London Waste Authority).

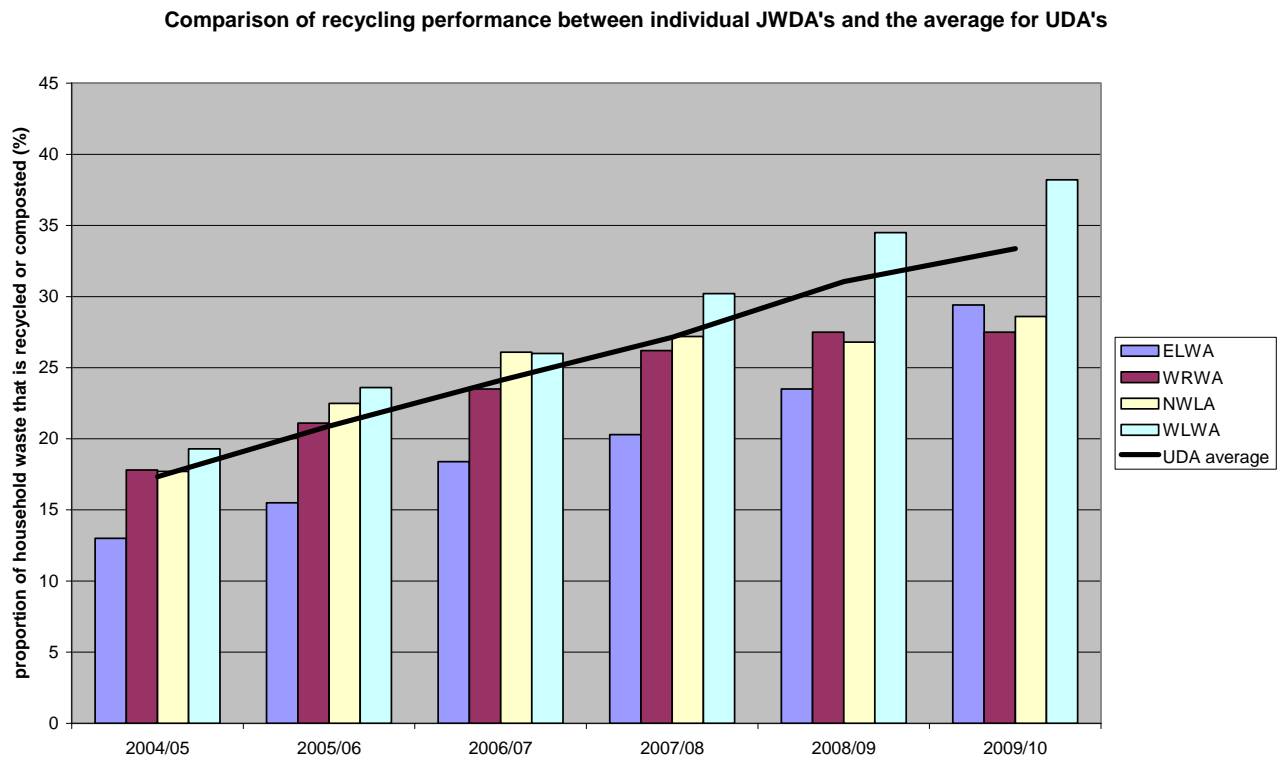
⁶⁰ Government Review of waste policy in England 2011, p 6

Figure 4 London's Joint Waste Disposal Authorities



1. East London – Newham, Barking and Dagenham, Redbridge, Havering
2. North London – Barnet, Camden, Enfield, Islington, Hackney, Haringey, Waltham Forest
3. West London – Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond
4. Western Riverside – Hammersmith and Fulham, Kensington and Chelsea, Lambeth, Wandsworth

Figure 5 Comparison of recycling performance between JWDA's and UDAs in London 2004-10



5.7 There is no readily available empirical means for testing the hypothesis or for uncovering what, if any, effect governance arrangements may have on recycling rates. So the following comments are necessarily impressionistic but they are based on a number of discussions held with waste industry experts (professionals and politicians). Through these discussions a number of different themes that might have bearing on this issue were examined. Contributors highlighted that there are advantages and disadvantages of both UDAs and SJWDAs. But there remain concerns that the institutional arrangement that followed the break up of the GLC in 1986 has produced a system frozen in time and which is not sufficiently flexible to respond to changing public and political priorities nor able to take advantage of new small scale waste recovery or recycling techniques.

