

**Partial Regulatory Impact Assessment
for the
Household Waste Recycling Bill**

Title

1 The Bill is a Private Members Bill and was introduced by Joan Ruddock MP, Labour member of Parliament for Lewisham Deptford. The Municipal Waste Recycling Bill, had its Second Reading unopposed on 14 March 2003 and has now completed Committee stage in the House of Commons. During Committee the Government tabled a number of amendments which the Committee accepted, including a change of title to the Household Waste Recycling Bill.

Objective and Issue

2 The objective of the Bill is to increase the sustainability of waste management in the UK.

- The Bill provides that where English waste collection authorities (WCAs) have a duty to collect waste they shall ensure, except in some circumstances, that by the end of 2010 they collect at least two recyclates separate from the remainder of the waste.
- The circumstance in which they would not have to comply would be where the cost of doing so was unreasonably high or where comparable alternative arrangements are available.
- The Bill may extend to Wales if the National Assembly for Wales decides that it is appropriate.
- The Bill provides that the Secretary of State must report to Parliament on progress towards meeting this requirement, and local authority performance on meeting their recycling and composting standards, by the end of October 2004. This reporting element will not apply to Wales.

3 The Bill seeks to establish that WCAs arrange for a minimum kerbside collection service of recyclable materials in England by the end of 2010. The service, which will be for at least 2 recyclates, could help provide local authorities with relatively 'clean' sources of recyclable waste which could help their efforts towards attaining their statutory recycling targets for 2005 / 06.

4 The only exclusions to this are if the cost of collection would be unreasonably high or if there are comparable alternative arrangements in place.

5 Other initiatives intended to increase local authority recycling are the creation of WRAP, the Waste Resources Action Programme, set up in November 2000. WRAP's aims are to create stable and efficient markets for recycled materials and products and to remove the barriers to waste minimisation, re-use and recycling. Also the Waste Minimisation and Recycling Fund initiative which amounted to £140 million over two years.

6 Pre-sorted household recyclate is the most cost effective type of material for WCA to recycle or compost. Co-mingled collections of more than one type of recyclate in the same receptacle are also cheap sources of recyclate, even though there is a measure of sorting by the waste crew on the pavement and more may be done at a material recycling facility (MRF).

7 Relative costs for different materials vary according to the recyclate. Plastic is expensive to collect because it has a very low weight to volume ratio. Foil and can collections are less costly as the weight to volume ratio is much better and recycled aluminium has a 'good' market value. Textiles are a low volume recyclate.

8 The UK is heavily dependent on landfill which is the least sustainable form of waste management. Nearly 80% of the UK's municipal waste is landfilled and household waste accounts for 90% of municipal waste (the other 10% is waste collected from small businesses such as shops and offices). Sustainable waste management results in a less costly use of resources both economically and environmentally. Recycling and composting of waste is an important part of moving to a more sustainable waste management system. The Bill aims to ensure that the waste management option chosen for the waste diverted from landfill is recycling.

9 The move to a more sustainable waste management system is underpinned by a number of European Directives relating to waste. The Landfill Directive, in particular, requires extensive diversion of final disposal of biodegradable municipal waste (BMW) from landfill through recycling, composting or other means. The diversion requirements are very challenging for the UK. If the UK is unable to reach the targets it faces fines from the EU of up to £500,000 per day or £180m a year for non compliance.

10 Unpublished research by MORI¹ for the Strategy Unit Report *Waste not, Want not* indicates from interviews conducted with local people in Daventry, Northamptonshire that they initially recycled simply because of the availability of the service provided by the local council rather than any 'green' motivation. However the very act of participation in the venture itself led locals to a higher awareness of their impact on the environment.

11 Another report by MORI² indicates that people are more likely to recycle with greater access to kerbside collections of recyclate:

Households saying they 'always' recycle	Kerbside	No Kerbside
Newspapers	60	25
Glass bottles	46	19
Cereal Boxes	18	6
Tin cans	20	4
Cardboard	19	7
Garden rubbish	19	8
Plastic bottles	11	5

¹ Unpublished work commissioned for Strategy Unit 'Public attitudes towards recycling and waste management' MORI, September 2002

² Household waste behaviour in London (RRF/BL/MORI, 2001)

12 The success of kerbside collection in terms of participation and yield is dependant on a number of variables. The frequency of the collection is an important factor. If materials are collected weekly or every two weeks there is greater participation and yield than if there are less frequent collections. If separate bags, boxes or containers are provided for the collection of the recyclates again there is greater participation. The socio-economic group of the households in an area is an additional factor. Higher socio-economic groups consume more and also recycle more than lower groups.

13 In 2001/02, the most recent years for which figures are available, 58% of households in England received some kind of kerbside collection of recyclable materials. 12% received kerbside collection of one material, 11% received kerbside collection of two materials, 11% received kerbside collection of 3* materials and 24 % received kerbside collection of 4 or more materials. (*Co-mingled collections were taken to be of 3 materials).

