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From Joan Ruddock MP

Parliamentary Under Secretary – Climate Change, Biodiversity and Waste

Piloting Waste Incentive Schemes

As you may be aware, the Government has included powers in the Climate Change Bill to enable up to five English local authorities to pilot waste incentive schemes. These schemes would give a financial reward to those householders making the effort to reduce and recycle their waste, while householders producing the most residual waste could be asked to pay more.

I am writing, firstly, to invite you to come forward to pilot a waste incentive scheme in your area. I would also like to inform you that the Government will publish shortly draft guidance for informal comment on various aspects of running a waste incentive scheme. The draft guidance will be available on Defra's website at: www.defra.gov.uk/environment/waste/strategy/incentives/guidance/. We hope that the draft guidance will be helpful to local authorities in giving them a clearer picture of what is possible under the legislation.

I encourage you to feed back your comments on the guidance to waste.incentives@defra.gsi.gov.uk even if you do not plan to come forward to run a pilot. The deadline for comments is 25 July, except for the guidance on a good recycling service, where we are asking for comments by 11 July. (This is to allow time to consult formally on this piece of guidance before piloting powers come into force.)

Research carried out for Defra suggests that some schemes could increase recycling and composting to around 55%, reduce residual waste by up to 39% and save local authorities up to £18 per household per year. More information on how the schemes could work is contained in the fact sheet annexed to this letter.

We would strongly encourage local authorities to design their own schemes within the new powers, based on what will fit best with existing systems and the needs and circumstances of the local population. There is wide scope for flexibility; local authorities can choose for example how, and for how long, their scheme would operate, the level of incentive to be set, whether or not charges or rebates would be shown on council tax bills, and which areas and households within the authority would be covered by the scheme.

The Government has up to £4.5m to support the pilots over the next three years. We will be looking to provide funding support for cost-effective pilots which are set to deliver real environmental benefits and provide us with high quality, robust data on the impacts of waste incentives in England.

Having gathered evidence from the pilots and reported back to Parliament and the public, the legislation allows us to roll out the powers to all local authorities in England in the future. This would enable them to introduce similar schemes if they wished to do so – it would remain a voluntary option (authorities wishing to pilot a scheme will not be committed to rolling out the scheme in the future.)

Further details of what information local authorities wishing to run pilots will need to provide can be found in draft guidance on application and designation of pilots which will be available shortly on Defra's website:

www.defra.gov.uk/environment/waste/strategy/incentives/guidance/. This draft guidance also sets out how local authorities' proposals will be assessed and how the final package of pilots will be selected.

Local authorities wishing to apply to run pilots should have regard to all of the guidance, once finalised. Local authorities should send their worked-up proposals to waste.incentives@defra.gsi.gov.uk. (these need not be the final proposals, but local authorities should have regard to the guidance on application and designation). The deadline for final proposals will be 8 weeks after the Climate Change Bill, which provides the new powers to run waste incentive pilots, receives Royal Assent. Royal Assent may be in the Autumn subject to Parliamentary timings.

In the meantime, if you have any questions about the Government's proposals for waste incentive pilot schemes, or would like further information please do not hesitate to contact officials in my Department (e-mail: waste.incentives@defra.gsi.gov.uk or tel: 020 7238 4371).

In particular, my officials are keen to discuss what administrative links, if any, authorities wish to make between waste incentives and council tax, in order that we can put in place the necessary regulations. Comments are sought on this specifically in the finance guidance.

To ensure transparency, local authorities should be aware that we intend to make publicly available the names of authorities who now come forward with explicit expressions of interest in piloting in response to this letter. General queries, or other enquiries about incentives or the details of the draft guidance, will not be treated as expressions of interest.

Should you want further advice on how a scheme might work in practice in your authority, you may like to contact the Waste and Resources Action Programme (WRAP). They are able to assist authorities in understanding the choices available and the operational issues involved. (e-mail: LGS@wrap.org.uk or tel: 01295 819638).

With best wishes

JOAN RUDDOCK