Decision-making

- 5.8 One particular area discussed with industry experts is whether the separation of waste collection and waste disposal authorities creates unnecessary divisions among further layers of institutional decision-making; and whether this arrangement is affecting the speed and the quality of the waste management decision making process. The division of responsibilities on collection and disposal between authorities may on occasions *“frustrate the optimisation of systems to deliver high recycling rates relative to unitary authorities who control all aspects of the waste management chain”*.⁶¹ Arguments were also made that unitary authorities are more able to act responsively and flexibly and so by prioritising recycling at the political level they can achieve higher levels of recycling rates through innovative and adaptable contract arrangements.
- 5.9 For SJWDAs, while the governance structures requires members from the constituent boroughs to come together to discuss waste matters on a regular basis, decision-making requires, generally speaking, for a political consensus to be achieved across the constituent boroughs and often across Party lines. But as they are not directly elected to the Authority *“the political advocacy for the needs of the disposal authority does not take place in the same way as in a County Council”*.⁶² This process could stall change. Interestingly at WLWA, which has the highest average recycling rates of the SJWDAs, it is possible to take decisions on a majority of votes and even on the casting vote of the Chair.

Contracts

- 5.10 The other area explored in detail is the extent to which the disposal contracts the SJWDAs have entered into restrict the flexibility of boroughs to innovate; for example, in terms of the design of their collection methods to boost recycling rates. It is a striking feature of the SJWDA arrangements that the Authorities enter into very long-term disposal contracts with their waste management partners. This is in order to fund large-scale waste infrastructure through committing to a guaranteed waste stream. For example, WRWA has a 30-year contract with Cory Environmental LTD which runs until 2032, while ELWA’s contract was first specified some 10 years ago and will run until 2027.
- 5.11 The concern with such long-term contracts is that they do not allow Authorities to respond to changes in public and political priorities nor developments in new, more effective technologies. The tightly

⁶¹ Letter from North London Waste Authority, 22 July, 2011

⁶² Letter from North London Waste Authority, 22 July, 2011

defined nature of the ELWA contract was not designed to boost recycling rates nor is the infrastructure it funds. There is no formal review process built-in, which means that making changes to try to boost recycling rates could be prohibitively expensive. For WRWA however, whilst the Authority is committed to sending all of the waste under its control to its contractor there are no fixed tonnages or minimum payments or other guarantees that need to be met. *“In short, there are no penalties or disincentives for the Authority in trying to reduce, reuse or recycle all of its waste.”*⁶³

5.12 It is welcomed that some waste contractors are responding to calls for more flexible contractual arrangements. Mike Boulton, Managing Director, Local Government, SERCO described a recent contract with a Metropolitan Borough Council in which SERCO were taking responsibility at the collection end of the contract to meet recycling targets. Also, in order to allow for changes to available technologies and to capture the best short-term deals for disposal the 25 year contract will be broken down into more manageable phases, typically five years, by inserting review clauses.

5.13 A number of experts raised the potential for SJWDAs’ disposal arrangements to influence collection methods across constituent boroughs by, for example, standardising what is collected and how, and so make recycling easier. One such example is WRWA which uses an orange bag, though they do vary in size, to collect co-mingled recycle across its constituent boroughs. But there are few other examples of this kind of initiative. Waste collection (perhaps more so than waste management) is one of the very few highly visible activities for which councils are directly accountable to local residents. So while there is, clearly, scope for the constituent boroughs in SJWDAs to rationalise depots and use the existing vehicle fleets more efficiently, realising those savings will be challenging.

Changing the market for waste disposal infrastructure

5.14 The London Waste and Recycling Board (LWARB) is keen to support the commercial development of a number of small and medium scale entrepreneurs who are developing a range of technologies for disposing of commercial and municipal waste. The Board sees a future where commercial waste disposal contracts can support the development of new smaller scale infrastructure that over time, as their municipal contracts expire, local authorities will be able to bid into. Wayne Hubbard, the Head of Business Development at LWARB

⁶³ See the letter from Western Riverside Waste Authority, 23 June 2011

set out how this change to the market structure would benefit local authorities:

“Local authorities then have maybe two or three AD (anaerobic digestion) plants bidding against each other for their waste, two or three refuse dry fuel plants or gasification plants, rather than having to go out for a full three to five year European tender...with all the attendance management costs that involves say, £1 million just to go through the tendering approach for the local authority and £1 million for the company tendering.”