14 It is widely recognised that it is extremely difficult to accurately cost the kerbside collection of recyclable materials. A report compiled for the Strategy Unit in December 2002 by Dr Julia Hummel³ listed a number of factors which contribute to the difficulties including the quantities of waste arisings, developments in technology and contracting practices.

Risk Assessment

15 This Bill concerns the collection of at least two types of recyclate separated from the rest of the household waste. This recyclate collected can be used, by the local authority, in attaining it's statutory recycling targets.

Options

Option 1 – Business as usual

16 Carry on working in England to attain the current statutory targets set out following Waste Strategy 2000 of 25% recycling and composting by 2005/06. Recycling and composting targets were issued to each local authority and monitoring checks have been made across the period of the target years. If a local authority fails to meet the targets the Secretary of State has powers under Best Value to intervene.

17 The Household Waste Recycling Bill seeks to ensure that all local authorities offer kerbside collection of at least two recyclable materials by the end of 2010 except in exceptional circumstances. The exceptions within the Bill are if the cost of doing so would be unreasonably high or if there were comparable alternative arrangements available. 58% of households currently receive some kind of kerbside collection of waste and the Bill aims to extend this to all households with at least two types of recyclate being collected.

Option 2 – Collection of at least 2 recyclable materials

18 In 2001 / 02 47% of households received a doorstep collection of 2 or more materials of recyclable waste. The Bill seeks to ensure that all households by the end of the decade,

³ Collection Cost Projections, Dr Julia Hummel, December 2002.

The report is available at <http://www.number-10.gov.uk/su/waste/downloads/collection.pdf>

except in exceptional circumstances will receive a kerbside collection of recyclable materials. The exceptions within the Bill are if the cost of doing so would be unreasonably high or if there were comparable alternative arrangements available.

19 In the same year the figures seem to show that the yield from kerbside collections increases the more materials are collected.

Number of materials collected	Yield (%) *
1	6.7
2	10.1
3	10.8
4 or more	11.7

* *The yields shown do not include any civic amenity site recycling which accounts for about one third of all recycling and so are lower in percentage terms than the normal national rate quoted.*

20 The pre-sorting of domestic waste by householders is the key to keeping costs down for the waste collection authorities, however it is clear that one type of storage and collection arrangement is not going to be suitable for all householders. Different types of housing requires differing types of facilities and alternative facilities will be required to enable disabled and elderly people to participate.

21 For example, people living in high rise flats and smaller accommodation will find it difficult to have room to store the recyclate, especially if the collection is perhaps only made every other week. Figures for collections in 2001 / 02 show that 17% received a collection of recyclable materials on a weekly basis, 38% received the collection on a two weekly basis, 0% received the collection on a 3 weekly basis and 3% received it on a 4 weekly basis.

22 A bring centre near by, where goods can be deposited frequently, may be of greater use to some people. However elderly or disabled people who are unable to carry their recyclate, and cannot rely on others for help, might require a doorstep collection of recyclable materials wherever they are housed.

23 Local authorities will have to provide a combination of facilities suitable to their own types of housing and population profile. Local consultation will be vital to ensure that the correct method of collection is delivered.

Option 3 – Collection of at least 4 recyclable materials

24 This option goes further than the Bill and would double the number of recyclates that are collected by the WCA. This option increases the risk of unbalancing the recyclate industry, as indicated in paras 13 to 17.

25 Evidence collected for the Strategy Unit (SU) report⁴, *Waste Not, Want Not*, concerning attitudes to recycling showed that when people become interested in recycling they want to know what other materials can be recycled and question why others are not

⁴ Ibid.

collected. The Bill requires that at least two materials are collected separately for recycling however the evidence is that there could soon be demands on local authorities to collect greater numbers of types of recyclate as the culture of recycling spreads.

26 The requirement for a collection of four types of recyclate could be restrictive for local authorities when dealing with wider local waste options. Consideration of all local circumstances including housing types mean that local services need to be tailored to community requirements. Increased services can be put in place if there was local demand.

27 Research by MORI⁵ showed that of people questioned who were ‘people who either currently don’t recycle but would be willing to, or those who already recycle but do not do so regularly’ 72% of the sample said that they would recycle more if they had better facilities.

28 The materials collected by each WCA tend to include one or more of a core set of recyclates, for example paper, glass, green waste, aluminium cans, other metals, textiles and / or plastics. However there are a number of risks associated with increased collection of these and other recyclates.

29 Firstly there could be an enthusiastic take up of the increased service, so much so as to over run the processing infrastructure in place to deal with the materials collected. This could result in tonnes of extra textiles, glass, paper etc having been sorted and collected that cannot be dealt with initially. In order to deal with the situation in the short term separated resources may end up being landfilled or incinerated.