- 5.15 These changes would also end the necessity for local authorities to be tied into very long-term waste disposal contracts. *“You have not got a 30 year contract; you can go for a 5, 10 or 15 year contract. It can be more flexible. Local authorities should save money through efficiency, they should save money through paying a lower gate fee and they should also have a more flexible waste contract. All of these things LWARB hopes to achieve through that process.”*⁶⁴ The Committee supports the move to create more competitive options for local authorities to be able to dispose of their waste.

Levy

- 5.16 Discussions also covered the levy: the annual costs contributions made by each member authority to the SJWDA and whether the way they are apportioned influences or incentivises the member to prioritise recycling. The SJWDAs like areas with two-tier authorities collect a precept from their constituent members, as they are unable to have separate council tax arrangements.⁶⁵ The original funding arrangements for waste disposal in two-tier areas was not equitable or designed to incentivise waste reduction or recycling as it was based on the proportion of Council Tax band D properties in each borough. Government has now put in place legislation to enable disposal authorities to move towards a tonnage based levy.
- 5.17 The decision to change the levy system has to be taken by unanimous agreement. WRWA has changed its levy arrangements and now raises its levy in the form of a separate charge per tonne for each individual waste type, similarly WLWA has agreed to amend the levy mechanism to “Pay as You Throw” so boroughs are charged for services they actually use. This creates more transparency with each constituent borough being able to directly account for its collection and treatment costs in very much the same way that a unitary

⁶⁴ See Transcript of the Environment Committee meeting 19 May 2011, pages 22-23

⁶⁵ Two-tier authorities consist of a District or Borough Council, (known as the billing authority) and a County or Parish Council (the non-billing authority). The precept is the total amount the billing authority sets to be collected to meet spending at both levels.)

authority can. Not all SJWDAs have taken advantage of the opportunity to change their levy model. ELWA uses a tonnage plus the proportion of Band D Council Tax properties in each borough. This will under certain conditions lead to cross-subsidising by some boroughs and does nothing to incentivise recycling.

Economies of scale and partnerships

- 5.18 The one area where contributors repeatedly argued that the SJWDA arrangements carry a significant advantage to the unitary model is where economies of scale can be generated through joint procurement, shared in-house expertise and leverage when dealing with waste contractors. Communications is an obvious example where boroughs can through the SJWDAs work effectively together.
- 5.19 However, it is possible to realise these kinds of benefits in less formal partnership arrangements like the South London Waste Partnership (SLWP). The SLWP brings together Kingston, Sutton, Merton and Croydon to pursue joint procurement opportunities. The driver for the partnership is economic rather than geographical convenience as is the case with the SJWDA. Interestingly there is more flexibility in membership terms. Other waste authorities can opt into the partnership arrangement, whereas it would require Secretary of State approval to opt-in to an existing SJWDA. It might therefore be helpful if authorities in London could clearly see the difference between setting up a new Joint Waste Authority, the more informal partnership arrangements bound by inter-authority agreements and simply enhancing the current partnership of a SWJDA and its constituent boroughs.

Conclusions

- 5.20 Complex waste governance arrangements were bequeathed to the city following the break-up of the GLC. They are the result of happenstance rather than rational consideration. Concern remains as to whether they are best suited to deliver the national priorities of reducing landfill and boosting recycling. Only two out of the four SJWDAs believe that the 50 per cent recycling target is achievable.⁶⁶
- 5.21 Introducing more flexibility into the SJWDA regime could help provide the impetus needed to help meet national landfill and recycling targets. Additional flexibilities could include, for example, easing the need for Secretary of State approval to changes to the SJWDAs' constitution, allowing deputy members to cover availability of the main representatives, allowing 2/3 decision-making powers,

⁶⁶ West London Waste Authority and North London Waste Authority. See Appendix 6.

increased powers to take on a full waste service and mandatory action to make changes to the levy to more accurately incentivise recycling.

Recommendation 3

We recommend that Government now build on the preliminary findings and comments in the Committee's report and set up a more systematic review to look at whether there is both a need and scope for additional flexibilities to be introduced into the statutory Joint Waste Disposal Authority regime.

Recommendation 4

The Government should also examine the future role and composition of the statutory Joint Waste Disposal Authorities. It should consider the merits of amending the 1985 Local Government Act to give boroughs the ability to opt-in or opt-out of joint arrangements, subject to contracts, and to form economic-driven rather than geographical-based partnerships.

Appendix 1 Recommendations

Recommendation 1

We recommend that boroughs publish annual data that put a value on the volume of recycling material collected and disposed off. This will help provide tangible evidence of the wider benefits to be gained from recycling and of its value to the community.

Recommendation 2

We recommend that the Mayor promote the value of community-focused reward schemes through the Recycle for London campaign.

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Appendix 2 The legal and financial framework

1. The EU Landfill Directive (1999/31/EC)

The Landfill Directive came into force in the European Union on 16 July 1999.⁶⁷ The Directive focuses on the development of common standards for the design, operation and aftercare of landfill sites. It aims to harmonise controls on waste sent to landfill throughout the European Union, and also aims to reduce greenhouse gas emissions from landfill sites. The Directive sets three targets up to 2020 to reduce the amount of biodegradable municipal waste (BMW) sent to landfill:

- 75 per cent 1995 levels by 2010
- 50 per cent of 1995 levels by 2013
- 35 per cent of 1995 levels by 2020

2. The Waste Strategy for England 2007

The Waste Strategy for England (published May 2007) sets out the government's vision for sustainable waste management.

The Strategy sets out five key objectives geared towards achieving the landfill diversion targets, to:

- i. Decouple waste growth (in all sectors) from economic growth and put more emphasis on waste prevention and reuse
- ii. Meet and exceed the Landfill Directive diversion targets for BMW in 2010, 2013 and 2020
- iii. Increase diversion from landfill of non-municipal waste and secure better integration of treatment for municipal and non-municipal waste
- iv. Secure the investment in infrastructure needed to divert waste from landfill and for the management of hazardous waste
- v. Get the most environmental benefit from that investment, through increased recycling of resources and recovery of energy from residual waste using a mix of technologies.

The Strategy also sets targets to:

- Reduce the amount of household waste not reused, recycled or composted in 2000 by 29 per cent in 2010 with an aspiration for a 45 per cent reduction by 2020. This is equivalent to a fall of 50 per cent per person (from 450kg per person in 2000 to 225kg in 2020).
- Recycle and compost household waste – at least 45 per cent by 2015, and 50 per cent by 2020.
- Recover municipal waste – 53 per cent by 2010, 67 per cent by 2015 and 75 per cent by 2020.

⁶⁷ For more information see http://ec.europa.eu/environment/waste/landfill_index.htm

3. Landfill Allowances Trading Scheme (LATS)

The Government introduced the Landfill Allowance Trading Scheme (LATS) in April 2005 as a tool to help authorities meet the landfill diversion targets set in the EU Directive.⁶⁸ In June 2011 the Government announced that the scheme would end in 2013.⁶⁹

Under the scheme allowances are allocated to each authority for the period 2005/06 – 2012/13. One allowance represents one tonne of BMW that can be sent to landfill. Authorities are permitted to bank unused allowances from one year to another, borrow allowances from their allocation for the following year, and trade allowances with other authorities. But authorities are not permitted to bank or borrow into or out of target years (2009/10, 2012/13).

If an authority fails to hold sufficient allowances for the BMW they send to landfill they face a financial penalty, currently £150 per tonne.

4. Landfill Tax

Introduced in 1996 as the UK's first environmental tax, landfill tax is a key mechanism to help the UK meet the landfill targets set out in the Landfill Directive.

The amount of tax paid varies according to the type of waste:

- Lower rate of £2.50/tonne is applied to waste that is non-biodegradable, non-hazardous, and has a low polluting potential. This rate remains in place until the end of 2012/13 with news awaited for 2013/14 and beyond.
- Standard rate of £56/tonne applies to all other taxable waste. This is due to rise £8/tonne/year between now and 2014/15 when a floor of £80/tonne will be set.⁷⁰

In 2009/10, 1.9 million tonnes of London's municipal waste went to landfill, costing an estimated £76 million in landfill tax.⁷¹ ⁷² Landfill tax in 2014/15 will be double the rate in 2009/10 meaning that it will cost twice as much to send the same amount of London's waste to landfill.