30 Secondly, once the processing plants for the expected materials are in place there could be a low take up by householders providing the recyclate. This would result in the huge investment made for dealing with the materials lying idle as the recyclate fails to arrive initially, due to poor take up. In order to combat this there would need to be public education campaigns to ensure that participation rates are high.

31 Thirdly there is a risk that with a good take up and sufficient infrastructure there are no markets for these secondary resource goods. There is a risk that opinions in industry and in the general population has not sufficiently shifted to accepting that recycled goods are of equal quality as newly resourced ones and that insufficient development and progress has been done on finding new uses and markets for these goods.

32 Attaining all three is a fairly fine balancing act. It is clear that WRAP will play an important role in ensuring that the risk of distortions are kept to a minimum.

33 Issues of how the waste is to be collected, discussed in paras 20 – 23 above are relevant here too.

Businesses Affected

34 Businesses are not affected by the Bill in as much as their waste will be dealt with. Obligations on the WCAs affect only the household collections.

⁵ Recycling and packaging from the domestic waste stream, MORI, 1999

35 However there will be an expected rise in the amount of recyclate available for reuse, composting and recycling creating business opportunities in the waste and recycling industries. Assuming that the rise will match the figures shown elsewhere in this paper there will be an increase in the need for recycling infrastructure required. This will include all types of equipment from waste collectors and compartmentalised trucks to collect the waste, safe facilities to conduct composting and other types of recovery in and markets for the recycled goods produced from secondary resource material.

Benefits

Option 1 – Business as Usual

36 It is likely that separate collection will occur under this option but possibly to fewer households. The statutory targets are already in place and are being worked to.

37 Between 2000 / 01 and 2001 / 02 there was a 7% increase coverage for kerbside side collection of recyclable materials from 51% to 58% of households. This Bill will see to increase that to 100% in 7 years and to a uniform standard of every householder having 2 recyclates collected separately from the rest of the waste.

Option 2 - Collection of at least 2 recyclable materials

38 Moving towards a sustainable waste strategy is a positive step in line with the waste hierarchy as defined in the Waste Strategy 2000 white paper. Increasing reuse and recycling means that fewer goods are produced using new raw materials, so sparing finite economic and world resources. It is true that increasing reuse and recycling may not in itself encourage waste minimisation however increasing resource productivity would prompt further debate and education about waste issues which have been absent from the main stream agenda hitherto.

39 Increasing the number of households receiving a kerbside collection of recyclable materials, while it will hopefully encourage greater participation in the recycling culture, may not increase the likelihood of the UK achieving the first landfill target. This is because the Landfill Directive only covers the landfilling of BMW not other materials like glass, metals or plastics.

Option 3 - Collection of at least 4 recyclable materials

40 It is clear that there may be demand for an increase in the types of recyclate collected in this way, as people become more accustomed to the recycling culture.

41 This option runs the risk of over supply in some areas as markets do not keep pace. This would also reduce the flexibility of WCAs in determining their collection system to meet specific circumstances.

Compliance costs for Business

42 There are no compliance costs for business in the Bill, the Bill relates solely to household waste.

Competition Assessment

43 It is clear that the Bill represents a considerable business opportunity for companies involved in waste and those involved in using recycled materials.

44 There are likely to be large amounts of different types of recyclate available once the Bill is in place - from compost to textiles and metals to glass. The existing recycling industry will benefit from the increased amount of material available and will be in a better position to challenge the primary raw material industry in the amount and quality of goods that it can produce and develop. The new situation would be likely to enhance the UK recyclates export industry.

45 Some of the primary material which is used in producing goods is imported from overseas may soon be able to be obtained from the increasing source of reliable recyclate from the UK.

Where costs fall

46 The compliance costs associated with the Bill are going to fall to Local Authorities and central government rather than businesses.

Summary Table

Option 1

Benefits	Disadvantages
Existing statutory targets met but not exceeded – and if not attained intervention recourse.	Differences across England about a householders access of kerbside collection of recycleable materials
Clear indication to local authorities about intended direction of recycling rates	

Option 2

Benefits	Disadvantages
Uniform implementation of a kerbside collection policy and hopefully greater amounts of waste being recycled.	Potential for imbalance in the system with such short implementation timescale
Greater market for opportunities for second use goods and products	

Option 3

Benefits	Disadvantages
Higher employment and greater social capital gained	Inhibits the freedoms and flexibilities of local government from working locally.
	Ever more urgent need to find markets to use all the recyclate in.

Equity and Fairness

47 Recycling and re-using a proportion of the municipal waste stream will represent a commercial opportunity for business. The expansion of markets using recycled material will encourage the take up and innovation for new products prolonging the life of materials rather than sending them to final disposal.

Impact on small business

48 There are no compliance costs for business in the Bill. The Bill relates solely to household waste.

Enforcement, Sanctions, Monitoring and Review

49 Enforcement of the scheme will be carried out by the powers given to the Secretary of State and the National Assembly for Wales if the Bill is implemented in Wales.

50 The onus will be on DEFRA to carry out reviews of the legislation.