⁶⁸ For more information see

<http://archive.defra.gov.uk/environment/waste/documents/lats-beginners-guide.pdf>

⁶⁹ The removal of LATS was a headline finding of the year-long Government review of waste policy, published in June 2011. For more information see

<http://www.defra.gov.uk/publications/2011/06/14/pb13540-waste-review/>

⁷⁰ <http://customs.hmrc.gov.uk>

⁷¹ London's Environment Revealed, June 2011,

<http://data.london.gov.uk/documents/SOE-2011-report.pdf>, p44

⁷² Standard rate of landfill tax in 2009/10 was £40/tonne at 1.9 million tonnes equates to £76 million.

5. Gate Fees

A gate fee is a charge levied on a given quantity of waste received at a waste processing facility.

In the case of landfill it is generally levied to offset the cost of opening, maintaining and eventually closing the site. It may also include any landfill tax which is applicable in the region. For waste treatment facilities such as incinerators, mechanical biological treatment facilities or composting plants the fee offsets the operation, maintenance, labour and capital costs of the facility along with any profits and final disposal costs of any unusable residues.

Appendix 3 Recycling and composting performance in London

Appendix 3a National and regional targets

The Waste Strategy for England 2007

Recycle and compost household waste – at least 45 per cent by 2015 and 50 per cent by 2020

The Mayor's draft Municipal Waste Management Strategy

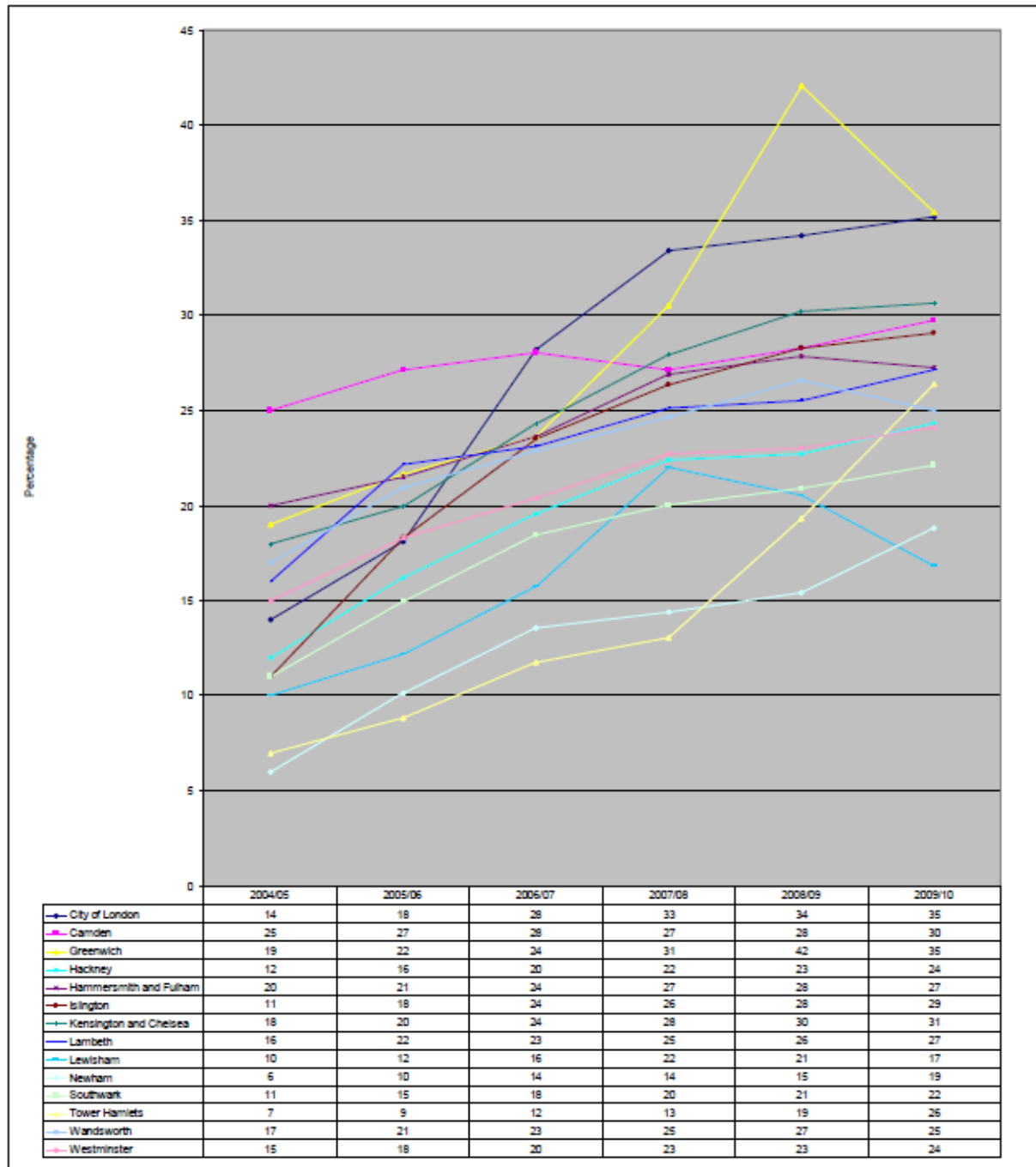
To recycle or compost at least 45 per cent of household waste by 2015, 50 per cent by 2020 and 60 per cent by 2031

Appendix 3b Annual recycling and landfill rates by borough 2009/10

Authority	Authority type	Recycling or Composting	Landfill
Bexley LB	Unitary	50.70	47.34
Royal Borough of Kingston upon Thames	Unitary	46.16	44.74
Harrow LB	Collection	46.09	N/A
Richmond upon Thames LB	Collection	43.01	N/A
Hillingdon LB	Collection	40.90	N/A
Bromley LB	Unitary	40.20	38.07
West London Waste Authority	Disposal	38.10	62.42
Ealing LB	Collection	37.55	N/A
Sutton LB	Unitary	37.51	60.04
Greenwich LB	Unitary	35.42	10.07
City of London	Unitary	35.19	77.35
Havering LB	Collection	34.35	N/A
Merton LB	Unitary	33.62	63.87
Hounslow LB	Collection	33.19	N/A
Barnet LB	Collection	33.07	N/A
Barking and Dagenham LB	Collection	32.75	N/A
Croydon LB	Unitary	32.24	65.78
Redbridge LB	Collection	31.58	N/A
Enfield LB	Collection	31.07	N/A
Royal Borough of Kensington and Chelsea	Collection	30.65	N/A
Camden LB	Collection	29.75	N/A
Islington LB	Collection	29.06	N/A
North London Waste Authority	Disposal	28.85	40.59
East London Waste Authority	Disposal	28.82	44.34
Brent LB	Collection	28.69	N/A
Waltham Forest LB	Collection	27.92	N/A
Hammersmith and Fulham LB	Collection	27.24	N/A
Lambeth LB	Collection	27.15	N/A
Western Riverside Waste Authority	Disposal	26.76	77.75
Tower Hamlets LB	Unitary	26.39	62.78
Haringey LB	Collection	25.12	N/A
Wandsworth LB	Collection	24.99	N/A
Hackney LB	Collection	24.32	N/A
Westminster City Council	Unitary	24.08	16.55
Southwark LB	Unitary	22.13	45.70
Newham LB	Collection	18.80	N/A
Lewisham LB	Unitary	16.85	10.87

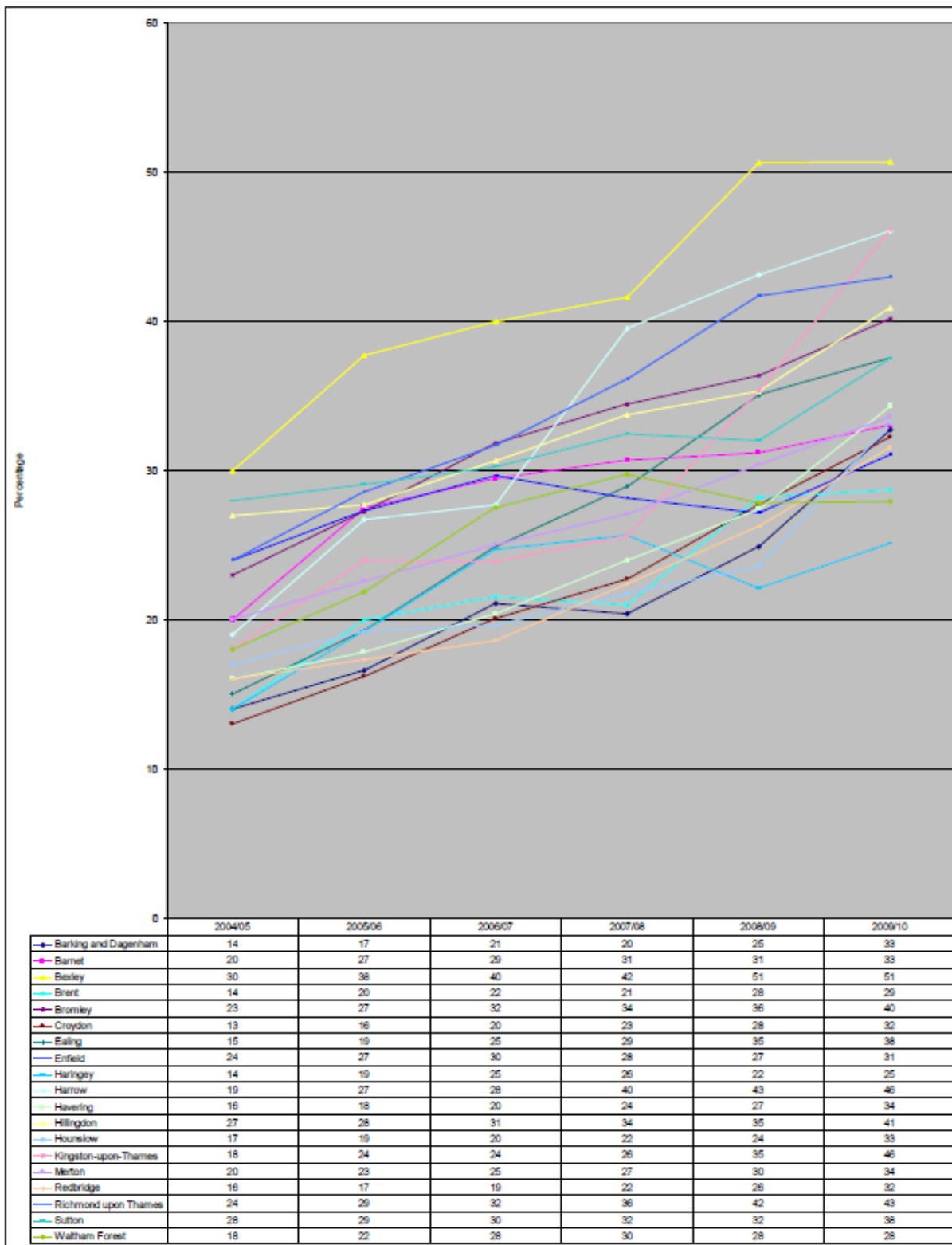
Source: Department for Environment, Food and Rural Affairs

Appendix 3c Household recycling rates 2004 – 2010 (inner London)



Source: Capital Waste Facts

Appendix 3d Household recycling rates 2004 – 2010 (outer London)



Source: Capital Waste Facts

Appendix 4 List of stakeholders contributing to the inquiry

1. **London Waste and Recycling Board**

2. **London Councils**

3. **London boroughs**

London Borough of Bexley

London Borough of Harrow

London Borough of Havering

London Borough of Lewisham

London Borough of Newham

London Borough of Tower Hamlets

London Borough of Wandsworth

4. **Joint Waste Disposal Authorities**

Western Riverside Waste Authority

East London Waste Authority

West London Waste Authority

North London Waste Authority

5. **South London Waste Partnership**

6. **Waste Contractors**

Serco Group

Veolia Environment

7. **Industry experts**

Peter Jones, OBE

LRS Consultancy

WRAP

8. **Round table participants**

Greater London Authority

London Borough of Bexley

London Community Resource Network

London Councils

London Sustainability Exchange

LRS Consultancy

Waste Watch

WRAP

Appendix 5 Orders and translations

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Vietnamese

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Greek

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Punjabi

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Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফোন করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

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Arabic

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Gujarati

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